

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Financial Report

For the Year Ended 30 June 2023

Murwillumbah Golf Club Limited

ABN 80 001 034 813

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Murwillumbah Golf Club Limited

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Directors' Report 30 June 2023

The directors present their report together with the financial statements of Murwillumbah Golf Club Limited ("the Company") for the financial year ended 30 June 2023.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Marilyn Parkes

Experience Director 13 years, Retired Private Secretary / Para Legal
Special responsibilities Member Finance Committee

Graham Nelson

Experience Director 11 years, Retired Surveyor
Special responsibilities Captain, Chairman Match Committee

Neil Fogo

Experience Resigned 17 June 2023
Special responsibilities Director 12 years, Retired
Chairman of Greens Committee, Member of Finance Committee

Wayne Kendrigan

Experience Director 12 years, Retired Accountant
Special responsibilities Finance Chairman

Graham Rosenbaum

Experience Director 10 years, Retired School Teacher
Special responsibilities Chairman and Ex. Officio member of all Committees

Ian Campbell

Experience Director 8 years, Retired Police Officer, Farmer
Special responsibilities Chairman of House, Membership & Marketing Committee

Shannon Murnane

Experience Director 5 years, Structural Draftsman
Special responsibilities Vice-Captain, Member of Match Committee, Member of Greens Committee

William Quantrill

Experience Resigned 27 November 2022
Special responsibilities Director 3 years, Retired School Teacher
Member of Finance Committee, Member of House, Membership & Marketing Committee

Shane Davidson

Experience Director 3 years, Executive Officer
Special responsibilities Member of Greens Committee, Member of Match Committee

Peter Taylor

Experience Appointed 27 November 2022
Special responsibilities Director 1 year, Consultant
Member of Finance Committee

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Directors' Report

30 June 2023

Information on directors (continued)

Paul Fahy	Appointed 15 July 2023
Experience	Director newly appointed, Parks Supervisor/Senior Arborist
Special responsibilities	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Objectives and Strategies

Short term and long term objectives:

The short and long term objectives of the Murwillumbah Golf Club Limited are to ensure that the Company's financial position remains sound for both the short and long term, ensuring that members and patrons can enjoy their club for many years to come.

Strategy for achieving the objectives:

The strategy that the Company employs to achieve those objectives is to:

- Carefully monitor income and expenditure to improve operating profit;
- Introduce new ideas that will attract more people to the club and improve income streams; and
- Continually strive towards improving amenities and facilities for Members and Patrons.

Principal activities

The principal activity of the Company during the financial year remained unchanged and was the provision of sporting and social activities for members.

How principal activities assisted in achieving the objectives

These principal activities assisted in achieving the Company's objectives by providing the best facilities and by continually looking at ways to attract participants to both sporting and social activities. This has provided the Company with an excellent source of income so the Company can continue to make improvements and remain viable into the future.

The Company has to ensure that it continues to provide a quality venue for members and visitors to enjoy the facilities both socially and through the game of golf. The Company has promoted its facilities to sporting organisations and visitors in New South Wales and Queensland.

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Directors' Report

30 June 2023

Operating Results

The operating profit made by the Company during the financial year was \$409,643 (2022: profit of \$35,114). This was made up of the following:

	2023	2022
	\$	\$
Parent Club Operating Profit / (Loss)	407,776	53,313
Murwillumbah Veterans Net Profit / (Loss)	5,206	(9,305)
Women's Golf Net Profit / (Loss)	(3,339)	(8,894)
Net Profit for Current Year	409,643	35,114

Review of Operations

The financial operations of the Company during the year are summarised as follows:

Bar Trading:

Sales	1,155,002	875,471
Gross profit	724,064	541,462
Gross profit percentage	62.69 %	61.85 %
Net profit	274,465	147,040
Net profit percentage	23.76 %	16.80 %

Poker Machines:

Revenue	992,008	843,371
Less: Expenses	(172,464)	(178,031)
	819,544	665,340

Other revenue and income	2,351,818	1,914,253
Total revenue and other income	4,498,828	3,633,095
Less: Total expenses	(4,089,185)	(3,597,981)
Profit/(loss) from continuing operations	409,643	35,114

Members guarantee

Murwillumbah Golf Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member is limited to \$1, subject to the provisions of the Company's constitution.

The number of members as at 30 June 2023 is 702 (2022: 678). At 30 June 2023 the collective liability of members was \$702 (2022: \$678).

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Directors' Report

30 June 2023

Core / Non-Core Property

Directors advise that Core Property, as defined by section 41J of the *Registered Clubs Act (1976)*, is the real property owned and occupied by Murwillumbah Golf Club Limited comprising the defined premises of the club being the clubhouse, golf shop, and golf course sheds; the golf course and its environs and any facility provided by the club for the use of its members and their guests but specifically excluding the cottage. The property at 231 Byangum Road, Murwillumbah is declared non-core property.

Meetings of directors

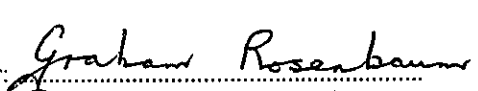
During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
Graham Nelson	11	11
Neil Fogo	11	9
Wayne Kendrigan	11	11
Marilyn Parkes	11	7
Graham Rosenbaum	11	11
Ian Campbell	11	9
Shannon Murnane	11	8
William Quantrill	5	4
Shane Davidson	11	10
Peter Taylor	6	4
Paul Fahy	-	-

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2023 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:

Director: 
GRAHAM ROSENBAUM

Director: 
PETER TAYLOR

Dated at Murwillumbah this 16th day of September 2023

Auditor's Independence Declaration

Murwillumbah Golf Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue	4	4,483,543	3,558,505
Other income	4	15,285	74,590
Expenses	5	(4,078,132)	(3,583,341)
Finance costs		(11,053)	(14,640)
Profit before income tax		409,643	35,114
Income tax expense	2(c)	-	-
Profit for the year		409,643	35,114
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		409,643	35,114

The accompanying notes form part of these financial statements.

Murwillumbah Golf Club Limited

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Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	870,060	1,071,021
Trade and other receivables	7	12,113	10,625
Inventories	8	144,443	130,532
Other financial assets	9	700,000	-
Other assets	10	21,809	16,720
TOTAL CURRENT ASSETS		1,748,425	1,228,898
NON-CURRENT ASSETS			
Property, plant and equipment	11	5,440,751	5,326,088
Intangible assets	12	220,000	220,000
Right-of-use assets	13	85,202	206,660
TOTAL NON-CURRENT ASSETS		5,745,953	5,752,748
TOTAL ASSETS		7,494,378	6,981,646
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	220,118	151,137
Employee benefits	16	342,670	293,537
Contract liabilities	17	480,837	414,867
Other liabilities	18	178,630	159,705
Lease liabilities	13	127,914	104,841
TOTAL CURRENT LIABILITIES		1,350,169	1,124,087
NON-CURRENT LIABILITIES			
Borrowings	15	5,000	5,000
Employee benefits	16	40,199	35,278
Lease liabilities	13	-	127,914
TOTAL NON-CURRENT LIABILITIES		45,199	168,192
TOTAL LIABILITIES		1,395,368	1,292,279
NET ASSETS		6,099,010	5,689,367
EQUITY			
Reserves	19	2,226,489	2,226,489
Retained earnings		3,872,521	3,462,878
TOTAL EQUITY		6,099,010	5,689,367

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2022	3,462,878	2,226,489	5,689,367
Net profit for the year	409,643	-	409,643
Balance at 30 June 2023	<u>3,872,521</u>	<u>2,226,489</u>	<u>6,099,010</u>

2022

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2021	3,427,764	2,226,489	5,654,253
Net profit for the year	35,114	-	35,114
Balance at 30 June 2022	<u>3,462,878</u>	<u>2,226,489</u>	<u>5,689,367</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,558,969	3,527,464
Receipts from Government grants	-	91,770
Payments to suppliers and employees	(3,318,696)	(3,036,158)
Interest received	5,237	-
Interest paid	(11,053)	(14,640)
Net cash provided by operating activities	<u>1,234,457</u>	<u>568,436</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(630,577)	(300,762)
Payments for held-to-maturity investments	(700,000)	-
Net cash used in investing activities	<u>(1,330,577)</u>	<u>(300,762)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(104,841)	(104,650)
Net cash used in financing activities	<u>(104,841)</u>	<u>(104,650)</u>
Net increase/(decrease) in cash and cash equivalents held	(200,961)	163,024
Cash and cash equivalents at beginning of year	1,071,021	907,997
Cash and cash equivalents at end of financial year	6 <u>870,060</u>	<u>1,071,021</u>

The accompanying notes form part of these financial statements.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Murwillumbah Golf Club Limited as an individual entity. Murwillumbah Golf Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Murwillumbah Golf Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(a) Revenue (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery to the customer as this is deemed to be the point in time when the performance obligation is satisfied.

Rendering of service

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefit simultaneously.

Government grants

Amounts arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time the asset is received.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(b) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

(i) Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or the sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at amortised cost.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Classification and subsequent measurement (continued)

- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(e) Financial Instruments (continued)

Impairment (continued)

expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the simplified approach to impairment, as applicable under AASB 9 *Financial Instruments*.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables which do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

(f) Inventories

Inventories consists of beer, spirits, wines, other sundry bar stock and golf shop stock. Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(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.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use. Recent acquisitions are being depreciated by the straight-line basis and all assets will be converted to this method as they are replaced.

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

Fixed asset class	Depreciation rates	
	Straight-Line	Diminishing Value
Buildings and Improvements	2.5% - 10%	-
Course Infrastructure	2% - 20%	-
Plant and Equipment	5% - 22.5%	7.5% - 37.5%
Furniture and Fittings	20% - 25%	37.5%
Poker Machines	20% - 25%	37.5%

Crockery, cutlery and glassware are recorded at cost and replacements are charged against the income of that year.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

Course infrastructure items of trees, gardens and nursery are recorded at cost and replacements will be charged against the profits of that year.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(h) Intangibles

Poker Machine Entitlements

Poker machine entitlements were granted to the Company by the NSW government prior to 1 July 2004. Poker machine entitlements have been recognised in the statement of financial position at their fair value at 1 July 2004 which has been deemed to be their cost. Subsequent acquisitions of poker machine entitlements are recognised at cost.

Poker machine entitlements are assessed as being intangible assets with an indefinite useful life and have not been amortised. Poker machine entitlements are carried at cost in the statement of financial position and are subject to an annual impairment test.

(i) Impairment

At the end of each reporting period the Company determines whether there is any evidence of impairment for its non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company, if deprived of the asset, would replace its remaining future economic benefits, value in use shall be determined at the depreciated replacement cost of the asset.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies (continued)

(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) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(l) 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.

(m) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(n) Adoption of New and Revised Accounting Standards

The Company has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

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Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

(a) Useful lives of Property, Plant and Equipment

The Company determines the estimated useful lives and related depreciation for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. Depreciation will increase where the useful lives are less than previously estimated. Technically obsolete or non-strategic assets that have been abandoned or sold will be written-off or written-down.

(b) Poker Machine Entitlements

The Company tests annually, or more frequently if events of changes in circumstances indicate impairment, whether poker machine entitlements have suffered any impairment, in accordance with the accounting policy stated in Note 2(h). The recoverable amounts of poker machine entitlements have been determined based on their fair value less costs of disposal.

(c) Impairment of Non-Financial Assets

The Company assesses impairment of non-financial 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.

(d) Employee Benefits Provision

As discussed at Note 2(k), 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.

(e) Incremental Borrowing Rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2023

4 Revenue and Other Income

	2023	2022
	\$	\$
Revenue from contracts with customers		
Sales of goods		
- Bar sales	1,155,002	875,471
- Golf shop sales	529,906	385,573
Total sales of goods	1,684,908	1,261,044
Services rendered:		
- Gaming machine income	974,828	826,191
- Keno commissions	40,572	37,062
- TAB commissions	10,612	6,355
- Membership subscriptions	244,999	242,032
- Affiliation fees	31,051	30,503
- Competition, green fees, cart hire & golfing	1,229,528	885,805
Total services rendered	2,531,590	2,027,948
Revenue from sub-clubs:		
- Murwillumbah Veterans	30,643	19,317
- Women's Golf Murwillumbah	50,507	46,058
Total revenue from sub-clubs	81,150	65,375
Total operating revenue	4,297,648	3,354,367
Non-Operating Revenue		
- Interest received	5,237	-
- Poker machine GST subsidy	17,180	17,180
- Rents received	74,756	98,680
- Donations & sponsorship	23,318	36,345
- Other revenue	65,404	51,933
Total non-operating revenue	185,895	204,138
Total revenue	4,483,543	3,558,505
Other Income		
Government grants (COVID-19 related)	-	74,590
Profit on disposal of non-current assets	15,285	-
Total other income	15,285	74,590

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

4 Revenue and Other Income (continued) Disaggregation of revenue

Revenue has been disaggregated into major product / service line and revenue recognition timing, and the following table shows this breakdown:

	2023		2022	
	AASB 15 \$	AASB 1058 \$	AASB 15 \$	AASB 1058 \$
Major product / service line				
- Bar sales	1,155,002	-	875,471	-
- Golf shop sales	529,906	-	385,573	-
- Gaming machine income	974,828	-	826,191	-
- Membership subscriptions	244,999	-	242,032	-
- Competition, green fees, cart hire & golfing	1,229,528	-	885,805	-
- Sub-clubs	81,150	-	65,375	-
- Rents received	74,756	-	98,680	-
- Government grants (COVID-19 related)	-	-	-	74,590
- Other revenue	193,374	-	179,378	-
Total revenue	4,483,543	-	3,558,505	74,590
Timing of revenue recognition				
- Goods transferred at a point in time	1,684,908	-	1,261,044	-
- Services transferred at a point in time	2,447,829	-	1,926,246	-
- Services transferred over time	350,806	-	371,215	-
- Grants recognised at a point in time	-	-	-	74,590
Total revenue	4,483,543	-	3,558,505	74,590

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

5 Expenses

	2023	2022
	\$	\$
Depreciation and Amortisation:		
Building and improvements	171,274	166,353
Furniture & fittings, plant & equipment	136,936	137,103
Poker machines	89,192	90,628
Course infrastructure	88,123	86,685
Motor vehicles	9,858	9,858
Right-of-use assets	110,430	126,841
Total depreciation and amortisation	605,813	617,468
Sub-Club Expenses:		
Murwillumbah Veterans	25,437	28,622
Women's Golf Murwillumbah	53,846	54,952
Total sub-club expenses	79,283	83,574
Employee costs	1,575,996	1,382,338
Cost of goods sold	742,482	568,158
Administration	115,628	98,111
Repairs & maintenance	289,290	250,386
Golf related expenses	202,653	184,818
Electricity & fuel	132,234	109,635
Members entertainment	70,057	48,963
Insurance	56,776	48,558
Fees for auditing the financial statements	24,391	24,333
TAB expenses	11,588	10,647
Other expenses	171,941	156,352
Total expenses	4,078,132	3,583,341
6 Cash and Cash Equivalents		
Cash on hand	73,600	73,600
Cash at bank:		
Trading account	309,960	917,147
Savings account	401,498	-
Keno account	3,894	3,457
TAB account	1,991	1,938
Womens subclub	40,338	43,677
Veterans subclub	38,779	31,202
Total cash and cash equivalents / balance as per statement of cash flows	870,060	1,071,021

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade debtors	7,113	5,625
TAB security deposit	5,000	5,000
Total current trade and other receivables	12,113	10,625

8 Inventories

CURRENT		
At cost:		
Bar and golf shop stock	144,443	130,532
Total current inventories	144,443	130,532

9 Other Financial Assets

CURRENT		
Term Deposits	700,000	-
	700,000	-

10 Other Assets

CURRENT		
Prepayments	21,809	16,720
Total current other assets	21,809	16,720

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, Plant and Equipment

	2023	2022
	\$	\$
Freehold land		
At cost	477,000	477,000
Total freehold land	<u>477,000</u>	<u>477,000</u>
Buildings and improvements		
At cost	5,133,525	4,990,243
Accumulated depreciation	(2,027,795)	(1,859,526)
Total buildings and improvements	<u>3,105,730</u>	<u>3,130,717</u>
Capital works in progress		
At cost	29,649	18,094
Total capital works in progress	<u>29,649</u>	<u>18,094</u>
Furniture & fittings, plant & equipment		
At cost	2,486,796	2,317,879
Accumulated depreciation	(1,636,118)	(1,542,428)
Total furniture & fittings, plant & equipment	<u>850,678</u>	<u>775,451</u>
Motor vehicles		
At cost	49,289	49,289
Accumulated depreciation	(34,896)	(25,038)
Total motor vehicles	<u>14,393</u>	<u>24,251</u>
Poker machines		
At cost	669,126	622,160
Accumulated depreciation	(423,375)	(467,098)
Total poker machines	<u>245,751</u>	<u>155,062</u>
Course infrastructure		
At cost	2,829,490	2,814,632
Accumulated depreciation	(2,111,940)	(2,069,119)
Total course infrastructure	<u>717,550</u>	<u>745,513</u>
Total property, plant and equipment	<u><u>5,440,751</u></u>	<u><u>5,326,088</u></u>

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Property, Plant and Equipment (continued)

(a) 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:

	Capital Works in Progress	Land	Building and Improvements	Furniture & Fittings, Plant & Equipment
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	18,094	477,000	3,130,717	775,451
Additions	154,858	-	2,984	230,771
Disposals - written down value	-	-	-	(18,608)
Transfers	(143,303)	-	143,303	-
Depreciation expense	-	-	(171,274)	(136,936)
Balance at the end of the year	29,649	477,000	3,105,730	850,678

	Motor Vehicles	Poker Machines	Course Infrastructure	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	24,251	155,062	745,513	5,326,088
Additions	-	179,881	60,160	628,654
Disposals - written down value	-	-	-	(18,608)
Transfers	-	-	-	-
Depreciation expense	(9,858)	(89,192)	(88,123)	(495,383)
Balance at the end of the year	14,393	245,751	717,550	5,440,751

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Intangible Assets

	2023	2022
	\$	\$
Poker machine entitlements		
Cost	220,000	220,000
Total Intangibles	<u>220,000</u>	<u>220,000</u>

13 Leases

Company as a lessee

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Plant & Equipment:

The Company leases golf buggies, various course plant & equipment and poker machines under terms of between three and five years. These lease liabilities are secured by the underlying leased assets. Certain lease agreements include balloon payments on contractual maturity whereas the assets to which they relate are depreciated on a straight-line basis over the lease term.

Right-of-use assets

	Plant and Equipment	Poker Machines	Total
	\$	\$	\$
Year ended 30 June 2023			
Balance at beginning of year	180,318	26,342	206,660
Depreciation charge	(96,686)	(13,744)	(110,430)
Reductions in right-of-use assets due to changes in lease liability	(11,028)	-	(11,028)
Balance at end of year	<u>72,604</u>	<u>12,598</u>	<u>85,202</u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease liabilities	131,627	-	-	131,627	127,914
2022					
Lease liabilities	113,166	131,627	-	244,793	232,755

Murwillumbah Golf Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2023

14 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Accounts payable and accrued expenses	220,118	151,137
Total current trade and other payables	220,118	151,137

15 Borrowings

	2023	2022
NON-CURRENT		
Secured liabilities:		
Bank loans	5,000	5,000
Total non-current borrowings	5,000	5,000

(a) Bank loan facilities

The Club currently has an \$800,000 (2022: \$800,000) loan facility with the Commonwealth Bank of Australia that matures in March 2025. The facility is an interest only loan with a current variable interest rate of 7.42% (2022: 4.67%) per annum.

The Club also has a \$20,000 corporate card facility with the Commonwealth Bank of Australia.

During the current and prior year, there were no defaults or breaches on any of the loans.

(b) Securities pledged

The Commonwealth Bank of Australia holds a registered first mortgage over the Company's non-residential freehold land and buildings at Murwillumbah to secure the bank loan.

The carrying amounts of assets pledged as security for borrowings are:

First Mortgage		
Freehold land	330,000	330,000
Buildings and improvements	2,947,897	2,970,958
Total assets pledged as security for borrowings	3,277,897	3,300,958

(c) Fair value

The fair value of borrowings equals their carrying amount.

Murwillumbah Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2023

16 Employee Benefits

	2023	2022
	\$	\$
CURRENT		
Long service leave	151,369	127,517
Annual leave	191,301	166,020
Total current employee benefits	342,670	293,537
NON-CURRENT		
Long service leave	40,199	35,278
Total non-current employee benefits	40,199	35,278

The current long service leave provision includes all employees who have accumulated 10 years service and therefore have an unconditional right to take long service leave. The amount of long service leave expected to be taken by employees during the forthcoming financial year is \$NIL (2022: \$NIL).

17 Contract Liabilities

CURRENT		
Unearned income	480,837	414,867
Total current contract liabilities	480,837	414,867

18 Other Liabilities

CURRENT		
Net GST payable	80,666	71,547
Prize liability	97,964	88,158
Total current other liabilities	178,630	159,705

19 Reserves

Asset revaluation surplus		
Opening balance	2,226,489	2,226,489
Movement during the year	-	-
Total asset revaluation surplus	2,226,489	2,226,489

(a) **Asset revaluation surplus**

The asset revaluation surplus records fair value movements on property, plant and equipment.

20 Commitments

(a) **Capital Commitments**

Committed at the reporting date but not recognised as liabilities:

Property, Plant and Equipment	91,700	-
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Murwillumbah Golf Club Limited

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2023

21 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 \$	2022 \$
Financial Assets			
<i>Financial assets at amortised cost:</i>			
Cash and cash equivalents	6	870,060	1,071,021
Held-to-maturity investments	9	700,000	-
Trade and other receivables	7	12,113	10,625
Total financial assets		1,582,173	1,081,646
Financial Liabilities			
<i>Financial liabilities at amortised cost:</i>			
Trade and other payables	14	220,118	151,137
Borrowings	15	5,000	5,000
Lease liabilities	13	127,914	232,755
Total financial liabilities		353,032	388,892

22 Fair Value Measurement

The Company does not measure any assets or liabilities at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition.

23 Members' Guarantee

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 \$1 each towards meeting any outstandings and obligations of the Company. At 30 June 2023 the number of members was 702 (2022: 678).

24 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$436,605 (2022: \$410,388).

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 25: Related Parties.

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Notes to the Financial Statements For the Year Ended 30 June 2023

25 Related Parties

(a) **The Company's main related parties are as follows:**

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 24: Key Management Personnel (KMP) Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) **Transactions with 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.

The following transactions occurred with related parties:

Two employees currently meet the definition of related parties with key management personnel in accordance with section 228 of the *Corporations Act 2001*. The appointment of staff and setting of their remuneration was approved by the Board at the time. The employees were paid a total remuneration of \$146,920 during the year (2022: \$118,502).

26 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

27 Events Occurring After the Reporting Date

The financial report was authorised for issue on 16 September 2023 by the Board of Directors.

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

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Notes to the Financial Statements

For the Year Ended 30 June 2023

28 Company Details

The registered office and principal place of business of the Company is:

Murwillumbah Golf Club Limited
233 Byangum Road
Murwillumbah NSW 2484

Murwillumbah Golf Club Limited

ABN 80 001 034 813

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 30, are in accordance with the *Corporations Act 2001* and:
 - 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 2023 and of the performance for the year ended on that date of the Company.
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.

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

Director
Graham Rosenbaum
GRAHAM ROSENBAUM

Director
Peter Taylor
PETER TAYLOR

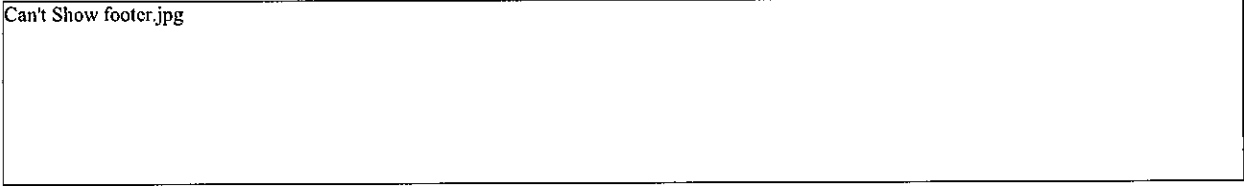
Dated at Murwillumbah this 16th day of September 2023

Murwillumbah Golf Club Limited

ABN 80 001 034 813

**MURWILLUMBAH GOLF CLUB LIMITED
ABN 80 001 034 813
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

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Murwillumbah Golf Club Limited

ABN 80 001 034 813

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Opinion

