THE YAMBA GOLF & COUNTRY CLUB LTD
ABN 55 000 829 489

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Your directors present their report on the company for the year ended 30 June 2018.

Principal Activities

The principal activities of the company during the period were to promote and conduct the game of golf and such other sports, games, amusements, entertainments, entertainers and pastimes and recreation (indoor and outdoor) as the company may deem expedient.

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; and

• providing entertainment, dining, gaming and social facilities for members and the community; and

• 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 meet industry standards for the provision of a smoke free and safe environment for our members, their guests and the staff.

• To restructure current leases to maximise fiscal efficiencies.

• To foster and support local community and sporting organisations to the minimum of our yearly Club Grants requirements, and to provide a "Club House" facility to those organisations that desire it.

• To continue to establish cart paths around the golf course to counter the loss of golf course income experienced in the wet periods.

• To maintain and renew where necessary the company's assets and facilities to a standard expected by its members.

• To explore avenues of increased efficiencies and additional income streams to meet the demands on cash-flow into the future.

• To meet, as a minimum goal, industry benchmarks in our administration of the company, and the provision of services and standards of operation to our members, their guests and our community.

• To continually invest in our environment as finance and technology permits.

The company has identified the following long term objectives:

• To promote the sport of golf in the community and to be recognised for our contribution to the sport.

• To grow the company's operations in accordance with members' interests.

• To remain financially secure.

• To actively search and research other avenues of income that may work with the interests of the members in mind.

• To continually invest in our environment as finance and technology permits.

• To continue to adopt energy efficiency and waste management programs.

• To continue to pursue the opportunities with third parties to improve course infrastructure.

• The establishment of a diversification strategy to provide a sound base for the company to remain financially strong through hard times and to prosper into future ventures, if it so desires.

Strategies

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

• The development and implementation of the company's strategic plan. The Plan is designed as a "living document" so that future Boards understand exactly where expenditure is aimed and can be altered as they see fit at the time, e.g. technology advances, products become more affordable etc.

• The preparation of an annual budget which is regularly reviewed by management, the Finance Committee and the Directors.

• Money that is in excess of liquidity and working capital needs at the end of the financial year is usually directed as payments against finance facilities.

Performance Measurement

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

• tournament participation numbers are monitored and prize money set to ensure tournaments generate additional revenue to the company.

• EBITDA for the company was 11.2% (2017: 4.5%) compared to the industry benchmark of 15%.

• Profit, after income tax expense, for the period was $27,600 compared to the 2017 financial year loss of $512,196.

• The directors undertake surveys of member and visitor satisfaction including through electronic and hard copy forms, in relation to services provided by the company and actioning survey outcomes.

• The directors regularly compare trading performance and key ratios against historical data and industry benchmarks for all departments within the club.

• Membership for the period was 2,028 compared to a prior financial year membership of 2,835.

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	Qualifications and Experience
Anthony Moran	President & Chairman Member Greens Committee	Appointed 25 May 2008	Licensed Plumber & Gasfitter
Graham Niland	Senior Vice President Member Greens Committee Member Match Committee	Appointed 27 May 2012	Retired flight steward
Robert Young	Junior Vice President Member Greens Committee Member Match Committee	Appointed 17 May 2015 Resigned 29 October 2017	Business Manager
Patricia McDermid	Director Member Match Committee	Appointed 25 May 2010	Retired Medical Receptionist
Andrew Kelly	Director Member Greens Committee	Appointed 17 May 2015	Retired Manager
Michael Shirlow	Director Member Match Committee	Appointed 15 May 2016	Certified Practicing Accountant
Brian Smith	Director Member Greens Committee	Appointed 15 May 2016	Retired Teacher
Margaret Solomon	Director Member Greens Committee	Appointed 15 May 2016	Retired Business Owner

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Wayne Rice	Director Member Greens Committee Member Match Committee	Appointed 29 October 2017	Teacher
Ian Tyler	Director Member Greens Committee	Appointed 20 December 2017	Retired Accountant

All current directors form the Finance Committee.

Company Secretary

Luke Stephenson was appointed as the company secretary on 18 March 2013. Luke has worked in the Registered Clubs industry for 19 years.

Meetings of Directors

During the period, 13 meetings of directors were held and the attendances by each director during the period were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Anthony Moran	13	13
Graham Niland	13	13
Robert Young	2	-
Patricia McDermid	13	12
Andrew Kelly	13	12
Michael Shirlow	13	11
Brian Smith	13	12
Margaret Solomon	13	13
Wayne Rice	8	7
Ian Tyler	7	7

Membership Details

The Yamba Golf & Country Club Ltd 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 $1 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
Ordinary	300	$ 1	$ 300
Social	1,721	$ 1	$ 1,721
Life	5	$ 1	$ 5
Junior	2	$ 1	$ 2
Total	2,028	$ 1	$ 2,028

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:

Anthony Moran
President

Graham Niland
Senior Vice President

Dated: 3 October 2018

Crowe Horwath

Crowe Horwath Central North
ABN 91 680 058 554
Member Crowe Horwath International

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Grafton NSW 2460 Australia
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AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
THE YAMBA GOLF & COUNTRY CLUB LTD

ABN 55 000 829 489

I declare that, to the best of my knowledge and belief, during the period to 30 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.

CROWE HORWATH CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
Suite 5, 30 Coldstream Street
YAMBA NSW 2464

Dated: 3 October 2018

THE YAMBA GOLF & COUNTRY CLUB LTD
ABN 55 000 829 489

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	12 MONTHS ENDED 30 JUN 2018 $	17 MONTHS ENDED 30 JUN 2017 $
Sales revenue	2	**2,587,203**	3,479,452
Cost of goods sold	3	**(1,189,838)**	(1,649,400)
Gross profit		**1,397,365**	1,830,052
Other revenue	2	**2,706,625**	3,406,775
Advertising and promotional expenses		**(92,470)**	(197,317)
Depreciation expense	3	**(509,539)**	(766,163)
Employee benefits expense		**(2,045,421)**	(2,844,164)
Finance costs		**(58,179)**	(54,781)
Members amenities and entertainment		**(219,198)**	(290,733)
Occupancy costs		**(506,940)**	(722,571)
Poker machine tax		**(149,604)**	(220,657)
Other expenses		**(495,039)**	(652,637)
Profit/(Loss) before income tax expense		**27,600**	(512,196)
Income tax expense	1(b)	**-**	-
Profit/(Loss) after income tax expense		**27,600**	(512,196)
Other comprehensive income for the period, net of tax		**-**	-
Total comprehensive income for the period		**$ 27,600**	$ (512,196)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	30 JUN 2018 $	30 JUN 2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**201,345**	122,549
Trade and other receivables	5	**27,401**	16,740
Inventories	6	**98,953**	92,350
Financial assets	7	**750**	750
Other current assets	8	**52,341**	56,347
TOTAL CURRENT ASSETS		**380,790**	288,736
NON CURRENT ASSETS			
Property, plant and equipment	9	**3,811,416**	3,958,486
Intangible assets	10	**588,000**	651,000
TOTAL NON CURRENT ASSETS		**4,399,416**	4,609,486
TOTAL ASSETS		**4,780,206**	4,898,222
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**418,493**	326,697
Borrowings	12	**300,435**	310,947
Provisions	13	**240,488**	208,480
Other liabilities	14	**199,529**	202,489
TOTAL CURRENT LIABILITIES		**1,158,945**	1,048,613
NON CURRENT LIABILITIES			
Borrowings	12	**442,148**	709,412
Provisions	13	**39,935**	37,311
Other liabilities	14	**13,813**	5,121
TOTAL NON CURRENT LIABILITIES		**495,896**	751,844
TOTAL LIABILITIES		**1,654,841**	1,800,457
NET ASSETS		**$ 3,125,365**	$ 3,097,765
EQUITY			
Retained earnings		**3,125,365**	3,097,765
TOTAL EQUITY		**$ 3,125,365**	$ 3,097,765

The accompanying notes form part of these financial statements.

THE YAMBA GOLF & COUNTRY CLUB LTD
ABN 55 000 829 489

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

	Retained Earnings $	Total $
Balance at 1 February 2016	3,609,961	3,609,961
Loss after income tax expense	(512,196)	(512,196)
Total other comprehensive income for the period	-	-
Balance at 30 June 2017	$ 3,097,765	$ 3,097,765
Profit after income tax expense	27,600	27,600
Total other comprehensive income for the year	-	-
Balance at 30 June 2018	$ 3,125,365	$ 3,125,365

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	12 MONTHS ENDED 30 JUN 2018 $	17 MONTHS ENDED 30 JUN 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**5,659,238**	7,644,502
Interest received		**-**	126
Payments to suppliers and employees		**(5,097,847)**	(7,393,927)
Interest paid		**(58,179)**	(54,781)
Net cash provided by operating activities		**503,211**	195,920
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**167,728**	41,803
Purchase of property, plant and equipment		**(314,367)**	(799,315)
Net cash used in investing activities		**(146,639)**	(757,512)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**-**	663,349
Repayment of borrowings		**(277,776)**	(216,051)
Net cash provided by/(used in) financing activities		**(277,776)**	447,298
Net increase/(decrease) in cash held		**78,796**	(114,294)
Cash at the beginning of the financial year		**122,549**	236,843
Cash at the end of the financial year	4(a)	**$ 201,345**	$ 122,549

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover The Yamba Golf and Country Club Limited as a not for profit individual entity. The Yamba Golf and Country Club Ltd 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 (p).

The financial statements were authorised for issue by the directors on 3 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 periods 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.

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

(b) Income Tax

The directors consider that the company is exempt from income tax under section 50-45 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 the first in first out method.

(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 profit or loss and other 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 - 10%
Plant and equipment	7.5 - 22.5%
Poker machine equipment	36%
Course improvements, greens and irrigation systems	4-20%

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 profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(h) Intangibles

Poker Machine Entitlements

The poker machine entitlements shown in the accounts represent licences purchased by the club. The company holds other poker machine entitlements that have a market value. If the company were to be wound up or the number of entitlements were in excess of requirements then the poker machine entitlements would be able to be sold at the prevailing market price. Poker machine entitlements are intangible assets classified with an indefinite life. The intangible asset is 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 profit or loss and other 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) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) 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.

(m) 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.

(n) 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.

(o) 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 $27,600 and positive net operating cash flows of $503,211 for the period ended 30 June 2018 and as at that date, current liabilities exceed current assets by $778,155.

The company is in a net current liability position partly due to the level of current employee benefits owing and memberships received in advance at 30 June 2018. The company does not expect that the full amount of employee benefits would be required to be repaid within a 12 month period, unless the company was to wind up operations of which the directors currently have no intention. In addition, memberships received in advance do not represent an amount owing by the Club, but instead revenue to be recognised over time.

The Company's ability to continue as a going concern is dependent on a number of factors including the ability of the company to perform in line with budgets and cash flow projections. The Company is currently reviewing their operations to determine any possible cost efficiencies and alternative trading operations.

In addition, the company has two pre-approved unused bank facilities at 30 June 2018 totalling $166,828, allowing for ready access to short terms funds if considered necessary by the directors and management. One facility with an unused limit of $133,328 expires in 2020, the other facility with an unused limit of $33,500 expires in 2023.

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.

(p) 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.

<u>Estimation of useful lives of assets</u>

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.

<u>Impairment of indefinite life intangible assets</u>

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.

<u>Employee benefits provision</u>

As discussed in note 1 (m), 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.

(q) 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.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current period.

(s) Accounting Policies, Changes in Accounting Estimates and Errors

In previous years, the calculation of long service leave provision liability had not accounted for all employees, particularly those with less than 5 years service. As a result of this amendment and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the prior period accounts have been restated. What follows is the result of the restatement.

	Original 2017 $	Effect of Restatement $	Restated 2017 $
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Employee benefits expense	(2,812,720)	(31,444)	(2,844,164)
Loss before income tax expense	(480,752)	(31,444)	(512,196)
Income tax expense	-	-	-
Loss after income tax expense	(480,752)	(31,444)	(512,196)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	$ (480,752)	$ (31,444)	$ (512,196)
STATEMENT OF FINANCIAL POSITION			
CURRENT LIABILITIES			
Provisions	200,876	7,604	208,480
TOTAL CURRENT LIABILITIES	1,041,009	7,604	1,048,613
NON CURRENT LIABILITIES			
Provisions	13,471	23,840	37,311
TOTAL NON CURRENT LIABILITIES	728,004	23,840	751,844
TOTAL LIABILITIES	1,769,013	31,444	1,800,457
NET ASSETS	$ 3,129,209	$ (31,444)	$ 3,097,765
EQUITY			
Retained earnings	3,129,209	(31,444)	3,097,765
TOTAL EQUITY	$ 3,129,209	$ (31,444)	$ 3,097,765
STATEMENT OF CHANGES IN EQUITY			
Balance at 1 February 2016	3,609,961	-	3,609,961
Loss after income tax expense	(480,752)	(31,444)	(512,196)
Balance at 30 June 2017	$ 3,129,209	$ (31,444)	$ 3,097,765

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

	12 MONTHS ENDED 30 JUN 2018 $	17 MONTHS ENDED 30 JUN 2017 $
Note 2: Revenue		
Sale of goods:		
Bar trading	**1,425,112**	1,929,706
Restaurant trading	**1,061,574**	1,376,902
Raffles and Bingo	**100,517**	172,844
	2,587,203	3,479,452
Other revenue:		
Poker machines trading	**1,401,898**	1,996,685
TAB and Keno commissions	**58,249**	76,552
Golf club operation	**955,134**	1,227,890
Membership subscriptions	**11,309**	18,117
Sundry income	**174,939**	78,452
Donations received	**1,173**	7,900
Interest received from other persons	**-**	126
Profit/(loss) on sale of fixed assets	**103,924**	1,053
	2,706,625	3,406,775
Total revenue	**$ 5,293,828**	$ 6,886,227
Note 3: Result for the period		
Result has been determined after:		
(a) Significant expenses		
Cost of goods sold	**1,189,838**	1,649,400
Depreciation	**509,539**	766,163
Entertainment	**86,304**	151,933
Members amenities	**132,894**	138,800
Poker machine duty	**149,604**	220,657
Provision for employee entitlements	**28,435**	42,655
Rent	**105,752**	124,075
Repairs and maintenance	**183,916**	335,186
Salaries and wages	**1,673,348**	2,371,378
Superannuation	**162,977**	218,982
(b) Auditor's remuneration		
- audit of the financial statements	**18,380**	27,924
- other services	**4,550**	4,550
	$ 22,930	$ 32,474

	30 JUN 2018 $	30 JUN 2017 $

Note 4: Cash and Cash Equivalents

Cash on hand	84,449	62,949
Cash at bank	116,896	59,600
	$ 201,345	$ 122,549

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 12 for further detail.

(a) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	201,345	122,549
	$ 201,345	$ 122,549

There are no restrictions with respect to access to the cash and cash equivalents balance shown.

Note 5: Trade and Other Receivables

CURRENT		
Trade receivables	25,239	7,296
Less: Provision for impairment	(2,188)	(2,188)
	23,051	5,108
Other receivables	4,350	11,632
	$ 27,401	$ 16,740

Note 6: Inventories

CURRENT		
Stock on Hand, at cost:		
Bar	42,750	42,684
Restaurant	18,079	15,735
Greens shed & workshop stores	36,083	31,890
Other	2,041	2,041
	$ 98,953	$ 92,350

Note 7: Financial assets

CURRENT		
Available-for-sale financial assets:		
- shares in unlisted corporations, at cost	$ 750	$ 750

Note 8: Other Assets

Accrued income	13,164	23,597
Prepayments	39,177	32,750
	$ 52,341	$ 56,347

	30 JUN 2018 $	30 JUN 2017 $
Note 9: Property, Plant & Equipment		
Land and Buildings (at cost)		
Freehold land	**143,438**	143,438
Buildings	**3,358,900**	3,358,900
Less: Accumulated depreciation	**(1,385,871)**	(1,284,991)
	1,973,029	2,073,909
Course improvements, greens and irrigation system	**1,600,587**	1,548,528
Less: Accumulated depreciation	**(1,071,612)**	(1,018,592)
	528,975	529,936
Total Land and Buildings	**2,645,442**	2,747,283
Plant and Equipment (at cost)		
Motor vehicles	**120,822**	120,822
Less: Accumulated depreciation	**(64,663)**	(48,359)
	56,159	72,463
Plant and equipment	**2,080,825**	2,025,017
Less: Accumulated depreciation	**(1,499,263)**	(1,339,241)
	581,562	685,776
Gaming machines	**2,263,608**	2,113,221
Less: Accumulated depreciation	**(1,735,355)**	(1,660,257)
	528,253	452,964
Total Plant and Equipment	**1,165,974**	1,211,203
Total Property, Plant and Equipment	**$ 3,811,416**	$ 3,958,486

(a) Movements in carrying amounts

	Land and Buildings $	Plant and Equipment $	Total $
Balance at the beginning of the period	2,747,283	1,211,203	3,958,486
Additions	52,058	311,215	363,273
Disposals	-	(807)	(807)
Depreciation expense	(153,899)	(355,637)	(509,536)
Carrying amount at the end of the period	$ 2,645,442	$ 1,165,974	$ 3,811,416

(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.

	30 JUN 2018 $	30 JUN 2017 $
Note 10: Intangible Assets		
Poker machine entitlements (at cost)	**588,000**	651,000
	$ 588,000	$ 651,000

Poker Machine Entitlements

Poker machine entitlements are assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in Note 1 to the financial statements.

Poker machine entitlements have been impairment tested using calculations of the higher of fair value, less costs to realise, and value in use. The directors believe that the carrying amount of poker machine entitlements are not impaired and annual impairment testing will be conducted at 30 June 2019.

Note 11: Trade and Other Payables

	30 JUN 2018 $	30 JUN 2017 $
CURRENT		
Unsecured liabilities:		
Trade payables	**198,728**	127,734
Sundry payables and accrued expenses	**219,765**	198,963
	$ 418,493	$ 326,697

Note 12: Borrowings

	30 JUN 2018 $	30 JUN 2017 $
CURRENT		
Secured liabilities:		
Bills payable	**71,500**	94,500
Hire purchase	**228,935**	216,447
Total Current Borrowings	**300,435**	310,947
NON-CURRENT		
Secured liabilities:		
Bills payable	**323,500**	427,500
Hire purchase	**118,648**	281,912
Total Non-Current Borrowings	**442,148**	709,412
Total Borrowings	**$ 742,583**	$ 1,020,359
(a) Total current and non-current liabilities:		
Bills payable	**395,000**	522,000
Hire purchase	**347,583**	498,359
	$ 742,583	$ 1,020,359
(b) The unused portion of approved finance facilities are:		
Credit card	**5,000**	5,000
Bills payable	**166,828**	178,000
Hire purchase	**270,738**	141,641
	$ 442,566	$ 324,641
(c) The carrying amounts of non-current assets pledged as security are:		
First mortgage over freehold land and buildings	**2,645,442**	2,747,283
Mortgage debenture as a fixed and floating charge over company assets	**328,449**	232,389
	$ 2,973,891	$ 2,979,672

	30 JUN 2018 $	30 JUN 2017 $
Note 13: Provisions		
CURRENT		
Provision for employee benefits	**194,865**	169,053
Provision for poker machine jackpots	**45,623**	39,427
	$ 240,488	$ 208,480
NON-CURRENT		
Provision for employee benefits	**39,935**	37,311
	$ 39,935	$ 37,311
(a) Aggregate employee benefits liability	**$ 234,800**	$ 206,364

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.

Provision for poker machine jackpots

Provision has been made for poker machine jackpots representing the liability accrued as a result of turnover on poker machines in excess of the minimum jackpot amount. The measurement and recognition criteria relating to provisions has been included in Note 1 to this report.

Note 14: Other Liabilities

	30 JUN 2018 $	30 JUN 2017 $
CURRENT		
Income received in advance	**199,529**	202,489
	$ 199,529	$ 202,489
NON-CURRENT		
Income received in advance	**13,813**	5,121
	$ 13,813	$ 5,121

		30 JUN 2018 $	30 JUN 2017 $

Note 15: Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	30 JUN 2018 $	30 JUN 2017 $
Payable - minimum lease payments:		
- not later than 12 months	**36,794**	36,388
- between 12 months and five years	**37,162**	75,250
	$ 73,956	$ 111,638

Operating lease commitments relate to the Department of Lands lease.

(b) Capital Expenditure Commitments

As at 30 June 2018, the company had not engaged in any capital commitments.

Note 16: Events After the End of the Reporting Period

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

Note 17: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	30 JUN 2018 $	30 JUN 2017 $
Financial assets			
Cash and cash equivalents	4	**201,345**	122,549
Trade and other receivables	5	**27,401**	16,740
Available-for-sale financial assets, at cost	7	**750**	750
		$ 229,496	$ 140,039
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	11	**418,493**	326,697
Borrowings	12	**742,583**	1,020,359
		$ 1,161,076	$ 1,347,056

	12 MONTHS ENDED 30 JUN 2018 $	17 MONTHS ENDED 30 JUN 2017 $

Note 18: Related Party Transactions

Key Management Personnel

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

	12 MONTHS ENDED 30 JUN 2018 $	17 MONTHS ENDED 30 JUN 2017 $
Key management personnel compensation	**$ 363,326**	$ 505,880
Number of persons	**4**	4

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:

	12 MONTHS ENDED 30 JUN 2018 $	17 MONTHS ENDED 30 JUN 2017 $
Anthony Moran	**$ 3,215**	$ 8,670

Note 19: 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:

Yamba Golf and Country Club Limited
River Street
Yamba NSW 2464

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 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 30 June 2018 and of its performance for the period 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:

Anthony Moran
President

Graham Niland
Senior Vice President

Dated: 3 October 2018

Crowe Horwath Central North
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE YAMBA GOLF & COUNTRY CLUB LTD

ABN 55 000 829 489

Opinion

We have audited the accompanying financial report of The Yamba Golf & Country Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of The Yamba Golf & Country Club Ltd is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the period ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements as described in Note 1 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(o) in the financial report, which discloses that the company has recognised a profit after income tax of $27,600 and positive net operating cash flows of $503,211 for the period ended 30 June 2018 and as at that date, current liabilities exceed current assets by $778,155. These conditions, along with other matters set out in Note 1(o), indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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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 30 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 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

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 skepticism 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.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE YAMBA GOLF & COUNTRY CLUB LTD

ABN 55 000 829 489

- 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.
- 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

Kylie Ellis
Audit Partner
Registered Company Auditor (ASIC RAN 483424)
Suite 5, 30 Coldstream Street
YAMBA NSW 2464

Dated: 4 October 2018