

**THE MUDGEES GOLF CLUB LTD**

**ABN: 28 001 001 305**

*(A Company Limited by Guarantee)*

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE, 2018**

**HARLEY, RUSSELL & DAY  
Chartered Accountants**

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ROCKDALE NSW 2216**

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**FINANCIAL STATEMENTS - 30<sup>TH</sup> JUNE 2018**

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# THE MUDGEE GOLF CLUB LTD

ABN: 28 001 001 305

(A Company Limited by Guarantee)

## DIRECTORS' REPORT

Your Directors present their report on the Financial Statements of the Company for the year ended 30th June, 2018.

### NAME OF DIRECTORS

The Directors of the Company in office at any time during the year and up to the date of this report are:-

SHEEDY, Karin	ANDERSON, James	BEH, Babs	BENNIE, Mark
DUNSTONE, Andrew	TOOLE, Greg	DRUITT, Peter	CAMPBELL, Robert
BANNERMAN, Ryan	KURTZ, Graeme	COX, Chris	HOWLAND, Neil
TIGGEMANN, Wayne	McDONALD, Peter	PAINE, Brad	SECOMBE, Peter

### COMPANY SECRETARY

David Fenner was appointed General Manager by the Board and started service on August 20<sup>th</sup> 2018. He has a background of over 25 years in Club Management with extensive Golf Club experience.

### MEMBERS

The number of Members of the Company registered in the Register of Members at the date of this report is:

	<u>2018</u>	<u>2017</u>
Life Members	7	6
Gold Members	34	25
Full Playing Members	335	310
Cadet	36	28
Limited Playing Members	76	82
Junior Playing Members	28	21
Country Playing Members	3	4
Special Members	3	3
Social Playing Members	38	15
Staff Memberships	4	2
Honorary Members	4	4
Social Members	1,360	1,182
<b>Total</b>	<b><u>1,928</u></b>	<b><u>1,682</u></b>

### OPERATING RESULTS

The Net (loss) from Trading for the year (after no Provision for Income Tax) amounted to \$308,653 (2017: Loss \$302,098) after charging Depreciation \$221,562 (2017: \$205,779).

### SIGNIFICANT CHANGES

During the year, there was no significant change in the nature of the principal activities of the Company.

### PRINCIPAL ACTIVITIES

To promote and conduct the game of golf and such other activities including sports, games and amusements, entertainments and recreations both indoor and outdoor as the Club may deem expedient. To fully utilise the licensed clubhouse to assist in raising revenue to fund golfing activities and to enhance/develop our community facilities.

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**DIRECTORS' REPORT**

**DIVIDENDS**

The Company is a Non-Profit Organisation and is prevented by its Articles from paying a Dividend.

**REVIEW OF OPERATIONS**

Movements in significant items of Revenue are as follows:-

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Course Income	331,922	297,838	34,084	11.45
Poker Machine Net Takings	183,548	199,194	(15,646)	(7.85)
Bar Sales	615,181	641,660	(26,479)	(4.13)
Clubhouse & Administration Expenses	634,767	697,103	(62,336)	(8.95)

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

During the year, no significant changes occurred in the state of the financial affairs of the Company.

**DIRECTORS INTERESTS**

The Company does not have a Share Capital nor does it have any related corporations, hence no Director has an interest required to be declared by Section 307 (c).

**ENVIRONMENTAL REGULATION**

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

**EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.



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**DIRECTORS' REPORT**

**INFORMATION ON DIRECTORS**

<u>Name</u>	<u>Position</u>	<u>Meetings Held</u>	<u>Meetings Attended</u>	<u>Qualification</u>	<u>Retired (R) or Appointed (A)</u>
SHEEDY, Karin	President	5	4	Bachelor of Arts, Graduate Diploma in Education, Justice of Peace	R (27.11.2017)
ANDERSON, James	President	11	10	Civil Engineer	R (24/05/2018)
BEH, Babs	Treasurer	3	2	Bachelor of Commerce, Justice of Peace	R (5.10.2017)
BENNIE, Mark	Captain	5	3	School Teacher	R (27.11.2017)
TOOLE, Greg	Director	12	11	Building Contractor	
DRUITT, Peter	Director	12	12	Company Director	
CAMPBELL, Robert	Director	5	5	Bachelor of Arts, Justice of Peace. Retired.	A (31.07.2017) R (27.11.2017)
BANNERMAN, Ryan	Captain	12	7	Coal Miner	
DUNSTONE, Andrew	Director	12	12	Supervisor	
KURTZ, Graeme	Vice President	3	3	Retired	A (27.11.2017) R (20.03.2018)
COX, Chris	Treasurer	4	4	Justice of the Peace. Retired.	A (27.11.2017) R (26.03.2018)
HOWLAND, Neil	Treasurer	1	1	Retired	A (16.05.2018) R (22.06.2018)
TIGGEMANN, Wayne	Vice-Captain	2	2	Self-Employed	A (18.12.2017) R (26.03.2018)
McDONALD, Peter	Director	7	7	Baker	A (27.11.2017)
PAINE, Brad	Director	0	0	Insurance Broker	A (27.11.2017) R (28.11.2017)
SECOMBE, Peter	Director	1	1	Retired	A (07.06.2018)

**FUTURE & LIKELY DEVELOPMENTS**

It is intended to continue the company activities on a similar basis to previous years. Improvements will be carried out consistently with a conservative utilization of available funds and taking into consideration the club's Strategic Plan. The refurbishment of the Pro Shop remains a priority. Economic conditions play a major role in the Company's performance. The club previously investigated potential development opportunities, but is looking to ensure financial stability before looking at major capital investment projects.

**THE MUDGEES GOLF CLUB LTD**

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**DIRECTORS' REPORT**

**OBJECTIVES**

**SHORT TERM**

To provide a social sporting club for members and guests, with the usual facilities of a club, to promote the game of golf to both children and adults, and to provide a meeting place for community groups.

**LONG TERM**

To maintain and upgrade facilities to attract new golf and social members to enjoy the facilities of the Club and to increase our involvement with community groups.

Principal strategies for achieving the objectives include:

- Encouraging the participation of Golf members in Golf NSW events.
- Attracting new golfers and retaining existing golf members by offering the best playing facilities possible.
- Fostering a fraternal feeling amongst golfers to preserve and promote the best traditions in the game of golf.
- Marketing the advantages of membership of the club.
- Striving to provide a high standard of customer service.
- Pursuing new marketing initiatives.
- Provide the members and the local community with a Club House, which offers excellent food and a friendly atmosphere.

**DIRECTORS AND AUDITORS INDEMNIFICATION**

The Company has not, during or since the financial year, in respect to any person who has been an Officer or Auditor of the Company:-

- Indemnified or made any relevant agreement for indemnifying against a liability as an Officer or Auditor, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract ensuring against a liability incurred as an Officer or Auditor for the costs or expenses to defend proceedings

Director's indemnity premiums have been provided for and paid by the Company during the year at a cost of \$1,139.05 for Director's and Officer's Liability Insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$2,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting as Directors or Officers of the Company.

**AUDITOR'S INDEPENDENT DECLARATION**

Auditor's Independent Declaration for the year ended 30<sup>th</sup> June 2018 has been received and can be found on page 5 of this report.

**Dated at Mudgee this 30th day of October 2018  
in accordance with a resolution of the Directors**

.....  
**PETER DRUITT - DIRECTOR**

.....  
**PETER McDONALD - DIRECTOR**

**THE MUDGEE GOLF CLUB LTD**

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**AUDITOR'S INDEPENDENT DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF**  
**THE MUDGEE GOLF CLUB LTD**

I declare to the best of my knowledge and belief, during the year ended 30<sup>th</sup> June 2018 there has 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.

**DATED AT SYDNEY**  
**THIS 5<sup>TH</sup> DAY OF**  
**OCTOBER 2018**

  
.....  
**HARLEY, RUSSELL & DAY**  
Chartered Accountants

**GARRY WILLIAM DAY**  
Registered Company Auditor



**THE MUDGEE GOLF CLUB LTD****ABN: 28 001 001 305***(A Company Limited by Guarantee)*

**STATEMENT OF PROFIT OR LOSS ACCOUNT**  
**& OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

<b>Revenue from Continuing Operations</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Sale of goods	1,270,567	1,303,608
Rendering of services	583,390	584,460
Other Revenue	263,971	296,352
<b>Total Revenue from continuing operations</b>	<b><u>2,117,928</u></b>	<b><u>2,184,420</u></b>
Cost of Sales	(525,642)	(540,487)
Donations	-	-
Employees Benefits expenses	(838,312)	(841,496)
Entertainment, marketing and promotional costs	(99,491)	(76,528)
Legal, consultancy and contract fees	(962)	(392)
Occupancy expenses	(140,511)	(133,729)
Other expenses from ordinary activities	<u>(598,251)</u>	<u>(670,545)</u>
Total expenses	<b><u>(2,203,169)</u></b>	<b><u>(2,263,177)</u></b>
<b>Profit/(Loss) before borrowing costs, tax, depreciation and amortisation</b>	<b>(85,241)</b>	<b>(78,757)</b>
Depreciation and amortisation	(221,562)	(205,779)
Borrowing Costs	(1,850)	(17,562)
<b>Profit/(Loss) from total comprehensive for the year</b>	<b><u>(308,653)</u></b>	<b><u>(302,098)</u></b>
<b>Other Comprehensive Income</b>		
Insurance Recoveries	-	-
Total of Other Income	<u>-</u>	<u>-</u>
<b>Income Tax</b>	<b>-</b>	<b>-</b>
<b>Net comprehensive Profit/(Loss) for the year</b>	<b><u>(308,653)</u></b>	<b><u>(302,098)</u></b>



**THE MUDGEE GOLF CLUB LTD**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2018**

	Notes	2018 \$	2017 \$
<b>Current assets</b>			
Cash and Cash equivalents	3	568,720	675,600
Receivables	4	112,345	21,517
Inventories	5	34,100	33,350
Other	6	-	2,738
Total current assets		<u>715,165</u>	<u>733,205</u>
<b>Non-current assets</b>			
Property, plant & equipment	7	6,063,177	6,106,305
Investments	9	-	750
Total non-current assets		<u>6,063,177</u>	<u>6,107,055</u>
<b>Total assets</b>		<u>6,778,342</u>	<u>6,840,260</u>
<b>Current liabilities</b>			
Trade and other Payables	10	150,714	162,041
Borrowings	11	153,520	-
Provisions	12	38,727	47,559
Other	13	170,660	125,694
Total current liabilities		<u>513,621</u>	<u>335,294</u>
<b>Non Current Liabilities</b>			
Borrowings	14	52,560	-
Provisions	15	15,848	-
Total Non Current Liabilities		<u>68,408</u>	<u>-</u>
<b>Total liabilities</b>		<u>582,029</u>	<u>335,294</u>
<b>Net assets</b>		<u>6,196,313</u>	<u>6,504,966</u>
<b>Members' Equity</b>			
Capital Profit Reserve	16	402,887	402,887
Asset Revaluation Reserve	17	1,715,106	1,715,106
Retained Earnings		<u>4,078,320</u>	<u>4,386,973</u>
<b>Total Members' Equity</b>		<u>6,196,313</u>	<u>6,504,966</u>

**THE MUDGEE GOLF CLUB LTD**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	Notes	2018 \$	2017 \$
Receipt from customers		2,106,902	2,301,756
Payment to suppliers and employees		(2,447,506)	(2,731,605)
Interest received		10,511	30,341
Subscriptions received		194,817	206,219
<b>Net cash from operating activities</b>		<b>(135,276)</b>	<b>(193,289)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant & equipment		(178,434)	65,235
Write-off of investment		750	-
<b>Net cash (outflows) from investing activities</b>		<b>(177,684)</b>	<b>65,235</b>
<b>Cash Flow from Financing Activities</b>			
Increase of borrowings, Bank Overdraft		232,360	-
<u>Less</u> Repayment		(26,280)	(222,273)
<b>Net cash used in financing activities</b>		<b>206,080</b>	<b>(222,273)</b>
<b>Net increase/ (decrease) from operating &amp; investing activities</b>		<b>(106,880)</b>	<b>(349,827)</b>
Cash held at the beginning of the financial year		675,600	1,025,427
Cash held at the end of the financial year	3	<b>568,720</b>	<b>675,600</b>
<b>Reconciliation of Cash Flow</b>			
Operating profit (loss) after income tax		(308,653)	(302,098)
<b>Non cash flows in profit</b>			
Depreciation		221,562	205,779
<b>Changes in assets and liabilities</b>			
(Increase)/ decrease in receivables		(90,828)	32,911
(Increase)/ decrease in inventories		(750)	(5,274)
(Increase)/ decrease in prepayments		2,738	557
Increase/ (decrease) in trade creditors		(11,327)	(157,296)
Increase/ (decrease) in current provisions		(8,832)	(9,567)
Increase/ (decrease) in non-current provisions		15,848	-
Increase/ (decrease) in subscriptions in advance		44,966	41,699
		<b>(135,276)</b>	<b>(193,289)</b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	2018 \$	2017 \$
<b>Opening Retained Earnings at the beginning of the year</b>	4,386,973	4,689,071
Profit (Loss) for the year	(308,653)	(302,098)
<b>Closing Retained Earnings at the end of the year</b>	<b>4,078,320</b>	<b>4,386,973</b>

**THE MUDGEE GOLF CLUB LTD**

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2018**

**NOTE 1. SUMMARY OF 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.

**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. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

**ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARDS**

The Club has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2011:

- AASB 1053 application of *Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The early adoption of AASB 1053 enables the Club to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements. The Club is eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements and has adopted the requirements of the standard effective for the financial year ended 30 June 2012.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

a) **Revenue Recognition**

*Sales Revenue*

Sales Revenue comprises revenue earned from the provision of catering, beverage, and poker machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

*Asset Sales*

The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

*Interest Income*

Interest income is recognised as it accrues.

b) **Principal Activities**

The company operates as a Golf and Recreation facility.

c) **Property, Plant & Equipment**

Property, plant and equipment are included at cost or at an independent valuation. All fixed assets, including buildings and capitalised leases, but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.



**THE MUDGEE GOLF CLUB LTD**

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2018**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Depreciation of property, plant and equipment

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. The exception is glassware, crockery and cutlery, which is expressed in the year of purchase. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

f) Trade and other payables

These amounts represent liabilities for goods and services provided to the club prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

g) Maintenance and repairs

The costs of maintenance, repairs and minor renewals are charged as expenses as incurred.

h) Employee Entitlements

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Long service leave*

A liability for long service leave is recognised for all employees of the club with five years or more service. No adjustment is made for inflation of wage rates or discounting of expected future payments as the net effect is not expected to be material.

(iii) *Superannuation*

The company sponsors the following plans for employees; Club Plus Superannuation Fund. Types of Benefits: Accumulation of contributions of employees providing a lump sum or annuity benefits upon retirement, death or disability. Contributions: Employees 9.5% of base salary of employee. The company has a legal obligation to contribute to this fund.

i) Segment Reporting

The business operates in the hospitality, leisure and entertainment industry in Australia.

j) Income Tax

The Income Tax Assessment Act (amended) provides that under the concept of Mutuality, Clubs are only assessed for income tax on that proportion derived from non-members and other external sources.

In view of these special circumstances, it is neither appropriate to compare income tax payable with operating profit as disclosed in the Statement of Financial Performance, nor adopt the principle of tax affect accounting.



**THE MUDGEE GOLF CLUB LTD****ABN: 28 001 001 305***(A Company Limited by Guarantee)***NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<b>Note 2 (a). Revenue and Other Income</b>		
<b>Sale of Goods</b>		
Bar Sales	615,181	641,660
Restaurant	655,386	661,948
	<u>1,270,567</u>	<u>1,303,608</u>
<b>Rendered Services</b>		
Raffles	45,599	62,362
Course	331,922	297,838
Keno & TAB	22,321	25,066
Net Poker Machine Takings	183,548	199,194
	<u>583,390</u>	<u>584,460</u>
<b>Other</b>		
Advertising Sponsorship	8,609	16,833
Commission - Rented Machines (ATM, Eftpos etc.)	8,013	4,305
Employment Subsidy	5,000	-
Interest Received	10,511	30,341
Rebate GST	15,098	17,180
Subscriptions	194,816	197,693
Tooheys Promotion	-	25,000
Grants and Donations	19,381	5,000
Other	2,543	-
	<u>263,971</u>	<u>296,352</u>
<b>Total income</b>	<u>2,117,928</u>	<u>2,184,420</u>

**Note 2 (b). Expenses From Operating Activities**

<b>Cost of Goods Sold</b>		
Bar	272,243	272,144
Restaurant	253,399	268,343
<b>Finance Charges</b>		
Bank Interest	1,850	17,562
Depreciation	221,562	205,779
Poker Machine Payouts	397,983	404,391

**THE MUDGEE GOLF CLUB LTD**

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<b>Note 3. Current assets - Cash assets</b>		
Cash at Bank	25,250	150,962
Cash on hand	17,900	13,598
Cash at ATM + Eftpos	16,550	11,040
Term deposit	509,020	500,000
	<u>568,720</u>	<u>675,600</u>
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	<u>568,720</u>	<u>675,600</u>
Balances as per statement of cash flows	<u>568,720</u>	<u>675,600</u>
<b>Note 4. Receivables</b>		
Members House Account	67,998	-
Debtors	39,347	16,517
TAB Security Deposit	5,000	5,000
Less provision for doubtful debts	-	-
	<u>112,345</u>	<u>21,517</u>
<b>Note 5. Inventories</b>		
Finished Goods - At Cost	<u>34,100</u>	<u>33,350</u>
<b>Note 6. Other</b>		
Prepayments	<u>-</u>	<u>2,738</u>
<b>Note 7. Non-current assets- Property, Plant &amp; Equipment</b>		
<b>Land &amp; Buildings</b>		
Land - At Valuation	<u>1,750,000</u>	<u>1,750,000</u>
Total Land	<u>1,750,000</u>	<u>1,750,000</u>
Buildings- At cost	3,777,433	3,777,433
Less: Accumulated Depreciation	(550,781)	(456,335)
Total Buildings	<u>3,226,652</u>	<u>3,321,098</u>
Total Land and Buildings	<u>4,976,652</u>	<u>5,071,098</u>
Plant, Furniture & Fittings- at cost	2,267,307	2,240,641
Less: Accumulated Depreciation	(1,180,782)	(1,205,434)
	<u>1,086,525</u>	<u>1,035,207</u>
Total Property, Plant & Equipment	<u>6,063,177</u>	<u>6,106,305</u>

The company is negotiating with Australian Rail Track Corporation Limited for the purchase of land, which the company currently utilises as part of their golf course. The agreed price for this land is that the company is to pay for all costs associated with the transfer of ownership to the company. The company is continuing to contact Australian Rail Track Corporation Limited through their solicitor to progress the transfer of ownership.

Negotiations are near completion and this matter should soon be resolved.

**THE MUDGEE GOLF CLUB LTD**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<b>Note 8. Core Property</b>		
The core property of the company is the golf course and the club house buildings and amenities, located at Robertson Street Mudgee NSW 2850. Non-core property of the company consists of vacant land located adjacent to the existing golf course.		
<b>Note 9. Investments</b>		
Shares in other Companies	-	750
	-	750
<b>Note 10. Current liabilities - Payables</b>		
Trade creditors	97,180	145,422
Members' House Account	-	16,619
Other Liabilities	53,534	-
	150,714	162,041
<b>Note 11: Current Borrowings</b>		
License Type 4 Poker Machines	39,420	-
Bank Overdraft	114,100	-
	153,520	-
<b>Note 12. Current liabilities - Provisions</b>		
Employee entitlements - annual leave	38,727	47,559
	38,727	47,559
<b>Note 13. Current liabilities- Other</b>		
Member's subscriptions in advance	170,660	125,694
	170,660	125,694
<b>Note 14. Non-current liabilities - Borrowings</b>		
License Type 4 - Poker Machines	52,560	52,560
	52,560	52,560
<b>Note 15. Non-current liabilities - Provision</b>		
Employee entitlements - long service leave	15,848	-
	15,848	-
<b>Note 16. Capital Profit Reserve</b>		
Opening Balance	402,887	402,887
	402,887	402,887
<b>Note 17. Asset Revaluation Reserve</b>		
Revaluation of Golf Course land at Valuers General last valuation as at July 2013	1,715,106	1,715,106

**Note 18. Members' Limited Liability**

Every member of the Club undertakes to contribute to the assets of the Club in the event of the same being wound up during the time that he is a Member, or within one year afterwards, for payment, of the debts and liabilities of the Club contracted before the time at which he ceases to be a member, and the costs, charges and expenses of winding up the Club and for the adjustment of the rights of the contributories amongst themselves such amounts as may be required not exceeding one dollar (\$1.00).

**THE MUDGEE GOLF CLUB LTD**

**ABN: 28 001 001 305**

*(A Company Limited by Guarantee)*

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

**Note 19. Dividends**

Under the club's Constitution, there is no provision for the payment of dividends.

**Note 20. Poker Machine Entitlements**

The Club currently holds 18 Poker Machine Licences. The current market value of each licence is around \$35,000 for each block of three if sold. Your Directors have estimated the value of the Club's holding to be in the vicinity of \$210,000.

**Note 21. Contingent liabilities**

It has come to the attention of the Board that there are some outstanding payroll claims relating to unpaid shift allowances from previous years. It is anticipated the liability is in the order of \$10,700. Apart from this there were no other contingent liabilities.

**Note 22. Commitments for expenditure**

On 18 August 2017 the Company has committed to a rental purchase agreement over 5 years for \$47,800 plus interest for a Toro grounds care equipment for 60 months at \$864.26 per month.

**Note 23. Related Party Transactions**

There were no payments made to directors, or their associated parties except for reimbursement of out of pocket expenses.

Except for the two daughters of Greg Toole who are employed in the Bar, Gaming, Bistro and Function areas. Gemma's Gross earning was \$2,879 and Rachel's was \$1,235.

**Remuneration Report and Retirement Benefits**

Reasonable reimbursements for out of pocket expenses, travelling and conference costs were made to directors during the year.

**Note 24. Registered Clubs Act Reporting Requirement**

The registers and records that are required to be maintained under the Registered Clubs Act S.47H can be inspected at the club on request to the Secretary-Manager.

**Note 25. Events occurring after the reporting date.**

No significant events have occurred since 30th June, 2018 which require disclosure in this report.



**THE MUDGEE GOLF CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

**Note 26. Key Management Personnel Compensation**

**(a) Key Management Personnel**

Names and positions held of key management personnel in office at any time during the financial year are:

<u>Name</u>	<u>Position</u>
SHEEDY, Karin	President
ANDERSON, James	President
KURTZ, Graeme	Vice President
BENNIE, Mark	Captain
TIGGEMANN, Wayne	Vice-Captain
BEH, Babs	Treasurer
COX, Chris	Treasurer
HOWLAND, Neil	Treasurer
TOOLE, Greg	Director
DRUITT, Peter	Director
CAMPBELL, Robert	Director
BANNERMAN, Ryan	Director
DUNSTONE, Andrew	Director
McDONALD, Peter	Director
PAINE, Brad	Director
SECOMBE, Peter	Director

**Other Key Management Personnel**

FENNER, David	General Manager
SEIS, Jason	Course Superintendent
PAYNE, Scott	Head Chef
CARTER, Katheryn	Office Manager

**(b) Key Management Compensation**

	Cash, salary & commissions	Allowances	Post employment benefits Superannuation	Total
	\$	\$	\$	\$
Total Compensation - 2018	<u>303,604</u>	-	<u>28,842</u>	<u>332,446</u>
Total Compensation - 2017	<u>122,864</u>	-	<u>11,671</u>	<u>134,535</u>

**Note 27. Key Performance Indicators**

	2018	2017
	\$	\$
<b>Bar</b>		
Bar gross profit	342,938	369,516
Percentage gross profit	55.75%	57.59%
<b>Poker Machines</b>		
Net Clearance	183,548	199,194
<b>Wages</b>		
Bar	207,876	242,452
Administration	110,501	97,287

**THE MUDGEES GOLF CLUB LTD**  
**ABN: 28 001 001 305**  
*(A Company Limited by Guarantee)*

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 15 are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
  - (b) give true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the company;
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

**Dated at Mudgee this 30th day of October 2018**  
**in accordance with a resolution of the Directors**

.....  
**PETER DRUITT - DIRECTOR**

.....  
**PETER McDONALD - DIRECTOR**

**THE MUDGEE GOLF CLUB LTD**

**ABN: 28 001 001 305**

*(A Company Limited by Guarantee)*

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**THE MUDGEE GOLF CLUB LTD**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of The Mudgee Golf Club Ltd (the Registered entity), which comprises the statement of financial position as at 30th June 2018, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of The Mudgee Golf Club Ltd, has been prepared in accordance with the Corporations Law – Reduced Disclosure Requirements under the Corporations Law and the Registered Clubs Act, including:

- (a) Giving a true and fair view of the registered entity's financial position as at 30th June 2018, and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

**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 registered entity in accordance with 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.

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

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30th June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the registered entity 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 under the Corporations Law and Registered Clubs Act, 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 registered entity'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 registered entity or to cease operations, or have no realistic alternative but to do so.



**THE MUDGEE GOLF CLUB LTD**

**ABN: 28 001 001 305**

*(A Company Limited by Guarantee)*

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**THE MUDGEE GOLF CLUB LTD (continued)**

**Auditor's Responsibilities for the Audit of the Financial Report**

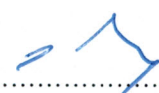
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 registered entity'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 registered entity'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 registered entity 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.

**DATED AT SYDNEY**  
**THIS 5<sup>TH</sup> DAY OF**  
**NOVEMBER 2018**



.....  
**HARLEY, RUSSELL & DAY**  
Chartered Accountants

**GARRY WILLIAM DAY**  
Registered entity Auditor