

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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ABN 94 000 852 200

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FOR THE YEAR ENDED 31 JULY 2018

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DIRECTORS REPORT
FOR THE YEAR ENDED 31 JULY 2018

Your directors present their report on the company for the financial year ended 31 July 2018.

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 commence a program to install a fully automated course watering system.
- 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 undertake feasibility study for motel development
- 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 and 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.
- the review of the company compliance with work health and safety and compliance with employment law including the Fair Work Act.
- the preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable industry.

Performance Measurement

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

- Profit, after income tax expense, for the financial year was \$139,225.
- Cash flow from operating activities for the financial year was \$305,551.
- Membership for the financial year was 1,770.
- The company has complied with all Work, Health and Safety, Employment and Environmental requirements.

DIRECTORS REPORT
FOR THE YEAR ENDED 31 JULY 2018

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
B Willett	President	Appointed 21 February 2017
A King	Vice President	Appointed 30 November 2015
D Chomley	Treasurer	Appointed 30 October 2008
M McLaren	Director	Appointed 30 January 2017
G Taunton	Director	Appointed 26 February 2010
S Brooker	Director	Appointed 30 November 2010
K Wharton	Director	Appointed 14 December 2012
D Newnham	Director	Appointed 17 March 2011 Resigned 25 September 2017
P Burey	Director	Appointed 24 November 2014
P Nolan	Director	Appointed 25 September 2017

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.

DIRECTORS REPORT
FOR THE YEAR ENDED 31 JULY 2018

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
B Willett	12	11
A King	12	9
D Chomley	12	10
M McLaren	12	11
G Taunton	12	9
S Brooker	12	12
K Wharton	12	12
D Newnham	1	1
P Burey	12	10
P Nolan	10	7

Membership Details

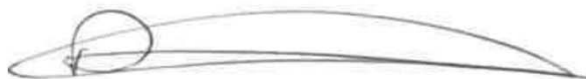
The Moree Golf Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Golfing members	373	\$ 50	\$ 18,650
Female social members	701	\$ 50	\$ 35,050
Male social members	696	\$ 50	\$ 34,800
Total	1,770	\$ 50	\$ 88,500

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 by:



Director

Dated: 22/10/18



Director

22/10/2018

**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 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.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
149 Otho St
INVERELL NSW 2360

Dated: 22 October 2018

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
Sales revenue	2	1,017,250	898,223
Cost of goods sold	3	<u>(449,902)</u>	<u>(402,764)</u>
Gross profit		<u>567,348</u>	<u>495,459</u>
Other revenue	2	1,436,565	1,332,653
Administration expense		(137,994)	(130,105)
Advertising and promotional expenses		(165,350)	(144,792)
Depreciation and amortisation expenses	3	(211,530)	(200,114)
Employee benefits expense		(727,984)	(719,195)
Finance costs	3	(9,679)	(11,389)
Occupancy expenses		(521,608)	(432,631)
Other expenses		<u>(90,542)</u>	<u>(85,759)</u>
Surplus/(Deficit) before income tax expense attributable to members		139,225	104,127
Income tax expense	1(b)	<u>-</u>	<u>-</u>
Surplus/(Deficit) after income tax expense		<u>139,225</u>	<u>104,127</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to members		<u>139,225</u>	<u>104,127</u>

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	115,446	66,182
Trade and other receivables	5	28,352	19,177
Inventories	6	37,347	29,432
Other current assets	7	52,250	40,700
TOTAL CURRENT ASSETS		233,395	155,491
NON CURRENT ASSETS			
Property, plant and equipment	8	3,786,514	3,478,972
Investment property	9	158,990	161,518
Intangible assets	10	427,500	427,500
TOTAL NON CURRENT ASSETS		4,373,004	4,067,990
TOTAL ASSETS		4,606,399	4,223,481
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	186,275	149,325
Borrowings	12	153,903	65,009
Employee benefits	13	81,562	72,306
Other liabilities	14	100,149	123,585
TOTAL CURRENT LIABILITIES		521,888	410,226
NON CURRENT LIABILITIES			
Borrowings	12	232,161	86,130
Other liabilities	14	56,000	70,000
TOTAL NON CURRENT LIABILITIES		288,161	156,130
TOTAL LIABILITIES		810,049	566,356
NET ASSETS		3,796,350	3,657,125
EQUITY			
Retained surpluses		3,796,350	3,657,125
TOTAL EQUITY		3,796,350	3,657,125

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 2018

	Retained Surpluses \$	Total \$
Balance at 1 August 2016	3,552,997	3,552,997
Deficit after income tax expense	<u>104,128</u>	<u>104,128</u>
Balance at 31 July 2017	<u>3,657,125</u>	<u>3,657,125</u>
Surplus after income tax expense	<u>139,225</u>	<u>139,225</u>
Balance at 31 July 2018	<u>3,796,350</u>	<u>3,796,350</u>

MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,648,245	2,473,261
Payments to suppliers and employees		(2,333,016)	(2,224,230)
Interest paid		(9,679)	(11,389)
Net cash provided by operating activities		305,550	237,642
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		29,983	13,640
Purchase of property, plant and equipment		(521,193)	(138,563)
Net cash used in investing activities		(491,210)	(124,923)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds from borrowings/(repayment of borrowings)		234,924	(111,454)
Net cash used in financing activities		234,924	(111,454)
Net increase in cash held		49,264	1,265
Cash at the beginning of the financial year		66,182	64,917
Cash at the end of the financial year	4(a)	115,446	66,182

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 22 October 2018.

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 with 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 profit after income tax of \$139,225 and positive net operating cash flows of \$305,551 for the year ended 31 July 2018 and as at that date, current liabilities exceed current assets by \$288,493.

In considering the current liability and asset deficiency it is noted that the company has ready access to preapproved finance facilities of \$50,000 and that a contingent asset of \$40,000 is available (refer note 15). An amount of \$123,585 of other liabilities exists which is being amortised over a number of years and therefore does not represent a liability requiring physical payment. Furthermore, the Club has a number of non core assets that could be liquidated if required, but not considered necessary at this time.

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 2018

	Note	2018 \$	2017 \$
Note 2: Revenue			
Sales revenue:			
Sale of goods		<u>1,017,250</u>	<u>898,223</u>
		<u>1,017,250</u>	<u>898,223</u>
Other revenue:			
Gaming income		739,510	723,325
Golf course income		353,895	337,016
Green fees		56,073	55,084
Interest received from other persons		32	3
Membership subscriptions		14,291	23,193
Profit on disposal of property, plant and equipment		25,335	(6,541)
Rental revenue		14,450	15,900
Sponsorship and donations		54,489	25,065
Water sales		29,842	44,350
Other Income		148,648	115,258
		<u>1,436,565</u>	<u>1,332,653</u>
Total revenue		<u>2,453,815</u>	<u>2,230,876</u>

Note 3: Surplus Before Income Tax Expense

(a) Significant expenses:

Advertising and promotional	164,263	144,792
Austar costs	14,948	12,900
Cost of sales	449,902	402,764
Depreciation expense	211,530	200,114
Directors expenses	405	300
Finance costs - external	9,679	11,389
Fuel & Oil	15,101	12,226
Insurance	59,324	69,869
Other expenses	11,023	8,499
Printing, postage and stationery	17,859	13,022
Professional costs	54,371	53,478
Provision for employee entitlements	9,256	6,507
Repairs and maintenance	272,255	174,350
Salary and wages	649,451	634,374
Sky/Tvn costs	18,273	20,298
Superannuation	59,479	66,793
Till variance	(796)	(986)
Utility expenses	95,467	76,063
Water effluent	15,688	26,388

(b) Auditors remuneration:

- audit or review of the financial statements:		
- audit	17,000	17,000
- other services	2,800	4,550

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
Note 4: Cash and Cash Equivalents			
Cash on hand		53,340	43,460
Cash at bank		62,106	22,722
		115,446	66,182
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		115,446	83,087
Bank overdraft	12	-	(16,905)
		115,446	66,182
Note 5: Trade and Other Receivables			
CURRENT			
Trade receivables		28,352	19,177
		28,352	19,177
Note 6: Inventories			
CURRENT			
Stock on Hand, at cost:			
Bar		37,347	29,432
		37,347	29,432
Note 7: Other Assets			
CURRENT			
Prepayments		52,250	40,700
		52,250	40,700

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

Note	2018 \$	2017 \$
Note 8: Property, Plant & Equipment		
Land, Buildings and Improvements (at cost)		
Freehold land	<u>240,000</u>	240,000
Buildings	<u>3,149,122</u>	2,906,912
Less: Accumulated depreciation	<u>(732,101)</u>	(663,174)
	<u>2,417,021</u>	2,243,738
Land, buildings and improvements	<u>599,578</u>	599,578
Less: Accumulated depreciation	<u>(121,785)</u>	(121,251)
	<u>477,793</u>	478,327
Total Land and Buildings	<u>3,134,814</u>	2,962,065
Plant and Equipment (at cost)		
Plant and equipment	<u>2,343,349</u>	2,141,638
Less: Accumulated depreciation	<u>(1,691,648)</u>	(1,624,731)
Total Plant and Equipment	<u>651,700</u>	516,907
Total Property, Plant and Equipment	<u>3,786,514</u>	3,478,972

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	2,962,065	516,907	3,478,972
Additions	242,211	278,982	521,193
Disposals	-	(4,649)	(4,649)
Transfers	-	-	-
Depreciation expense	<u>(69,462)</u>	<u>(139,540)</u>	<u>(209,002)</u>
Carrying amount at the end of the year	<u>3,134,814</u>	<u>651,700</u>	<u>3,786,514</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>(32,124)</u>	(29,596)
Total Land and Buildings	<u>158,990</u>	161,518

(a) Movements in carrying amounts

Balance at the beginning of the year	<u>161,518</u>	164,174
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(2,528)</u>	(2,656)
Carrying amount at the end of the year	<u>158,990</u>	161,518

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
Note 10: Intangible Assets			
Water licence		<u>427,500</u>	<u>427,500</u>
		<u>427,500</u>	<u>427,500</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	74,041	74,039
GST payable	11,187	11,187
Members draws	9,200	9,200
Poker machine jackpots	31,185	24,353
Sundry payables and accrued expenses	<u>60,662</u>	<u>30,546</u>
Total Trade and Other Payables	<u>186,275</u>	<u>149,325</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
Note 12: Borrowings			
CURRENT			
Secured liabilities:			
Bank loan		50,712	-
Hire purchase liability		103,191	65,009
		<u>153,903</u>	<u>65,009</u>
NON-CURRENT			
Secured liabilities:			
Bank loan		169,490	30
Hire purchase liability		62,671	86,100
		<u>232,161</u>	<u>86,130</u>
Total Borrowings		<u>386,064</u>	<u>151,140</u>
(a) Total current and non-current secured liabilities:			
Bank loan		220,202	30
Lease liability		165,862	151,110
		<u>386,064</u>	<u>151,140</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 2017 - 31 July 2018 per the loan contract.			
(c) The unused portion of approved finance facilities are:			
Bank loan		-	38,738
Bank overdraft		50,000	33,095
Credit card		16,000	16,000
		<u>\$ 66,000</u>	<u>\$ 87,833</u>

Note 13: Employee Benefits

CURRENT

Provision for employee benefits		81,562	72,306
		<u>81,562</u>	<u>72,306</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
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		52,889	66,021
Sponsorship in advance		27,680	33,170
Lease income in advance		19,580	24,394
		100,149	123,585
NON-CURRENT			
Lease income in advance		56,000	70,000
		56,000	70,000

Note 15: Capital Commitments, Contingent Assets and Contingent Liabilities

(a) Finance Lease Commitments

Payable - minimum lease payments:

- not later than 12 months		103,191	65,009
- between 12 months and five years		62,671	86,100
Minimum lease payments	12	\$ 165,862	\$ 151,110

(b) Capital Expenditure Commitments

As at 31 July 2018 the company had not entered into any capital commitments.

(c) Contingent Asset

Following previously identified cash handling anomalies, quantified during the 2014 audit process, specifically in relation to cash handling and ATM reconciliation procedures the Club's insurer Calliden have now acknowledged claim liability and their intention to pay under the Club's policy for fraud and misappropriation. At this time the Board expects an amount of \$40,000 to be paid in the 2018-19 financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 \$	2017 \$
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Note 16: 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		<u>105,139</u>	<u>93,439</u>
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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:

Tauroma Farming of which Director G Taunton is associated with		<u>29,842</u>	<u>44,350</u>
P Burey trading as PA Burey		<u>2,987</u>	<u>-</u>
D Chomley works for Westpac Bank which provided the club with banking facilities.			

Note 17: 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

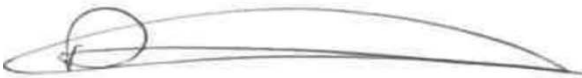
MOREE GOLF CLUB LIMITED
ABN 94 000 852 200

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 JULY 2018

The directors of the company declare that:

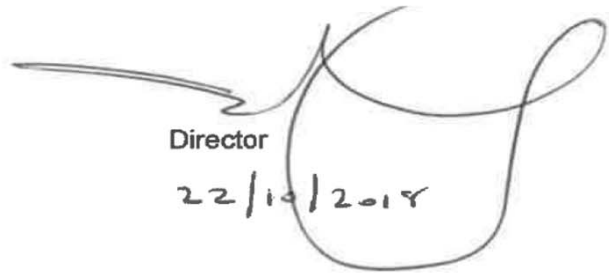
1. the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes give a true and fair view of the company's financial position as at 31 July 2018 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

Dated: 22/10/18



Director

22/10/2018

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

ABN 94 000 852 200

Opinion

We have audited the financial report of Moree Golf Club Limited (the Company), which comprises the statement of financial position as at 31 July 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 31 July 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Opinion

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 31 July 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

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

ABN 94 000 852 200

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

ABN 94 000 852 200

- 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 the audit.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
149 Otho St
INVERELL NSW 2360

Dated: 29 October 2018