

# Muree Golf Club Limited

## Directors' Report

The directors of Muree Golf Club Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2009. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company who held office during the year and at the date of this report are:

<u>NAME</u>	<u>QUALIFICATIONS</u>	<u>EXPERIENCE</u>	<u>SPECIAL RESPONSIBILITIES</u>	
G Solly	Managing Director	11 years	President	
S Davison	Retired	16 years	Director	
L Heke	Carpenter	10 years	Treasurer	
L Clark	Farmer	7 years	Director	
I Lovell	Retired	2 years	Captain	
J Beatty	Retired	15 years	Director	
K Austin	Retired	4 years	Vice President	resigned 23/11/2008
J Barnden	Retired	5 years	Vice President	
T Etheridge	Retired	4 years	Vice President	
P Pirini	Teacher	4 years	Director	
A Salisbury	Electrician	1 years	Director	resigned 23/11/2008
D Lovell	Sales Manager	0 years	Director	appointed 23/11/2008
D Mayberry	Retired	0 years	Director	appointed 23/11/2008

### PRINCIPAL ACTIVITIES

The principal activities of the company in the course of the financial year were the promotion of Golf and the provision of amenities to members and their guests. There was no significant change in the nature of these activities during the year.

### RESULTS

The company generated a net profit of \$178,944 in the current financial year (2008: \$73,149). The current year's results include an insurance claim receipt of \$133,085 being for storm damage to the golf course and club house.

### CHANGES IN THE STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

### SUBSEQUENT EVENTS

There has not been any other matter or circumstance that has arisen since the end of the financial year, that has 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.

# Muree Golf Club Limited

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## Directors' Report (Continued)

### FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

### DIRECTORS DECLARATIONS

No director of the company, with the exception of G Solly, has received or become entitled to receive a benefit by reason of a contract made by the company or by a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest. This director carried out minimal work in the clubhouse and surrounds and this work was completed at commercial terms.

### ENVIRONMENTAL ISSUES

The company's operations are subject to significant environmental regulation under the law of the Commonwealth and State. The Directors are not aware of any significant breaches of the legislation during the financial year which are material in nature.

### DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

G Solly	11/12	J Barnden	12/12
S Davison	9/12	T Etheridge	10/12
L Heke	9/12	P Pirini	12/12
L Clark	11/12	A Salisbury	3/4
I Lovell	12/12	D Lovell	7/8
J Beatty	8/12	D Mayberry	7/8
K Austin	4/4		

### EMPLOYEES

As at 30 June 2009, the company employed 16 staff (2008: 10).

### ADDITIONAL COMPANY INFORMATION

#### *Principal Place of Business*

Walker Crescent  
RAYMOND TERRACE, NSW

#### *Registered Office*

Walker Crescent  
RAYMOND TERRACE, NSW

# Muree Golf Club Limited

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## Directors' Report (Continued)

### INDEMNIFICATION OF DIRECTORS' AND INSURANCE PREMIUMS

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company:

Indemnified or made any relevant agreements for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings; with the exception of the following.

During the financial year the company paid a premium to insure certain officers of the company. The officers of the company are previously listed in this report. The liabilities insured include the cost and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 4 of the financial report.

Signed in accordance with a resolution of the directors.

On behalf of the Board

.....  
Director

.....  
Director

RAYMOND TERRACE,      October 2009

## **Muree Golf Club Limited**

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### **Auditor's Independence Declaration**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**373 HIGH ST**  
**MAITLAND, NSW**

**October 2009**

**PEARSON SMART AUDIT**

**M MATTHEWS (Partner)**  
**REGISTERED COMPANY AUDITOR**

# Muree Golf Club Limited

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## Independent Auditors Report to the Members

We have audited the accompanying financial report of Muree Golf Club Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 "Presentation of Financial Statements", that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes complies with International Financial Reporting Standards.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

## Muree Golf Club Limited

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### Independent Auditors Report to the Members

(Continued)

#### Auditor's Opinion

In our opinion:

- (a) the financial report of Muree Golf Club Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**373 HIGH STREET**  
**MAITLAND, NSW**

**OCTOBER 2009**

**PEARSON SMART AUDIT**

**M MATTHEWS (Partner)**  
**REGISTERED COMPANY AUDITOR**

## Muree Golf Club Limited

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### Directors' Declaration

**The directors of the company declare that:**

- (a) 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; and
  
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company for the year ended 30 June 2009.

Signed in accordance with a resolution of the directors.

On behalf of the Board

Director  
RAYMOND TERRACE, NSW  
OCTOBER 2009

Director  
RAYMOND TERRACE, NSW  
OCTOBER 2009

## Muree Golf Club Limited

### Income Statement for the Financial Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Sales revenue	2(a)	2,317,012	2,287,457
Cost of sales	2(c)	(415,220)	(391,627)
<b>Gross profit</b>		<b>1,901,792</b>	<b>1,895,830</b>
Other income	2(a)	275,785	180,920
Employee benefits expense		(581,961)	(557,665)
Depreciation expense	2(c)	(165,761)	(168,835)
Borrowing costs expense	2(c)	(69,739)	(76,226)
Other bar expense		(14,458)	(17,700)
Other gaming expense		(48,117)	(64,789)
Other course expense		(527,001)	(523,980)
Other catering expense		(12,392)	(11,105)
Administration expense		(579,204)	(583,301)
<b>Profit before income tax expense</b>		<b>178,944</b>	<b>73,149</b>
Income tax expense	1(f)	-	-
<b>Profit from continuing operations</b>	<b>14</b>	<b>178,944</b>	<b>73,149</b>
<b>Profit attributable to members</b>		<b>178,944</b>	<b>73,149</b>

Notes to the financial statements are included on pages 12 to 28.

## Muree Golf Club Limited

### Balance Sheet as at 30 June 2009

		2009	2008
	Note	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	18(a)	223,987	462,674
Trade and other receivables	5	34,523	17,939
Inventories	6	20,238	18,637
Other	7	26,570	42,970
<b>Total current assets</b>		305,318	542,220
<b>Non-current assets</b>			
Property, plant and equipment	8	2,709,980	2,231,651
<b>Total non-current assets</b>		2,709,980	2,231,651
<b>Total assets</b>		3,015,298	2,773,871
<b>Current liabilities</b>			
Trade and other payables	9	245,834	192,649
Borrowings	10	93,408	97,656
Provisions	11	97,477	79,593
<b>Total current liabilities</b>		436,719	369,898
<b>Non-current liabilities</b>			
Borrowings	12	641,912	660,248
Provisions	13	27,452	13,454
<b>Total non-current liabilities</b>		669,364	673,702
<b>Total liabilities</b>		1,106,083	1,043,600
<b>Net assets</b>		1,909,215	1,730,271
<b>Equity</b>			
Retained earnings	14	1,909,215	1,730,271
<b>Total equity</b>		1,909,215	1,730,271

Notes to the financial statements are included on pages 12 to 28.

## Muree Golf Club Limited

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### Statement of Changes in Equity for the Financial Year Ended 30 June 2009

	<u>Retained Earnings</u>	<u>Reserves</u>	<u>Total Equity</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance at 1 July 2007	1,657,122	-	1,657,122
Profit for the year	73,149	-	73,149
Balance at 30 June 2008	1,730,271	-	1,730,271
Profit for the year	178,944	-	178,944
Balance at 30 June 2009	1,909,215	-	1,909,215

Notes to the financial statements are included on pages 12 to 28.

## Muree Golf Club Limited

### Cash Flow Statement for the Financial Year Ended 30 June 2009

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,808,145	2,699,058
Payments to suppliers and employees		(2,321,887)	(2,417,714)
Interest received		8,140	13,446
Interest and other costs of finance paid		(65,934)	(72,422)
Net cash provided by operating activities	18(b)	428,464	222,368
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(644,567)	(80,941)
Proceeds from sale of plant and equipment		-	8,000
Net cash used in investing activities		(644,567)	(72,941)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(22,584)	(14,696)
Net cash used in financing activities		(22,584)	(14,696)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(238,687)	134,731
<b>Cash and cash equivalents at the beginning of the financial year</b>		462,674	327,943
<b>Cash and cash equivalents at the end of the financial year</b>	18(a)	223,987	462,674

Notes to the financial statements are included on pages 12 to 28.

# Muree Golf Club Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 1 Summary of accounting policies

#### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the financial statements and notes of the company comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 26 October 2009.

#### Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

#### (a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

#### (b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

# Muree Golf Club Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 1 Summary of accounting policies (cont'd)

#### (c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

#### (d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. 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.

# Muree Golf Club Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 1 Summary of accounting policies (cont'd)

#### (e) Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease .

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (f) Income tax

The company has been granted an exemption from income tax in accordance with section 50-45 of the Income Tax Assessment Act (1997). There has been no provision made out of profits for the year.

#### (g) Inventories

Inventories are valued at the lower of cost and net realisable value.

#### (h) Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

# Muree Golf Club Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 1 Summary of accounting policies (cont'd)

#### (i) Property, plant and equipment

Where assets have been revalued any revaluation increase arising on the revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Property, Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

·	Buildings	5 - 100 years
·	Plant and equipment	5 - 40 years
·	Poker Machines	2 - 4 years

#### (j) Provisions

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

# Muree Golf Club Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 1 Summary of accounting policies (cont'd)

(k) Revenue recognition

#### Sale of goods

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods.

#### Rendering of Services

Revenue from rendering of services is recognised when the service is provided, or in the case of subscriptions, in the period to which membership is covered.

#### Interest Revenue

Interest revenue is recognised on a time proportionate basis which takes into account the effective yield on the financial asset.

(l) Financial Risk Management

The company has exposure to the following risks from their use of financial instruments:

- a) credit risk;
- b) liquidity risk; and
- c) market risk.

The company has no exposure to currency risk as all transactions are denominated in Australian dollars.

This note presents information about the company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### Capital Management

The Board's policy is to maintain a strong capital base so as to maintain member, creditor and market confidence and to sustain future development of the business.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the company's approach to capital management during the year, although a number of new fixed asset additions were purchased during the year by cash, with a value of approximately \$644,600.

The company is not subject to externally imposed capital requirements.

# Muree Golf Club Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 1 Summary of accounting policies (cont'd)

(m) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards & Interpretations listed below were issued but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the company's financial report:

- AASB 101 'Presentation of Financial Statements' (revised September 2007) Effective for annual reporting periods beginning on or after 1 January 2009

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the company:

- AASB 123 'Borrowing Costs' (revised) Effective for annual reporting periods beginning on or after 1 January 2009
- AASB 2008-2 'Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation' Effective for annual reporting periods beginning on or after 1 January 2009
- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project Effective for annual reporting periods beginning on or after 1 January 2009
- IFRS 3 'Business Combinations' and IAS 27 'Separate and Consolidated Financial Statements' Effective for annual reporting periods beginning on or after 1 January 2009

## Muree Golf Club Limited

### Notes to the Financial Statements for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>2 Profit from operations</b>		
<b>(a) Revenue</b>		
Revenue from continuing operations consisted of the following items:		
Revenue from the sale of goods	1,492,907	1,440,273
Revenue from the rendering of services	824,105	847,184
	2,317,012	2,287,457
Rental revenue:		
Hire fees	52,098	66,159
	52,098	66,159
Interest revenue:		
Other entities	8,140	13,446
	8,140	13,446
Insurance Claim	133,085	-
Other ( <i>aggregate of immaterial items</i> )	82,462	94,513
	2,592,797	2,461,575
Attributable to:		
Continuing operations	2,592,797	2,461,575
	2,592,797	2,461,575
<b>(b) Profit before income tax</b>		
Profit before income tax has been arrived at after crediting/ (charging) the following gains and losses:		
Gain/(loss) on disposal of property, plant and equipment	-	6,802
	-	6,802
	-	6,802

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

	2009 \$	2008 \$
<b>2 Profit from operations (cont'd)</b>		
<b>(c) Expenses</b>		
Profit before income tax has been arrived at after charging the following expenses.		
Cost of sales	415,220	391,627
Finance costs:		
Interest on loans	65,934	72,422
Borrowing Costs	3,805	3,804
Total interest expense	69,739	76,226
Depreciation of non-current assets	132,321	137,317
Amortisation of non-current assets	33,440	31,518
	165,761	168,835
Operating lease rental expenses:		
Minimum lease payments	3,386	1,375
	3,386	1,375
Transfer to/(from) Provisions for:		
Employee entitlements	31,882	(6,331)
	31,882	(6,331)

### 3 Key management personnel remuneration

The specified directors of Muree Golf Club Limited during the year were:

G Solly	K Austin	P Pirini
J Barnden	J Beatty	D Lovell
T Etheridge	S Davison	D Mayberry
I Lovell	L Clark	
L Heke	A Salisbury	

The specified employees of Muree Golf Club Limited for the year were:

- R Jones

#### (a) Key management personnel remuneration

Short- term employee benefits	95,178	76,880
Post-employment benefits	6,489	5,709
Other long-term employee benefits	-	-
	101,667	82,589

#### (b) Transactions with related parties

Gary Solly provided emergency repair services at commercial terms.

Remuneration received	353	3,949
	353	3,949

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>4 Remuneration of auditors</b>		
Audit of the financial report	20,480	20,480
	<u>20,480</u>	<u>20,480</u>
<b>5 Current trade and other receivables</b>		
Trade receivables (i)	34,523	17,939
	<u>34,523</u>	<u>17,939</u>
<b>6 Current inventories</b>		
Bar	17,062	15,935
Catering	3,176	2,702
	<u>20,238</u>	<u>18,637</u>
<b>7 Other current assets</b>		
Prepayments	26,570	42,970
	<u>26,570</u>	<u>42,970</u>

### 8 Property, plant and equipment

Section 41J(2) of the Registered Club's Act requires the annual report to specify the core and non-core property of the club as at the end of the financial year to which the report relates.

Core Property is any real property owned or occupied by the club that comprises:

- (a) the defined premises of the club; or
- (b) any facility provided by the club for use by its members and their guests; or
- (c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the club to be core property.

Non-core property is any other property that is not referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the club not to be core property.

The following properties are the core properties of the club;

- 6,7 Walker Crescent, Raymond Terrace

The following properties are the non-core properties of the club;

- 6A Elizabeth Street, Raymond Terrace

## Muree Golf Club Limited

### Notes to the Financial Statements for the Financial Year Ended 30 June 2009

#### 8 Property, plant and equipment (cont'd)

	Freehold Land & Buildings at cost \$	Plant, Equipment & Machinery at cost \$	Poker Machines at cost \$	Poker Machine Licences at cost \$	Total \$
<b>Gross carrying amount - at cost</b>					
Balance at 1 July 2007	2,014,289	1,255,606	585,908	314,319	4,170,122
Additions	3,564	32,585	44,792	-	80,941
Disposals	-	(5,543)	(23,950)	-	(29,493)
<b>Balance at 1 July 2008</b>	<b>2,017,853</b>	<b>1,282,648</b>	<b>606,750</b>	<b>314,319</b>	<b>4,221,570</b>
Additions	418,820	29,055	105,150	91,542	644,567
Disposals	-	(41,122)	-	-	(41,122)
<b>Balance at 30 June 2009</b>	<b>2,436,673</b>	<b>1,270,581</b>	<b>711,900</b>	<b>405,861</b>	<b>4,825,015</b>

	Freehold Land & Buildings at cost \$	Plant, Equipment & Machinery at cost \$	Poker Machines at cost \$	Poker Machine Licences at cost \$	Total \$
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#### Accumulated depreciation/ amortisation and impairment

Balance at 1 July 2007	504,143	827,637	453,097	64,502	1,849,379
Disposals	-	(4,547)	(23,748)	-	(28,295)
Depreciation expense	27,423	53,716	56,178	31,518	168,835
<b>Balance at 1 July 2008</b>	<b>531,566</b>	<b>876,806</b>	<b>485,527</b>	<b>96,020</b>	<b>1,989,919</b>
Disposals	-	(40,645)	-	-	(40,645)
Depreciation expense	26,502	47,470	58,349	33,440	165,761
<b>Balance at 30 June 2009</b>	<b>558,068</b>	<b>883,631</b>	<b>543,876</b>	<b>129,460</b>	<b>2,115,035</b>

#### Net book value

As at 30 June 2008	1,486,287	405,842	121,223	218,299	2,231,651
As at 30 June 2009	1,878,605	386,950	168,024	276,401	2,709,980

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

	2009 \$	2008 \$
<b>9 Current trade and other payables</b>		
Trade payables (i)	190,507	141,735
Subscriptions in Advance	55,327	50,914
	<b>245,834</b>	<b>192,649</b>
<p>(i) The average credit period on bar purchases is 7-10 days. The average credit period on all other purchases is 0 - 30 days. No interest is charged on late payments. The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.</p>		
<b>10 (a) Borrowings</b>		
<p>The Newcastle Permanent Building Society loan advance is secured by a registered first mortgage over club property situated at Walker Crescent and Elizabeth Street, Raymond Terrace, which have a book value in excess of the indebtedness.</p>		
<b>Financing Arrangements</b>		
Unrestricted access was available at the balance date to the following lines of credit:		
Total Facilities - Loans	1,000,000	1,000,000
- Credit Cards	5,000	5,000
Used at Balance Date	(735,320)	(757,904)
Unused at Balance Date	269,680	247,096
<b>10 Current borrowings</b>		
<b><u>Secured</u></b>		
Newcastle Permanent Building Society Loan	93,408	97,656
	<b>93,408</b>	<b>97,656</b>
<b>11 Current provisions</b>		
Employee benefits	97,477	79,593
	<b>97,477</b>	<b>79,593</b>
<b>12 Non-current borrowings</b>		
<b><u>Secured</u></b>		
Newcastle Permanent Building Society Loan	648,571	670,713
Less Prepaid Borrowing Costs	(6,659)	(10,465)
	<b>641,912</b>	<b>660,248</b>

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>13 Non-current provisions</b>		
Employee benefits	27,452	13,454
	<u>27,452</u>	<u>13,454</u>
<b>14 Retained earnings</b>		
Balance at beginning of financial year	1,730,271	1,657,122
Net profit attributable to members of the parent entity	178,944	73,149
Balance at end of financial year	<u>1,909,215</u>	<u>1,730,271</u>
<b>15 Leases</b>		
<b>Operating leases</b>		
<b>Leasing arrangements</b>		
The club has entered into an agreement for the hire of an ATM and lease of club TV's. These agreements run until January 2010 and Mar 2014 respectively.		
<b>Non-cancellable operating lease commitments</b>		
Not longer than 1 year	7,670	1,500
Longer than 1 year and not longer than 5 years	24,543	1,125
	<u>32,213</u>	<u>2,625</u>

### 16 Segment information

The club's operations are wholly within New South Wales and this activity is within one industry, namely the provision of amenities to members and their guests.

### 17 Related party disclosures

#### (a) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 3(a) to the financial statements.

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>18 Notes to the cash flow statement</b>		
<b>(a) Reconciliation of cash and cash equivalents</b>		
For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash on hand	65,338	65,427
Cash at bank	158,649	397,247
	<u>223,987</u>	<u>462,674</u>
<b>(b) Reconciliation of profit for the period to net cash flows from operating activities</b>		
Profit for the period	178,944	73,149
(Gain)/loss on sale or disposal of non-current assets	477	(6,802)
Depreciation and amortisation of non-current assets	165,761	168,835
Provision for employee entitlements	31,882	(6,331)
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	(16,584)	8,278
Current inventories	(1,601)	3,356
Other current assets	16,400	79
Increase/(decrease) in liabilities:		
Current payables	53,185	(18,196)
Net cash from operating activities	<u>428,464</u>	<u>222,368</u>

### 19 Financial instruments

#### (a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 19 Financial instruments (cont'd)

#### (b) Interest rate risk management

The company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

The liabilities that are subject to interest rate risk are detailed below under the section on 'Liquidity Risk Management'.

Some of the company's assets are subject to interest rate risk, but the company is not dependent on this income.

Interest income is only incidental to the company operations and operating cash flows.

#### Maturity profile of financial instruments

The following tables detail the company's exposure to interest rate risk as at 30 June 2009 and 30 June 2008:

2009	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
<b>Financial assets:</b>				
Cash on Hand	0.00	-	65,338	65,338
Cash at Bank	1.11	158,649		158,649
		<u>158,649</u>	<u>65,338</u>	<u>223,987</u>
<b>Financial liabilities:</b>				
NPBS Loan	6.40	741,979	-	741,979
Trade payables	-	-	190,507	190,507
		<u>741,979</u>	<u>190,507</u>	<u>932,486</u>

2008	Weighted average effective interest rate %	Variable interest rate \$	Non interest bearing \$	Total \$
<b>Financial assets:</b>				
Cash on Hand	0.00	-	65,427	65,427
Cash at Bank	3.00	397,247		397,247
		<u>397,247</u>	<u>65,427</u>	<u>462,674</u>
<b>Financial liabilities:</b>				
NPBS Loan	8.11	768,369	-	768,369
Trade payables	-	-	141,735	141,735
		<u>768,369</u>	<u>141,735</u>	<u>910,104</u>

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 19 Financial instruments (Cont'd)

#### Interest rate risk

At reporting date the interest rate profile of the company's interest-earning financial assets and liabilities was:

	Club carrying amount	
	2009	2008
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	158,649	397,247
	<u>158,649</u>	<u>397,247</u>
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Financial liabilities	741,979	768,369
	<u>741,979</u>	<u>768,369</u>

#### Cash flow sensitivity analysis for variable rate instruments

A increase of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

	Equity 100bp Increase \$	Profit or loss 100bp Increase \$
<b>30 June 2009</b>		
Assets - Variable rate instruments	2,779	2,779
Liabilities - Variable rate instruments	(7,552)	(7,552)
Cash flow sensitivity (net)	<u>(4,773)</u>	<u>(4,773)</u>
<b>30 June 2008</b>		
Assets - Variable rate instruments	3,296	3,296
Liabilities - Variable rate instruments	(7,777)	(7,777)
Cash flow sensitivity (net)	<u>(4,481)</u>	<u>(4,481)</u>

# Muree Golf Club Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 19 Financial instruments (Cont'd)

#### (c) Credit risk management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. As the overwhelming majority of the company's sales are tendered in cash, the director's consider credit risk to be minimal with respect to trade receivables. The company's cash assets are invested with two financial institutions to mitigate any credit risk associated with these investments.

#### (d) Liquidity risk management

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the company maintains the following lines of credit:

Bank loan of \$741,979 which is secured.

Interest is payable on the above facility at the current rate of 6.4%.

The following are the contractual maturities of financial liabilities, including estimated interest  
**30 June 2009**

	Carrying	<1 year	1 - 5 yrs	>5 yrs
<b>Non-derivative financial liabilities</b>				
Secured Bank Loan	741,979	93,408	373,632	274,939
Trade payables	190,510	190,510	-	-

#### **30 June 2008**

	Carrying	<1 year	1 - 5 yrs	>5 yrs
<b>Non-derivative financial liabilities</b>				
Secured Bank Loan	768,369	97,656	390,624	280,089
Trade payables	141,735	141,735	-	-

# Muree Golf Club Limited

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## Notes to the Financial Statements for the Financial Year Ended 30 June 2009

### 19 Financial instruments (Cont'd)

#### (e) Market risk

Market risk is the risk that changes in market prices will affect the company's income. The company manages market risks by monitoring pricing changes and gross margins in the different operational areas of the company.

### 20 Contingent Liability

A bank guarantee has been lodged with the Commonwealth Bank of Australia as security for monies held for TAB operations conducted at the club. The guarantee is for \$5,000.

### 21 Capital Commitments

There exists at 30 June 2009 capital commitments for the completion of the clubhouse renovations to the amount of \$410,552.

### 22 Capital

The company is limited by guarantee and there is no issued capital. The memorandum and articles of the club prohibit any distribution of profits or property to members. In the event of winding up, each member can be called upon to contribute \$22 to cover winding up costs.

### 23 Additional company information

Muree Golf Club Limited is a public company, incorporated and operating in Australia.

#### Registered office

Walker Crescent  
RAYMOND TERRACE, NSW  
Ph number: 4987 2142

#### Principal place of business

Walker Crescent  
RAYMOND TERRACE, NSW  
Ph number: 4987 2142

## Muree Golf Club Limited

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### Disclaimer for the Financial Year Ended 30 June 2009

The additional financial data presented in the following pages is in accordance with the books and records of Muree Golf Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2009. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.

DATED at MAITLAND, NSW this            day of October 2009.

PEARSON SMART AUDIT

M MATTHEWS (Partner)  
REGISTERED COMPANY AUDITOR

## Muree Golf Club Limited

### Income & Expenditure Statement for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>Income</b>		
Net Profit/(loss) - Bar	108,162	120,471
- Gaming	704,431	723,397
- Catering	(44,456)	(32,115)
- Course	16,196	(16,390)
	784,333	795,363
Commission Received	9,062	10,894
Insurance Claims	146,609	27,533
Interest Received	8,140	13,446
Raffles less Prizes	7,029	(4,011)
Rent Received	47,294	60,403
Subscriptions	6,000	6,000
Sundry Income	1,813	62
Telephone Collections	1,049	1,240
	1,011,329	910,930
Less : Expenses	832,385	837,781
<b>Net profit from operating activities</b>	\$ 178,944	\$ 73,149

## Muree Golf Club Limited

### Bar Trading Account for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>Income</b>		
Sales	622,662	616,214
Opening Stock	15,935	19,479
Purchases	291,282	269,459
Freight	5,093	4,408
	312,310	293,346
Less Closing Stock	17,062	15,935
	295,248	277,411
<b>Gross Profit</b>	<b>52.6% (Last Year 54.8%)</b>	<b>327,414</b>
		<b>338,803</b>
<b>Less Direct Expenses</b>		
Depreciation	4,351	8,166
Gas & Rental	2,806	1,774
Repairs & Maintenance	3,627	5,794
Requisites & Replacements	4,324	7,246
Staff Drinks	6,507	6,361
Superannuation	19,407	18,122
Uniforms	836	-
Wages	<b>28.0% (Last Year 26.5%)</b>	167,983
Waste	2,865	2,886
	219,252	218,332
<b>Net Profit</b>	<b>17.4% (Last Year 21.5%)</b>	<b>108,162</b>
		<b>120,471</b>

## Muree Golf Club Limited

### Gaming Trading Account for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>Income</b>		
Clearances from Machines	824,104	847,184
Government Tax Subsidy	17,180	17,180
Keno Commission	56,766	53,527
TAB Commission	4,826	5,584
Profit on Disposal of Machines	-	7,798
	<u>902,876</u>	<u>931,273</u>
<b>Less Direct Expenses</b>		
Amortisation Poker Machine Licences	33,440	31,518
Analysis Reports	3,666	3,244
Depreciation	58,349	56,178
DMS Monitoring Fee	12,918	12,505
Duty	-	20,129
Promotions	697	200
Provision for Jackpots	348	(189)
Repairs and Maintenance	15,933	14,359
Skychannel Subscription	14,555	14,541
Wages	58,539	55,391
	<u>198,445</u>	<u>207,876</u>
<b>Net Profit</b>	<u>704,431</u>	<u>723,397</u>
Profit to Turnover percentage	78.0%	77.7%
Wages to Turnover percentage	6.5%	5.9%

## Muree Golf Club Limited

### Catering Trading Account for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
<b>Income</b>		
Sales	239,212	234,789
Opening Stock	2,702	2,514
Purchases	120,446	114,404
	123,148	116,918
Less Closing Stock	3,176	2,702
	119,972	114,216
<b>Gross Profit</b>	<b>49.8%</b>	<b>(Last Year 51.1%)</b>
	119,240	120,573
<b>Less Direct Expenses</b>		
Depreciation	2,463	1,183
Gas & Rental	3,056	2,357
Repairs & Maintenance	8,702	7,891
Superannuation	10,336	10,515
Telephone	377	421
Uniforms	257	436
Wages	<b>57.9%</b>	<b>(Last Year 46.5%)</b>
	138,505	129,885
	163,696	152,688
<b>Net Profit/(Loss)</b>	<b>(44,456)</b>	<b>(32,115)</b>

## Muree Golf Club Limited

### Course Trading Account for the Financial Year Ended 30 June 2009

	<u>2009</u>	<u>2008</u>
	\$	\$
<b>Income</b>		
Advertising & Donations	4,475	6,400
Competition Fees & Levies	121,679	108,764
Green Fees	230,096	213,643
Rent Buggy Shed	4,804	5,756
Subscriptions	194,486	184,573
	<u>555,540</u>	<u>519,136</u>
<b>Less Direct Expenses</b>		
Affiliation Fees	23,873	23,424
Depreciation	12,343	11,546
District Golf Expenses	971	672
Electricity	8,910	4,573
Pennant Expenses	4,172	4,587
Professional		
- Commissions	34,463	32,042
- Retainer	7,440	5,220
Repairs & Maintenance		
- Contractors	380,000	376,864
- Course	11,394	16,219
- Course Plant	4,090	5,410
Telephone	629	717
Trophies & Prizes	51,059	54,252
	<u>539,344</u>	<u>535,526</u>
<b>Net Profit/(Loss)</b>	<u>16,196</u>	<u>(16,390)</u>

## Muree Golf Club Limited

### Schedule of Expenses for the Financial Year Ended 30 June 2009

	2009	2008
	\$	\$
Advertising	12,453	13,114
ATM Rental	1,500	1,375
Audit Fees	20,480	20,480
Bank Charges	2,216	2,612
Borrowing Expenses	69,739	76,226
Cleaning Expenses	70,213	69,638
Computer Software & Support	4,391	4,176
Directors Expenses	3,690	3,459
Depreciation	54,815	60,245
Donations & Sponsorships	13,506	13,566
Electricity	39,412	32,999
Entertainment	45,778	55,666
General Expenses	1,206	1,008
Insurance	68,963	91,701
Juniors	1,143	2,598
Licences & Registrations	1,153	2,301
Loss on disposal of assets	477	996
Motor Vehicle Costs	10,836	10,842
Printing, Postage & Stationery	13,232	14,214
Promotions	101,163	112,692
Rates	36,792	18,036
Repairs & Maintenance	23,313	59,113
Salaries & Wages	151,624	132,561
Security	11,345	10,832
Staff Training	510	1,170
Subscriptions	7,551	6,643
Superannuation	11,390	10,423
Telephone	10,750	10,665
Television Lease	1,886	-
Travelling Expenses	7,946	3,468
Transfers to - Employee Entitlements	31,882	(6,331)
Uniforms	347	554
Wreaths	683	739
<b>Total Expenses</b>	<b>832,385</b>	<b>837,781</b>

## Muree Golf Club Limited

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### Other Information for the Financial Year Ended 30 June 2009

2009

Other information required to be disclosed under the Registered Clubs Act 1976.

Declaration of Interests by Directors	1
Declaration of Gifts by Directors & Top Executives	\$0
Employee Remuneration Packages over \$100,000	\$0
Financial Interests in Hotels	\$0
Overseas Travel expenses incurred during the year	\$2,020
Details of any loans made to an employee of the club	\$0
Details of any Renewed Contracts for Top Executives	\$0
Controlled Contracts negotiated during the year	\$0
Consultants fees paid in excess of \$30,000 during the year	\$0
Consultants fees paid during the year	\$0
Legal Fees paid on behalf of a director or employee	\$0
Close relative declarations	\$0
Gaming Profits for the period ended 31 August 2008	\$811,175
CDSE Expenditure for the period ended 31 August 2008	\$0
Members upon written request may inspect the register.	