

Gosford Golf Club Limited
ABN 29 000 318 187

Financial Report
For The Financial Year Ended
30 June 2017

Gosford Golf Club Limited
ABN 29 000 318 187

Financial Report
For The Financial Year Ended 30 June 2017

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Gosford Golf Club Limited
ABN 29 000 318 187

Directors' Report

Your directors present their report on Gosford Golf Club Limited (the company) for the year ended 30 June 2017.

Directors Details

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

Name	Qualifications and period of directorship
P Scholberg	President
M Stimpson	Captain (resigned 11 October 2016)
G Chee	Captain (appointed 11 October 2016)
G Harrison	Treasurer
P Martin	Vice President
D Snelson	Director (resigned 11 October 2016)
M Crookes	Director
M Snelson	Director (resigned 26 July 2017)
J Harrison	Director
L Morgan	Director (appointed 11 October 2016) (resigned 24 February 2017)
D Medcalf	Director (appointed 11 October 2016)

Meeting of Directors

During the financial year, 12 board meetings were held. Attendances by each director were as follows:

Director	Board Meetings	
	Number eligible to attend	Number Attended
P Scholberg	12	12
M Stimpson	3	3
G Harrison	12	11
P Martin	12	11
D Snelson	3	3
M Snelson	12	9
G Chee	9	9
M Crookes	12	12
J Harrison	12	12
L Morgan	4	4
D Medcalf	9	9

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5.00 each towards meeting any outstanding obligations of the company.

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Directors' Report

Principal Activities

The principal activities of the company during the year were the promotion and conduct of the game of Golf, operating of a licensed club, and the general promotion of the objects of Gosford Golf Club Limited.

There were no significant changes in the nature of these activities during the year.

Short-term and long Term Objectives

Short-term

The short-term objectives of the club are to continually improve the golf course, the amenities for the members and their guests and to expand and improve the function centre business.

Long-term

The long-term objective of the club is to provide a quality golf course and associated facilities for the members and the people of the Central Coast. Revenues from the expansion of catering services will assist to finance the maintenance and development of the golf course.

Strategies to Service the Objectives

The Board of Directors will continue to review the short and long term objectives at regular intervals. The Board is cognizant of the dynamic and changing nature of this industry and we will continue to strive to improve the golf experience for all at the Gosford Golf Club Limited.

Operating Result

The net profit for the year amounted to \$52,177 compared to \$100,084 for the prior year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

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

P Scholberg
Director

G Harrison
Director

Dated: September, 2017

Gosford Golf Club Limited
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Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001
To The Directors of Gosford Golf Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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.

FORTUNITY ASSURANCE

T R Davidson
Partner

155 The Entrance Road
ERINA NSW

Dated: September, 2017

Gosford Golf Club Limited
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Statement of Profit or Loss and Comprehensive Income
For The Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	2	3,389,002	3,200,496
Other income	2	39,775	49,447
		3,428,777	3,249,943
Expenses			
Employee benefits expense		(1,282,080)	(1,136,732)
Depreciation & amortisation expenses	3	(182,736)	(182,523)
Finance costs	3	(38,360)	(41,981)
Bar expenses		(203,274)	(191,338)
Poker machines expenses		(328,304)	(290,643)
Course expenses		(231,363)	(204,916)
House expenses		(248,222)	(238,087)
Match expenses		(84,410)	(96,311)
Keno expenses		(1,533)	(2,044)
Function Centre expenses		(218,538)	(210,684)
Pro Shop expenses		(308,431)	(316,358)
Administration expenses		(249,349)	(238,242)
		52,177	100,084
Profit/ (loss) before income tax			
Income tax expense		-	-
		52,177	100,084
Profit/ (loss) for the year			
Other comprehensive income after income tax		-	-
		52,177	100,084
Total comprehensive income for the year		52,177	100,084

The accompanying notes form part of these financial statements.

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Statement of Financial Position
As At 30 June 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	5	240,946	135,887
Trade & other receivables	6	20,846	30,804
Inventories	7	88,985	94,682
Other assets	8	9,420	13,482
Total Current Assets		360,197	274,855
Non-Current Assets			
Property plant and equipment	9	2,065,003	2,137,133
Total Assets		2,425,200	2,411,988
Current Liabilities			
Trade & other payables	10	200,493	229,216
Employee benefits	12	218,797	190,206
Other liabilities	13	298,301	312,148
Borrowings	11	103,378	59,652
Total Current Liabilities		820,969	791,222
Non-Current Liabilities			
Employee benefits	12	3,213	9,631
Borrowings	11	596,212	617,496
Other liabilities	13	170,412	211,422
Total Non-Current Liabilities		769,837	838,549
Total Liabilities		1,590,806	1,629,771
Net Assets		834,394	782,217
Members Funds			
Reserves		265,185	265,185
Retained earnings		569,209	517,032
Total Members Funds		834,394	782,217

The accompanying notes form part of these financial statements.

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Statement of Changes in Members' Funds
For The Year Ended 30 June 2017

	Reserves \$	Retained Earnings \$	Total \$
Balance 1 July 2015	265,185	416,948	682,133
Profit for year	-	100,084	100,084
Balance 30 June 2016	<u>265,185</u>	<u>517,032</u>	<u>782,217</u>
Profit for year	-	52,177	52,177
Balance 30 June 2017	<u>265,185</u>	<u>569,209</u>	<u>834,394</u>

The accompanying notes form part of these financial statements

Gosford Golf Club Limited
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Statement of Cash Flows
For The Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from poker machines		454,511	460,912
Receipts from bar trading		493,772	439,432
Other receipts from members and customers		2,473,091	2,369,588
Interest received		130	201
Payments to suppliers and employees		(3,197,194)	(3,012,477)
Interest and other costs of finance paid		(38,360)	(41,981)
Net cash provided by operating activities	18	185,950	215,675
Cash flows from investing activities			
Payments for property, plant & equipment			
- Buildings		(16,305)	(1,374)
- Plant and equipment		(94,301)	(60,981)
Proceeds from sale of property, plant and equipment		7,273	-
Net cash used in investing activities		(103,333)	(67,380)
Cash flows from financing activities			
Repayment of borrowings		(80,852)	(44,450)
Proceeds of borrowings		103,294	42,500
Net cash provided by financing activities		22,442	(1,950)
Net increase/(decrease) in cash held		105,059	146,345
Cash at beginning of the financial year		135,887	(10,458)
Cash at the end of the financial year	6	240,946	135,887

The accompanying notes form part of these financial statements.

Gosford Golf Club Limited
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Notes To The Financial Statements
for The Year Ended 30 June 2017

Note 1. Statement of Significant Accounting Policies

Basis of Preparation

Gosford Golf Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Reporting Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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.

(a) Revenue

Revenue of sale of goods is recognised upon the delivery of that good to the customer.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from rendering a service is recognised upon delivery of that service to the customers.

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

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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Notes To The Financial Statements
for The Year Ended 30 June 2017

Note 1. Statement of Significant Accounting Policies (cont'd)

Accounting Policies

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold Property

Freehold land is measured on the cost basis. Buildings are measured on the cost basis less depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when the impairment indicators are present (refer to note 1(e) for details of impairment).

Plant and equipment that have been contributed at no cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity 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 assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Leasehold Course Improvement	4 - 10%
Course Plant & Equipment	15 - 25%
General Plant	7 - 25%
Poker Machines	25%

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Notes To The Financial Statements
for The Year Ended 30 June 2017

Note 1. Statement of Significant Accounting Policies (cont'd)

(c) Property, Plant and Equipment (cont'd)

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell that asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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Notes To The Financial Statements
for The Year Ended 30 June 2017

Note 1. Statement of Significant Accounting Policies (cont'd)

(d) Financial Instruments (cont'd)

(i) Financial assets at fair value through profit or loss.

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available for sale financial assets are classified as current assets.

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Notes To The Financial Statements
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Note 1. Statement of Significant Accounting Policies (cont'd)

(d) Financial Instruments (cont'd)

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications in debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that collate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of the financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the term financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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Notes To The Financial Statements
for The Year Ended 30 June 2017

Note 1. Statement of Significant Accounting Policies (cont'd)

(d) Financial Instruments (cont'd)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such indication exists, an impairment test is carried out on the asset by comparing the recoverable amount if an asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit and loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment or loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits 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. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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Notes To The Financial Statements
for The Year Ended 30 June 2017

Note 1. Statement of Significant Accounting Policies (cont'd)

(g) 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.

(h) Accounts Receivable and other receivables

Accounts receivable and other receivables include amounts due from members as well as amounts receivable from customers for goods sold in 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. Accounts receivable 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(d) for further discussion on the determination of impairment losses.

(i) Goods and Services Tax (GST)

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 (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

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

(k) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(l) Accounts Payable and other Payables

Accounts payable and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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Notes To The Financial Statements
for The Year Ended 30 June 2017

Note 1. Statement of Significant Accounting Policies (cont'd)

(m) Members Subscriptions Received in Advance

Amounts received from members in respect of the year ending 1 July 2017 to 30 June 2018 and beyond are shown in the Balance Sheet as subscriptions in advance.

(n) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

	2017	2016
	\$	\$
Note 2. Revenue		
Revenue from ordinary activities		
- bar sales	493,772	439,432
- poker machine takings	454,511	460,912
- keno commission	7,127	6,632
- TAB commission	7,801	6,396
- function centre income	564,789	510,750
- match income	776,171	773,026
- pro shop income	600,525	552,299
- members subscriptions	462,894	448,336
- entrance/carpark fees	21,412	2,713
	3,389,002	3,200,496
Other Revenue		
- interest received	130	201
- sundry income	15,829	19,267
- Insurance recovery & out of period income	16,543	29,979
- Profit on sale of non-current assets	7,273	-
	39,775	49,447
Total Revenue	3,428,777	3,249,943
Note 3. Profit for the Year		
Depreciation and amortisation		
-Clubhouse	71,564	79,297
-House and course plant and equipment	95,812	79,544
-Leasehold Course	8,364	12,391
-Poker Machines	6,996	11,291
	182,736	182,523
Finance costs		
- external	38,360	41,981
	38,360	41,981

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Notes To The Financial Statements
for The Year Ended 30 June 2017

	2017 \$	2016 \$
Note 4. Auditors Remuneration		
Remuneration of the auditor For the company for: - auditing the financial report	8,000	8,000
	<hr/>	<hr/>
Note 5. Cash and Cash Equivalents		
Cash at bank	205,306	99,765
Cash on hand	35,640	36,122
	<hr/>	<hr/>
	240,946	135,887
	<hr/>	<hr/>
Note 6. Accounts receivable & other receivables		
Accounts receivable	20,846	30,804
	<hr/>	<hr/>
Note 7. Inventories		
Stock on hand- at cost	88,985	94,682
	<hr/>	<hr/>
Note 8. Other Assets		
Prepayments	9,420	13,482
	<hr/>	<hr/>

Gosford Golf Club Limited
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Notes To The Financial Statements
for The Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 9. Property Plant and Equipment		
Land and buildings		
Freehold land at cost	10,900	10,900
Clubhouse		
- at valuation	658,500	658,500
- at cost	2,139,070	2,122,756
Less accumulated depreciation	(1,221,195)	(1,149,622)
Total Land and clubhouse	1,587,275	1,642,534
House and		
course plant and equipment – at cost	2,760,966	2,687,705
Accumulated depreciation	(2,390,692)	(2,315,920)
	370,274	371,785
Leasehold course		
Improvements – at cost	1,291,274	1,291,274
Accumulated depreciation	(1,198,134)	(1,189,770)
	93,140	101,504
Poker machines – at cost	199,476	199,476
Accumulated depreciation	(185,162)	(178,166)
	14,314	21,310
Total Plant and Equipment	477,728	494,599
Total Property Plant and Equipment	2,065,003	2,137,133

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

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Notes To The Financial Statements
for The Year Ended 30 June 2017

2017
\$

2016
\$

Note 9. Property Plant and Equipment (cont'd)

2017	Freehold Land	Club House	Plant & Equipment	Leasehold Course Improvements	Poker Machines	Total
Balance at the beginning of the year	10,900	1,631,634	371,785	101,504	21,310	2,137,133
Additions	-	16,305	94,301	-	-	110,606
Disposals	-	-	-	-	-	-
Depreciation expense	-	(71,564)	(95,812)	(8,364)	(6,996)	(182,736)
Carrying amount at the end of the year	10,900	1,576,375	370,274	93,140	14,314	2,065,003

Note 10. Trade and other payables

Trade and other payables	200,493	229,216
	_____	_____

Note 11. Borrowings

Current		
Bank loan	40,000	40,000
Hire purchase liability	63,378	19,652
	103,378	59,652
	_____	_____

Gosford Golf Club Limited
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Notes To The Financial Statements
for The Year Ended 30 June 2017

	2017 \$	2016 \$
Note 11. Borrowings (cont'd)		
Non-current		
Bank loan	524,600	564,600
Hire purchase liability	71,612	52,896
	596,212	617,496
 (a) Total current and non-current Secured liabilities:		
Bank loan and overdraft	564,600	604,600
 (b) The bank loan and overdraft are secured by registered first mortgage over freehold property, mortgage debenture over all the assets and undertakings and a deed of charge over liquor licence.		
 Note 12. Employee Benefits		
Current		
Annual leave	141,423	118,629
Long service leave	77,374	71,577
	218,797	190,206
Non-current		
Long service leave	3,213	9,631
	3,213	9,631
Total Employee benefits	222,010	199,837

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Notes To The Financial Statements
for The Year Ended 30 June 2017

	2017 \$	2016 \$
Note 13. Other Liabilities		
Current		
Income in advance	67,333	49,012
Ladies committee	-	4,690
Subscriptions in advance	230,968	258,446
	<hr/> 298,301	<hr/> 312,148
Non-current		
Subscriptions in advance - Life	170,412	204,184
Subscriptions in advance – 5 years	-	7,238
	<hr/> 170,412	<hr/> 211,422
Total other liabilities	<hr/> 468,713	<hr/> 523,570

Note 14. Operating Lease Commitments

In addition to the amount of \$32,517 paid this period, the Club has the following future commitments on the current course lease:

- no later than 12 months	33,209	32,517
- later than 12 months but no later than 5 years	132,836	130,068
	<hr/>	<hr/>

Gosford Golf Club Limited
ABN 29 000 318 187

Notes To The Financial Statements
for The Year Ended 30 June 2017

	2017	2016
	\$	\$

Note 15. Remuneration of Directors

The Directors of Gosford Golf Club Limited during the year were:

P Scholberg
M Stimpson
G Harrison
P Martin
D Snelson
M Crookes
M Snelson
J Harrison
G Chee
L Morgan
D Medcalf

Aggregate income received, or due and receivable, by the directors of Gosford Golf Club Limited from the company

Nil

Nil

Note 16. Related Party Disclosures

The directors also purchased goods from the company on the same terms and conditions available to the company's employees, members and guests.

Note 17. Financial Reporting by Segments

The Club operates predominantly in one industry. The principal activity of the Club is that of operating a Golf Club registered under the Registered Club Act, 1976. The Club operates predominantly in one geographical area being Gosford, NSW.

Gosford Golf Club Limited
ABN 29 000 318 187

Notes To The Financial Statements
for The Year Ended 30 June 2017

	2017	2016
	\$	\$
Note 18. Cash Flow Information		
(a) Reconciliation of Cash Flow from Operations With Profit from Ordinary Activities after Income Tax		
Profit from ordinary activities after income tax	52,177	100,084
Non-cash flows in profit from ordinary activities		
Depreciation	182,736	182,523
Changes in assets and liabilities		
Profit on sale of non-current assets	(7,273)	-
(Increase)/decrease in accounts receivable	9,958	26,959
(Increase)/decrease in inventories	5,697	6,184
(Increase)/decrease in other assets	4,062	(6,008)
Increase/(decrease) in accounts payable	(28,723)	10,370
Increase/(decrease) in provisions	22,173	(25,682)
Increase/(decrease) in other liabilities	(54,857)	(78,755)
Cash flow from operations	<u>185,950</u>	<u>215,675</u>

Note 19. Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 20. Registered Office

The registered office address of the company is:

Racecourse Road
Gosford NSW 2250

Gosford Golf Club Limited
ABN 29 000 318 187

Directors' Declaration

In accordance with a resolution of the directors of Gosford Golf Club Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

P Scholberg
Director

G Harrison
Director

Dated: September, 2017

Gosford Golf Club Limited
ABN 29 000 318 187

**Independent Auditors Report to the Members
of Gosford Golf Club Limited**

Report on the Financial Report

Opinion

We have audited the financial report of Gosford Golf Club Limited (the company), which comprises the statement of financial position as at 30 June, 2017, the statement of profit or loss and other comprehensive income, statement of changes member's funds 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 Gosford Golf Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June, 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis of 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Gosford Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June, 2017, 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.

Gosford Golf Club Limited
ABN 29 000 318 187

**Independent Audit Report To The Members
Of Gosford Club Limited**

Other Information (continued...)

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 report.

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 as necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Gosford Golf Club Limited
ABN 29 000 318 187

Independent Audit Report To The Members
Of Gosford Golf Club Limited

Auditor's Responsibilities for the Audit of the Financial Report (continued...)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

FORTUNITY ASSURANCE

T R Davidson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated:

Gosford Golf Club Limited
ABN 29 000 318 187

Additional Financial Information
For The Year Ended 30 June 2017

	2017	2016
	\$	\$
Detailed Trading Statement		
Income		
Net bar trading	54,948	30,757
Net poker machine trading	119,211	158,978
Net function centre trading	89,122	64,441
Net Keno trading	5,594	4,588
Net match & pro shop trading	727,646	662,548
Members subscriptions & fees	462,894	448,336
Interest received	130	201
Insurance recovery & out of period income	16,543	29,979
Profit on sale of non-current assets	7,273	-
Entrance/Car park fees	21,412	2,713
Sundry income	15,829	19,267
	<u>1,520,602</u>	<u>1,421,808</u>
Expenses		
Administrative expenses	488,829	401,441
Course expenses	643,061	581,631
House expenses	336,535	338,652
	<u>1,468,425</u>	<u>1,321,724</u>
Net Operating Profit for year	<u>52,177</u>	<u>100,084</u>

Gosford Golf Club Limited
ABN 29 000 318 187

Additional Financial Information
For The Year Ended 30 June 2017

	2017	2016
	\$	\$
Bar Trading Statement		
Income		
Bar Sales	493,773	439,432
Less: Cost of sales	(198,011)	(178,863)
	295,762	260,569
Expenses		
Repairs, replacements & supplies	5,262	12,475
Staff costs	235,552	217,337
	240,814	229,812
Net Bar Trading Profit	54,948	30,757

Poker Machine Trading Statement

Income		
Poker machine clearances	442,089	444,767
GST rebate	12,422	16,145
	454,511	460,912
Expenses		
Depreciation	6,996	11,291
Payouts	313,417	275,067
Monitoring services	7,232	7,151
Repairs and maintenance	7,655	8,425
	335,300	301,934
Net Poker Machine Trading Profit	119,211	158,978

Gosford Golf Club Limited
ABN 29 000 318 187

Additional Financial Information
For The Year Ended 30 June 2017

	2017	2016
	\$	\$
Function Centre & Bistro Trading Statement		
Income		
Food sales	469,693	391,930
Less: Cost of sales	(158,796)	(138,315)
	310,897	253,615
Room hire	64,481	92,537
Raffles	16,895	13,729
Sundry income	13,720	12,554
	405,993	372,435
Expenses		
Repairs, replacements & supplies	10,617	28,915
Consumables	388	755
Depreciation	3,852	1,689
Staff costs	253,277	233,936
Raffle costs	18,477	16,965
Lucky badge prize	-	2,659
Linen and laundry	17,003	16,139
Conference materials	524	455
Hosting	9,352	4,259
Promotion costs	3,381	2,050
Decorations	-	154
Entertainment	-	18
	316,871	307,994
Net Profit from Function Centre	89,122	64,441

Gosford Golf Club Limited
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Additional Financial Information
For The Year Ended 30 June 2017

	2017 \$	2016 \$
Keno Trading Statement		
Income		
Commission Received	7,127	6,632
Expenses		
Stationery and repairs	-	216
Maintenance	1,533	1,828
	<u>1,533</u>	<u>2,044</u>
Net Keno Trading Profit	<u>5,594</u>	<u>4,588</u>

Gosford Golf Club Limited
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Additional Financial Information
For The Year Ended 30 June 2017

	2017	2016
	\$	\$
Match and Pro Shop Trading Statement		
Income		
Sales – Bar	173,485	130,414
Sales – Food	46,369	36,533
Sales – Clubs, Clothing	192,340	207,070
	412,194	374,017
Less: Cost of sales	241,042	258,702
Gross profit from trading	171,152	115,315
Club storage	14,827	11,146
Cart hire	173,504	167,136
Sponsorship	12,472	7,900
Voucher & balls pool	77,230	100,206
Members competition fees	317,551	316,743
Members green fees	35,816	35,382
Visitors fees	333,102	312,795
	1,135,654	1,066,623
Expenses		
Amortisation and depreciation	11,616	7,202
Cart leasing	31,097	34,524
Club representative costs	6,928	11,158
Interest	1,410	587
Repairs and maintenance	7,237	6,832
Replacements & supplies	7,910	6,021
Sponsorship & prizes	17,179	10,935
Trophies	77,482	85,153
Staff costs	243,183	239,173
Sundry	3,966	2,490
	408,008	404,075
Net Match Trading Profit (Loss)	727,646	662,548

Gosford Golf Club Limited
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Additional Financial Information
For The Year Ended 30 June 2017

	2017	2016
	\$	\$
Course Expenses		
Amortisation and depreciation	73,229	63,465
Lease rental – course (note 17)	33,209	32,517
Repairs and maintenance	195,259	170,592
Staff costs	338,469	313,250
Interest	2,895	1,807
	<u>643,061</u>	<u>581,631</u>
House Expenses		
Amenities	16,464	14,092
Amortisation and depreciation	88,313	100,565
Cleaning & rubbish removal	67,589	64,412
Fox Sports	6,240	6,060
Light & power	68,246	66,063
Repairs and maintenance	46,520	46,979
TAB	13,894	12,764
Water rates	29,269	27,717
	<u>336,535</u>	<u>338,652</u>

Gosford Golf Club Limited
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Additional Financial Information
For The Year Ended 30 June 2017

	2017	2016
	\$	\$
Administrative Expenses		
Advertising	10,140	4,019
Auditors remuneration (note 4)	8,000	8,000
Bank charges	12,694	16,798
Committee expenses	-	298
Consulting fees	4,918	2,192
Insurance	106,660	93,125
Interest paid	34,055	41,394
Legal expenses	462	195
Licences	2,080	1,257
Payroll tax	21,264	18,877
Printing, postage, stationery and computer expenses	54,625	42,082
Rates and taxes	3,283	3,517
Repairs & maintenance	1,148	571
Salaries	175,823	121,947
Security	17,989	17,594
Staff training	1,063	-
Subscriptions	3,687	1,334
Sundry expenses	604	542
Superannuation	13,449	11,089
Rent ATM	(3,794)	(3,880)
Telephone	20,090	20,426
Wreaths	589	64
	<u>488,829</u>	<u>401,441</u>