

An aerial photograph of the Muree Golf Club clubhouse and surrounding golf course. The clubhouse is a large, multi-story building with a white roof and brick walls, situated in the lower right quadrant. The golf course is lush green with numerous trees and a winding path. The background shows a clear blue sky and distant hills.

*Muree Golf Club  
Annual Report  
2017*

# Contents

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- Captain Report

# **Muree Golf Club Limited**

ABN: 81 000 164 197

## **Financial Statements**

**For the Year Ended 30 June 2017**

# Muree Golf Club Limited

ABN: 81 000 164 197

## Contents For the Year Ended 30 June 2017

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# Muree Golf Club Limited

ABN: 81 000 164 197

## Directors' Report 30 June 2017

The directors present their report on Muree Golf Club Limited for the financial year ended 30 June 2017.

### 1. General information

#### Information on directors

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

Leigh Clark  
Trevor Etheridge  
Pam Pirini  
David Lovell  
Ross Picot  
Craig Waanders  
Jason Witt  
Graham Maytom  
Grant Doolan

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

#### Principal activities

The principal activity of Muree Golf Club Limited during the financial year was the promotion of golf and the provision of amenities to members and their guests.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### Company objectives

The Company's objectives are to:

- Ensure the course kept to an optimum standard by engaging quality greenkeepers and undertaking regular maintenance; and
- Provide the best facilities available to members and their guests with a special interest in golf activities.

#### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Maintain or increase and diversify existing revenue levels and control costs to maintain a profitable position and provide cash flow to upgrade the Club's premises.

#### Performance measures

The Club's strategies are measured through both financial and non-financial key performance indicators that have been developed relevant to the club industry.

**Muree Golf Club Limited**

ABN: 81 000 164 197

**Directors' Report**

**30 June 2017**

**1. General information**

**Members' guarantee**

Muree 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 and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 22 for members subject to the provisions of the company's constitution.

**2. Other items**

**Future developments and results**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Meetings of directors**

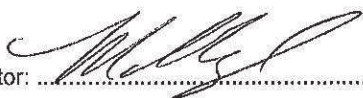
During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
Leigh Clark	12	10
Trevor Etheridge	12	12
Pam Pirini	12	12
David Lovell	12	11
Ross Picot	12	12
Craig Waanders	12	10
Jason Witt	12	11
Graham Maytom	12	12
Grant Doolan	12	11

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received and can be found on page 3 of the financial report.

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

Director: 

Director: 

Dated 25 September 2017



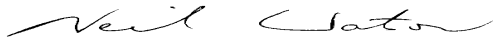
**Muree Golf Club Limited**

ABN: 81 000 164 197

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Muree Golf Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Neil Watson  
Partner  
KLM Accountants

25 September 2017

Charlestown

## Muree Golf Club Limited

ABN: 81 000 164 197

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	4	2,485,934	2,679,207
Other income	4	318,038	512,694
Raw materials and consumables used		(518,979)	(564,275)
Employee benefits expense		(1,049,156)	(1,114,456)
Depreciation and amortisation expense		(163,464)	(165,864)
Other bar expenses		(15,207)	(22,541)
Other gaming expenses		(78,392)	(73,471)
Other course expenses		(272,861)	(391,579)
Other catering expenses		(23,656)	(26,726)
Other pro shop expenses		(29,428)	(32,875)
Other expenses		(793,860)	(752,572)
Finance costs		(32,717)	(45,753)
<b>Profit before income tax</b>		<b>(173,748)</b>	1,789
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>(173,748)</b>	1,789
<b>Profit for the year</b>		<b>(173,748)</b>	1,789
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>(173,748)</b>	1,789

The accompanying notes form part of these financial statements.



## Muree Golf Club Limited

ABN: 81 000 164 197

### Statement of Financial Position 30 June 2017

		2017	2016
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	135,411	247,856
Trade and other receivables	7	6,742	12,776
Inventories	8	102,378	125,943
Other assets	9	37,646	32,572
<b>TOTAL CURRENT ASSETS</b>		<b>282,177</b>	<b>419,147</b>
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,234,164	3,117,794
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,234,164</b>	<b>3,117,794</b>
<b>TOTAL ASSETS</b>		<b>3,516,341</b>	<b>3,536,941</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	169,661	194,975
Borrowings	12	63,762	56,467
Other financial liabilities	13	110,002	92,151
Provisions	14	62,263	111,592
<b>TOTAL CURRENT LIABILITIES</b>		<b>405,688</b>	<b>455,185</b>
NON-CURRENT LIABILITIES			
Borrowings	12	747,042	520,860
Other financial liabilities	13	425,177	444,336
Employee benefits	14	16,347	20,725
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,188,566</b>	<b>985,921</b>
<b>TOTAL LIABILITIES</b>		<b>1,594,254</b>	<b>1,441,106</b>
<b>NET ASSETS</b>		<b>1,922,087</b>	<b>2,095,835</b>
<b>EQUITY</b>			
Retained earnings		1,922,087	2,095,835
<b>TOTAL EQUITY</b>		<b>1,922,087</b>	<b>2,095,835</b>

The accompanying notes form part of these financial statements.

Muree Golf Club Limited

**Statement of Changes in Equity**  
For the Year Ended 30 June 2017

2017

	Note	Retained Earnings \$	Total \$
<b>Balance at 1 July 2016</b>		<b>2,095,835</b>	<b>2,095,835</b>
Loss for the year		(173,748)	(173,748)
<b>Balance at 30 June 2017</b>		<b>1,922,087</b>	<b>1,922,087</b>

2016

	Note	Retained Earnings \$	Total \$
<b>Balance at 1 July 2015</b>		<b>2,094,046</b>	<b>2,094,046</b>
Surplus for the year		1,789	1,789
<b>Balance at 30 June 2016</b>		<b>2,095,835</b>	<b>2,095,835</b>

The accompanying notes form part of these financial statements.

## Muree Golf Club Limited

ABN: 81 000 164 197

### Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	3,088,357	4,061,945
Payments to suppliers and employees	(3,086,048)	(3,338,192)
Interest received	671	1,428
Finance costs	(32,717)	(45,753)
Net cash (used in) / provided by operating activities	22 <u>(29,737)</u>	<u>679,428</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	727	-
Purchase of property, plant and equipment	(316,912)	(802,580)
Net cash used in investing activities	<u>(316,185)</u>	<u>(802,580)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	301,990	486,595
Repayment of borrowings	(68,513)	(346,771)
Net cash provided by financing activities	<u>233,477</u>	<u>139,824</u>
Net increase/(decrease) in cash and cash equivalents held	(112,445)	16,672
Cash and cash equivalents at beginning of year	<u>247,856</u>	<u>231,184</u>
Cash and cash equivalents at end of financial year	6 <u><u>135,411</u></u>	<u><u>247,856</u></u>

The accompanying notes form part of these financial statements.

# Muree Golf Club Limited

ABN: 81 000 164 197

## Notes to the Financial Statements For the Year Ended 30 June 2017

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

The functional and presentation currency of Muree 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 - Reduced Disclosure Requirements and the *Corporations Act 2001*.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

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

#### (b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

#### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

#### Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 2 Summary of Significant Accounting Policies

##### (c) Revenue and other income

###### Rendering of services

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

###### Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

##### (d) 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 the profit and loss over the period of the borrowing using the effective interest rate method.

##### (e) 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 payable 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.

##### (f) Inventories

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

##### (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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

# Muree Golf Club Limited

ABN: 81 000 164 197

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

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

##### Land and buildings

Land and buildings are measured using the cost model.

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5%
Furniture, Fixtures and Fittings	20-25%
Motor Vehicles	25%
Office Equipment	20-30%
Poker Machines	25%
Poker Machine Licenses	0%

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.

#### (h) Impairment of non-financial assets

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

Where an 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 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.

## Muree Golf Club Limited

ABN: 81 000 164 197

# Notes to the Financial Statements

## For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (i) 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.

#### (j) 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.

#### (k) 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.

#### (l) Going concern

At 30 June 2017, the Company's current liabilities (\$405,688) exceed its current assets (\$282,177) by \$123,511. Notwithstanding this deficiency, the financial report has been prepared on the going concern basis which contemplates the realisation of assets and the extinguishment of liabilities in the ordinary course of business.

The directors have considered the going concern basis appropriate with consideration to the following:

- Management are continually reviewing costs on a regular basis and making savings where appropriate.
- Current liabilities such as membership subscriptions received in advance (\$89,411) will not require cash settlement.
- It is not anticipated that all current employee entitlements (\$62,263) will be extinguished by 30 June 2018. Australian accounting standards require that, as the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, the balance must be classified as current.
- The entity's budget for 2017-18 has an estimated profit of \$174,469 (excluding depreciation) before capital project commitments.
- The entity has access to unused financing facilities with Commonwealth Bank (\$192,143) as at 30 June 2017.

It is with full consideration of the factors noted above that the financial statements have been prepared on a going concern basis.



## Muree Golf Club Limited

ABN: 81 000 164 197

# Notes to the Financial Statements

## For the Year Ended 30 June 2017

### 2 Summary of Significant Accounting Policies

#### (m) Change in accounting policy

The Company changed its accounting policy relating to members prize vouchers and leases.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2017 is as found at Note 17.

#### (n) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

### 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.

#### Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### Key estimates - property, plant and equipment residual values and useful lives

These assets are written down to their estimated residual value over their anticipated useful lives using the straight-line basis. Management reviews residual values annual considering market conditions and disposal values.

#### Key estimates - revenue recognition - tower lease

The Company has a telecommunications tower lease which spans a number of reporting periods. Recognition of revenue in relation to this contract is on a straight line basis. This assumption is based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 3 Critical Accounting Estimates and Judgments

##### Key judgments - lease classification

The Company is a party to a number of lease arrangements in relation to their golfing and clubhouse assets. Review of the minimum lease payments, lease term, other terms and conditions in the lease have caused the lease to be classified as operating leases and therefore there are no entries on the statement of financial position in relation to these assets or lease liability.

#### 4 Revenue and Other Income

##### Revenue from continuing operations

	2017	2016
	\$	\$
Sales revenue		
- sale of goods	1,728,954	1,803,610
- poker machine income	756,980	875,597
<b>Total Revenue</b>	<b>2,485,934</b>	<b>2,679,207</b>
Other Income		
- rental income	111,665	128,560
- recoveries	711	271,416
- bingo sales	170,517	75,412
- other income	33,747	35,878
- interest income	671	1,428
- net gain on disposal of property, plant and equipment	727	-
	<b>318,038</b>	<b>512,694</b>
Total Revenue and Other Income	<b>2,803,972</b>	<b>3,191,901</b>

# Muree Golf Club Limited

ABN: 81 000 164 197

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 5 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2017	2016
	\$	\$
Finance Costs		
- Other interest expense	32,717	45,753
<b>Total finance costs</b>	<b>32,717</b>	<b>45,753</b>

The result for the year includes the following specific expenses:

Cost of sales	518,979	564,275
Other expenses:		
Employee benefits expense	1,049,156	1,114,456
Depreciation expense	163,464	165,864
Net loss on disposal of property, plant and equipment	37,078	35,431
Rental expense on operating leases:		
- Course assets	103,656	97,621

### 6 Cash and Cash Equivalents

Cash at bank and in hand	125,411	237,856
Short-term deposits	10,000	10,000
	<b>135,411</b>	<b>247,856</b>

### 7 Trade and Other Receivables

CURRENT		
Trade receivables	2,120	7,867
Other receivables	4,622	4,909
	<b>6,742</b>	<b>12,776</b>

### 8 Inventories

CURRENT		
At cost:		
Raw materials and consumables	102,378	125,943

### 9 Other Assets

CURRENT		
Prepayments	37,646	32,572

## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 10 Property, plant and equipment

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Land		
At cost	<b>1,048,863</b>	1,048,863
Buildings		
At cost	<b>1,896,457</b>	1,896,457
Accumulated depreciation	<b>(909,959)</b>	(864,213)
	<b>986,498</b>	1,032,244
Capital works in progress		
At cost	<b>258,026</b>	79,025
Plant and equipment		
At cost	<b>1,715,198</b>	1,684,491
Accumulated depreciation	<b>(1,156,734)</b>	(1,093,635)
	<b>558,464</b>	590,856
Motor vehicles		
At cost	<b>77,532</b>	77,532
Accumulated depreciation	<b>(44,058)</b>	(36,301)
	<b>33,474</b>	41,231
Poker machine licences		
At cost	<b>531,877</b>	571,253
Accumulated depreciation	<b>(323,440)</b>	(325,738)
	<b>208,437</b>	245,515
Poker Machines		
At fair value	<b>1,072,214</b>	965,010
Accumulated depreciation	<b>(931,812)</b>	(884,950)
Total Poker Machines	<b>140,402</b>	80,060
<b>Total property, plant and equipment</b>	<b>3,234,164</b>	3,117,794

## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 10 Property, plant and equipment

##### (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	Buildings	Plant and Equipment
	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>				
Balance at the beginning of year	79,025	1,048,863	1,032,244	590,856
Additions	179,001	-	-	30,706
Disposals - written down value	-	-	-	-
Depreciation	-	-	(45,746)	(63,098)
<b>Balance at the end of the year</b>	<b>258,026</b>	<b>1,048,863</b>	<b>986,498</b>	<b>558,464</b>
	<b>Motor Vehicles</b>	<b>Poker Machine Licenses</b>	<b>Poker Machines</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>				
Balance at the beginning of year	41,231	245,515	80,060	3,117,794
Additions	-	-	107,205	316,912
Disposals - written down value	-	(37,078)	-	(37,078)
Depreciation	(7,757)	-	(46,863)	(163,464)
<b>Balance at the end of the year</b>	<b>33,474</b>	<b>208,437</b>	<b>140,402</b>	<b>3,234,164</b>

##### (b) Core Property

Section 41J(2) of the Registered Clubs 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 other property which is declared by the members at a general meeting of ordinary members of the club not to be core property.

# Muree Golf Club Limited

ABN: 81 000 164 197

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 10 Property, plant and equipment

#### (b) Core Property

The following property is the core property of the club;

- 6,7 Walker Crescent, Raymond Terrace

The following property is the non-core property of the club;

- 6A Elizabeth Street, Raymond Terrace

### 11 Trade and Other Payables

	2017	2016
Note	\$	\$
Current		
Trade payables	89,817	85,902
GST payable	7,328	13,101
Wage accruals	23,518	22,036
Sundry payables and accrued expenses	41,523	46,321
Members vouchers	6,878	22,908
Other payables	597	4,707
	<u>169,661</u>	<u>194,975</u>

### 12 Borrowings

#### CURRENT

##### Secured liabilities:

Lease liability secured

(a)	<u>63,762</u>	56,467
-----	---------------	--------

**Total current borrowings**

<u>63,762</u>	<u>56,467</u>
---------------	---------------

#### NON-CURRENT

##### Secured liabilities:

Lease liability secured

(a)	99,185	69,210
-----	--------	--------

Bank loans

(b)	<u>647,857</u>	451,650
-----	----------------	---------

**Total non-current borrowings**

<u>747,042</u>	<u>520,860</u>
----------------	----------------

**Total borrowings**

<u>810,804</u>	<u>577,327</u>
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## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 12 Borrowings

##### (a) Leased Liabilities

Leased liabilities are secured by the underlying leased assets.

##### (b) Bank loans

The Commonwealth Bank loan is secured by a registered first mortgage over club property situated at Walker Crescent and Elizabeth Street, Raymond Terrace.

#### 13 Other Financial Liabilities

	2017	2016
	\$	\$
CURRENT		
Subscriptions in advance	89,411	70,074
Deferred income	1,591	3,236
Concurrent lease - phone tower	19,000	18,841
<b>Total</b>	<b>110,002</b>	<b>92,151</b>
NON-CURRENT		
Concurrent lease - phone tower	425,177	444,336
<b>14 Employee Benefits</b>		
Current liabilities		
Long service leave	-	21,848
Provision for employee benefits	62,263	89,744
	<b>62,263</b>	<b>111,592</b>
Non-current liabilities		
Long service leave	16,347	20,725

#### 15 Capital Commitments

##### (a) Contracted Commitments

###### Property development

EJE Architecture	62,800	-
Touchstone Property Solutions	-	352,550



## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 16 Leasing Commitments

##### (a) Finance leases

	2017	2016
	\$	\$
Minimum lease payments:		
- not later than one year	63,762	56,467
- between one year and five years	99,185	69,210
Minimum lease payments	<u>162,947</u>	<u>125,677</u>

Finance leases are in place for various assets and normally have a term between 3 and 5 years. The leases have terms of renewal but no purchase option or escalation clauses. Renewals are at the option of the entity holding the lease.

##### (b) Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	104,661	104,661
- between one year and five years	233,852	338,513
	<u>338,513</u>	<u>443,174</u>

Operating leases are in place for various assets and normally have a term between 3 and 5 years.

#### 17 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 \$ 22 each towards meeting any outstandings and obligations of the Company.

#### 18 Change in Accounting Policy

##### (a) Members vouchers

The Company has recognised the liability for members points accrued by members effective 30 June 2016. The impact of this has been an increase in the Company's current liability for the 2016 financial year as indicated below. The impact of this change has reduced the previously reported 2016 surplus by \$22,908.

## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 18 Change in Accounting Policy

##### (b) Classification of leases

Management have determined to retain ownership of the following assets currently under lease agreements;

- Senpos point of sale system
- Ebet gaming facility
- Golf cart GPS's

As a result, the assets have been recognised as an asset (plant and equipment) and subjected to depreciation in line with their effective life. A corresponding liability has been recognised for the remaining finance term of the agreements. The impact of this change has reduced the previously reported 2016 surplus for \$870.

The aggregate effect of the above changes in accounting policy on the annual financial statements for the year ended 30 June 2017 is as follows:

	Previously stated	30 June 2016 Adjustments	Restated
	\$	\$	\$
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Other course expense	368,949	(10,486)	358,463
Other pro shop expense	17,864	15,011	32,875
Depreciation expense	194,167	(28,303)	165,864
<b>Profit before income tax expense</b>	<b>25,567</b>	<b>(23,778)</b>	<b>1,789</b>
<b>Profit from continuing operations</b>	<b>25,567</b>	<b>(23,778)</b>	<b>1,789</b>
<b>Profit for the year</b>	<b>25,567</b>	<b>(23,778)</b>	<b>1,789</b>
<b>Total comprehensive income</b>	<b>25,567</b>	<b>(23,778)</b>	<b>1,789</b>
<b>Statement of Financial Position</b>			
Prepayments	24,388	8,184	32,572
<b>Current assets</b>	<b>410,963</b>	<b>8,184</b>	<b>419,147</b>
Property, plant and equipment	3,397,256	(279,462)	3,117,794
Other asset (non-current)	79,025	(79,025)	-
<b>Total Non Current Assets</b>	<b>3,476,281</b>	<b>(358,487)</b>	<b>3,117,794</b>
<b>Total Assets</b>	<b>3,887,244</b>	<b>(350,303)</b>	<b>3,536,941</b>
Trade payables	262,478	(67,503)	194,975
Other financial liabilities	-	92,151	92,151
Borrowings	127,219	(70,752)	56,467
<b>Total current liabilities</b>	<b>501,289</b>	<b>(46,104)</b>	<b>455,185</b>
Borrowings	801,281	(280,421)	520,860
<b>Total non-current liabilities</b>	<b>1,266,342</b>	<b>(280,421)</b>	<b>985,921</b>
<b>Total liabilities</b>	<b>1,767,631</b>	<b>(326,525)</b>	<b>1,441,106</b>
<b>Net assets</b>	<b>2,119,613</b>	<b>(23,778)</b>	<b>2,095,835</b>
<b>Retained earnings</b>	<b>2,119,613</b>	<b>(23,778)</b>	<b>2,095,835</b>

## Muree Golf Club Limited

ABN: 81 000 164 197

### Notes to the Financial Statements For the Year Ended 30 June 2017

#### 19 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 81,597 (2016: \$ 79,529).

#### 20 Contingencies

##### Contingent Liabilities

Muree Golf Club Limited has a bank guarantee with the Commonwealth Bank of Australia as security for monies held for the TAB operations conducted at the club. The guarantee is for \$5,000.

#### 21 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.

#### 22 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

	2017	2016
	\$	\$
(Deficit) / profit for the year	(173,748)	1,789
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	163,464	165,864
- net loss on disposal of property, plant and equipment	36,351	2,294
Changes in assets and liabilities:		
- decrease / (increase) in trade and other receivables	6,034	15,938
- (increase) / decrease in other assets	(5,074)	(7,210)
- decrease / (increase) in inventories	23,565	(26,998)
- (decrease) / increase in trade and other payables	(25,314)	9,775
- (decrease) / increase in other liabilities - concurrent lease	(19,000)	444,336
- increase / (decrease) in other liabilities	17,692	92,151
- (decrease) / increase in employee benefits	(53,707)	(18,511)
Cashflows from operations	<u>(29,737)</u>	<u>679,428</u>

## Muree Golf Club Limited

ABN: 81 000 164 197

# Notes to the Financial Statements For the Year Ended 30 June 2017

### 23 Events after the end of the Reporting Period

The financial report was authorised for issue on 25 September 2017 by the Board of Directors.

#### **Poker Machine Entitlements**

The Club entered into an agreement with Clubconnect Pty Limited to sell 3 poker machine entitlements on 23 March 2017 for \$50,000 (excluding GST). A liquidator was appointed by shareholders of Clubconnect Pty Limited on 28 July 2017. The Club has been informed by the Liquidator that there is little likelihood of the Club recouping the proceeds from the sale. The book value of entitlements sold totalled \$37,078. This has been removed from the fixed asset register of the Club and the loss on disposal (\$37,078) has been reflected in other operating expenses in the Statement of Profit or Loss and Comprehensive Income.

#### **Property Development**

Pursuant to the ongoing development of the Touchstone property development, the Club expects to lodge a development application with Port Stephens Council with a view to commence construction (subject to approval) before 30 June 2018.

Except for the above, no other 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.

### 24 Statutory Information

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

Muree Golf Club Limited  
Walker Crescent  
RAYMOND TERRACE, NSW

**Muree Golf Club Limited**

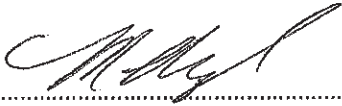
ABN: 81 000 164 197

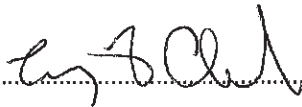
**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 22, 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 2017 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 ..... 

Director ..... 

Dated 25 September 2017

## Muree Golf Club Limited

# Independent Audit Report to the members of Muree Golf Club Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Muree Golf Club Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

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

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

#### Emphasis of Matter - Excess of current liabilities

We draw attention to Note 2(l) of the financial statements which describes the uncertainty related to the entity's ability to continue to operate as a going concern. The entity has a deficiency in working capital such that the current liabilities exceed the current assets by \$123,511. This indicates the existence of material uncertainty as to whether the entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. In our opinion, knowledge of the significant uncertainty affecting the entity's ability to continue as a going concern is necessary for the proper understanding of the financial report.

**Muree Golf Club Limited**

**Independent Audit Report to the members of Muree Golf Club Limited**

**Responsibilities of Directors for the Financial Report**

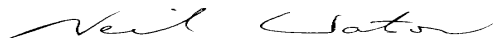
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free

from material misstatement, whether due to fraud or error.

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

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

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



Neil Watson  
Partner  
KLM Accountants

Charlestown  
25 September 2017



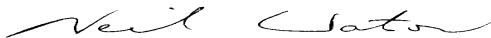
**Muree Golf Club Limited**

ABN: 81 000 164 197

**Disclaimer**

**For the Year Ended 30 June 2017**

The additional financial data presented on the following pages in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2017. 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 we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Muree Golf Club Limited) in respect of such data, including any errors of omissions therein however caused.



Neil Watson

Partner

KLM Accountants

25 September 2017

**Muree Golf Club Limited**

ABN: 81 000 164 197

**BAR TRADING STATEMENT  
FOR THE MONTH ENDED 30TH JUNE 2017**

	2017 \$	2016 \$
<b>Sales</b>	620,610	692,622
Less: Cost of Sales		
Opening Stock	20,440	15,290
Purchases	272,375	299,696
Inwards Freight	4,853	5,782
	<u>297,668</u>	<u>320,768</u>
Less: Closing Stock	(21,958)	(20,440)
Cost of Goods Sold	<u>275,710</u>	<u>300,329</u>
<b>Gross Profit</b>	<b>344,900</b>	<b>392,293</b>
<b>Gross Percentage</b>	<b>55.6%</b>	<b>56.6%</b>
<b>Less: Expenses</b>		
Bar Snacks	7,332	7,155
Depreciation	4,530	7,985
Gas Cylinder hire	2,450	2,703
Repairs & Maintenance	1,938	5,133
Requisites & Replacements	2,468	2,393
Superannuation	16,516	23,954
Staff Training	821	1,648
Uniforms	198	939
Wages	186,727	180,118
Waste	-	2,569
	<u>222,980</u>	<u>234,598</u>
<b>Net Trading Profit</b>	<b>121,920</b>	<b>157,695</b>

**Muree Golf Club Limited**

ABN: 81 000 164 197

**GAMING OPERATIONS STATEMENT  
FOR THE MONTH ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
<b>Gaming Income</b>		
Poker Machines Net Clearances	756,980	875,597
Keno Commissions Received	70,288	68,248
TAB Commission	11,283	12,183
Government Tax Subsidy	17,180	17,180
Profit on Disposal of Asset	727	-
	<b>856,457</b>	<b>973,208</b>
<b>Less: Expenses</b>		
Analysis Report	22,410	22,620
Depreciation	46,863	61,249
Duty	-	120
Loss on Disposal PM Entitlements	37,078	-
Promotions (Ebet)	574	486
Provision for Jackpots	5,417	(5,723)
Repairs & Maintenance	32,249	38,847
Sky Channel & Racing Subs	17,743	17,120
Superannuation	5,827	-
Wages	63,332	60,387
	<b>231,493</b>	<b>195,970</b>
<b>Net Trading Profit</b>	<b>624,965</b>	<b>777,238</b>

**Muree Golf Club Limited**

ABN: 81 000 164 197

**CATERING TRADING STATEMENT  
FOR THE MONTH ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Sales</b>	<b>375,397</b>	405,386
Less: Cost of Sales		
Opening Stock	<b>7,031</b>	4,729
Purchases	<b>167,122</b>	175,214
	<b>174,153</b>	179,943
Less: Closing Stock	<b>(8,420)</b>	(6,979)
Cost of Goods Sold	<b>165,733</b>	172,964
<b>Gross Profit</b>	<b>209,664</b>	232,422
<b>Gross Percentage</b>	<b>55.9%</b>	57.3%
<b>Less: Expenses</b>		
Depreciation	<b>392</b>	492
Cellar Gases	<b>6,189</b>	6,553
Promotions	<b>2,462</b>	1,011
Replacements, glasses	<b>2,708</b>	5,262
Repairs & Maintenance	<b>5,479</b>	4,130
Staff Training	<b>386</b>	496
Superannuation	<b>17,180</b>	17,298
Telephone	<b>482</b>	466
Uniforms	<b>-</b>	773
Wages	<b>196,348</b>	191,706
Wastage	<b>243</b>	3,751
	<b>231,871</b>	231,937
<b>Net Trading (Loss / Profit)</b>	<b>(22,207)</b>	484

**Muree Golf Club Limited**

ABN: 81 000 164 197

**GOLF COURSE OPERATIONS STATEMENT  
FOR THE MONTH ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
<b>Course Income</b>		
Competition Fees	129,920	131,257
Green Fees	185,721	156,222
Subscriptions	145,572	145,799
Govt wage Subsidy	-	2,500
Tee Sign Advertising/Sponsorship	2,742	4,565
Fuel Rebate	6,406	6,122
Rent Buggy Shed	5,790	6,683
Pro-Am Sponsorship	15,373	10,911
Insurance Recoveries	-	179,458
	<b>491,524</b>	<b>643,517</b>
<b>Less: Expenses</b>		
Affiliation Fees	19,457	19,585
Clean-Up April 2015 Storm	-	72,428
Depreciation	22,280	22,844
District Golf Expenses	2,070	2,689
Electricity	8,132	11,191
Fuel & Oil	20,133	18,198
Interest - HP & Lease	-	249
Lease - Course Equipment	76,938	71,473
Loss Disposal of Assets	-	33,350
Night Golf Expenses	-	1,236
Pennant Expenses	3,791	5,726
PGA Expenses	16,404	14,079
Printing and Stationery	3,388	885
Repairs & Maintenance - Course	95,683	98,319
Machinery	3,951	12,613
Staff Training	3,664	2,328
Superannuation - Course	20,094	20,918
Superannuation - Proshop	2,415	2,328
Telephone	600	3,027
Trophies/Vouchers	38,341	56,845
Uniforms/ Protective Clothing	880	3,511
Wages - Proshop	25,476	26,866
Wages - Course	234,891	247,125
	<b>598,587</b>	<b>747,813</b>
<b>Net Trading (Loss)</b>	<b>(107,063)</b>	<b>(104,296)</b>

**Muree Golf Club Limited**

ABN: 81 000 164 197

**PRO SHOP TRADING STATEMENT  
FOR THE MONTH ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Sales</b>	<b>149,373</b>	150,616
Less: Cost of Sales		
Opening Stock	<b>71,332</b>	56,083
Purchases	<b>59,480</b>	106,656
	<b>130,812</b>	162,739
Less: Closing Stock	<b>(53,147)</b>	(71,332)
Cost of Goods Sold	<b>77,664</b>	91,407
<b>Gross Profit</b>	<b>71,708</b>	59,209
<b>Gross Percentage</b>	<b>48.0%</b>	39.3%
<b>Add:</b>		
Cart Buggy Hire Income	<b>84,674</b>	80,764
<b>Less: Expenses</b>		
Depreciation	<b>12,669</b>	4,699
Interest on Leases	<b>1,587</b>	554
Repairs & Maintenance	<b>1,557</b>	4,692
Rental of Carts	<b>26,719</b>	26,147
Superannuation	<b>9,660</b>	8,902
Telephone	<b>1,023</b>	761
Staff Training	<b>1,022</b>	1,207
Uniforms	-	1,274
Wages	<b>99,400</b>	104,269
	<b>153,637</b>	152,506
<b>Net Trading Profit / (Loss)</b>	<b>2,745</b>	(12,533)

**Muree Golf Club Limited**

ABN: 81 000 164 197

**OTHER INCOME STATEMENT  
FOR THE MONTH ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Other Income</b>		
Commission from Vending Machines	<b>2,626</b>	3,764
Commission from ATM	<b>15,794</b>	18,146
Net Bingo surplus / (deficit)	<b>(15,175)</b>	(11,914)
Net Raffles surplus / (deficit)	<b>5,261</b>	9,837
Interest	<b>671</b>	1,428
Rent - Tower	<b>19,000</b>	39,667
Insurance Recoveries - Clubhouse	-	88,651
Insurance Recoveries - Workers comp	-	3,307
Sundry Income	<b>12,068</b>	5,576
<b>Total Other Income</b>	<b>40,245</b>	158,462



## Muree Golf Club Limited

ABN: 81 000 164 197

### CLUBHOUSE EXPENSES STATEMENT FOR THE MONTH ENDED 30TH JUNE 2017

	2017	2016
	\$	\$
<b>Clubhouse Expenses</b>		
Advertising	11,870	11,049
Audit & Accountancy Fees	19,289	25,900
Bank Fees	7,590	5,765
Cleaning - Contractor	71,483	72,768
Computer Software and Support	2,692	8,969
Consultancy Fees	3,878	5,442
Depreciation	76,730	68,595
Directors Expenses	5	114
Donations & Sponsorships	9,213	5,329
Electricity & Gas - Club	60,231	64,840
Entertainment & members benefits	30,677	46,302
Insurance - General	68,548	97,492
Interest	31,130	44,950
Licences & Registrations	8,087	2,388
Membership Cards	1,845	1,520
Motor Vehicle Costs	1,404	5,536
Payroll Tax	11,365	13,123
Printing , Stationary , postage	8,671	12,569
Promotion	153,750	153,260
Provn for Employee Entitlements	(7,465)	15,317
Rates - Business	33,200	36,445
R & M Building/Clubhouse	28,401	35,868
Bingo Wages	-	13,074
Security	8,223	10,763
Staff Training & Amenities	904	186
Staff recruitment	1,350	4,195
Senpos Lease Rental	633	-
Sundry	2,807	2,887
Subscriptions	17,994	18,057
Telephone	9,235	10,590
Superannuation	13,443	14,250
Travelling Expenses	358	2,674
Uniforms - Office	193	264
Wreaths	-	627
Wages	146,621	164,151
<b>Total Expenses</b>	<b>834,352</b>	<b>975,261</b>

# President's Report

This past year has been a difficult year for the Club financially. The Annual Financial Report prepared by our new accounting and auditing firm KLM highlights a significant loss for the Club last financial year (FY) for which there are a number of causal factors. We were unfortunate in that the company we sought to sell our Gaming Licences, Club Connect, went into liquidation. This is a company that we had dealt with successfully before and we no indication that they were struggling to meet their commitments, many other Club's have also been caught out by this and for much greater sums than us. We have, through Clubs NSW pursued this matter to ensure that every opportunity the Club may have to be recompensed, is undertaken.

The Club has also had an outstanding leave burden in the form of annual leave, long service leave and time-in-lieu, this has been resolved by the Club's General Manager through sound administrative practice. Depreciation of assets was an area that was not being accounted for by our previous accountants and this has led to an increase in this area for last FY.

Our gaming and bar turnover and profits have been down considerably on previous years. The age of some of our gaming machines is a possible cause for the downturn, but it may also be fewer members and guests using Club facilities as the bar downturn would indicate. It is a well discussed fact that family incomes are not keeping up with the cost of living and the lack of disposable income has impacted on the turnover of these areas. Lastly, the accumulation of points over a period of five years has resulted in a reduced cash flow for this financial year. As advised in our most recent Newsletter, the action taken by the Board to ensure that points are not accumulated for more than a 12 month period may seem a shooting ourselves in the foot, but was a liability that the Club could not afford to allow to continue.

As can be seen by scrutiny of the Annual Financial Report, the Club has worked very hard to reduce its expenses, we have engaged new accountants that has reduced the cost of accounting and auditing cost by \$6000. We have changed our insurers and reduced the cost of premiums by \$29,000 and reduced wages by \$17,000 as well as significant reductions in other areas. As identified by our auditors, the Club is trading and has sufficient funds to cover its debts, but more work needs to be done to ensure that the Club becomes profitable.

On the development front, we have almost arrived at the point where the Board is to review the Development Application (DA). This has taken much longer than anticipated due to a range of factors, the major issue being that we were relying on a sub-consultant to complete the landscaping design and unfortunately they were unable to meet our timeframe so another consultant has been engaged but is yet to visit the Club.

Our dedicated group of volunteers has again served the Club extremely well this year. Alan Bland and Vern Roberts have carried out repairs to equipment, infrastructure and general tasks around the Club. They have been ably supported by Ron Bunting, Dudley Parker, Ken Austin, Robert Funnell. Barry Todd has also contributed with his electrical expertise in the Club House and on the Course assisting with irrigation wiring and pump installations. Len Heke has also freely given his time to some of the projects around the Course. Jack Purcell has also been tireless in marking out our hazards and GUR. One of our volunteers, Greg Gannon suffered a stroke while on holidays in Queensland, we wish him a full and speedy recovery. Wayne "Charger" Barnden stood down this year after many years of looking after scoring duties, record keeping and trophy maintenance. Again the ladies have been involved in the upkeep of the gardens around the Club House and on the Course, thank you Pam Pirini, Kathy Dray, Pam Robertson, Wendy Cotton and Robyn Gannon. Our Club is most fortunate to have these dedicated members that give so freely of their time.

Club membership records indicate that we have 408 playing male and 65 playing female golfers with 8 Cadet and one Junior member. While this is a slight increase in last years figures, membership is something that will assist the Club in getting back into the black. This is an area that we have put extra effort into this year and it doesn't appear to have been as affective as desired, although there has been an increase in players in the Saturday competitions. I must also mention the work that Vince Owen, our Director of Golf has done with juniors coaching and membership, Vince has taken a lead role in this area and the Club will benefit from this work in the years to come.

In closing, I would like thank Brett Myers our General Manager and Sally Mitchell for their assistance during the past year. I would also like to thank Rob Baker our course superintendent and his team for their work on the course. To Vince Owen our Director of Golf and his team, I thank you for the work you do as the face of golf at the Club. The Bistro has seen multiple changes in management this year, however we now have a Mick Brennan on board and things are on the improve in that area. Lastly, I thank the members of the Board for their continued support and diligence throughout the year.

Ross Picot  
President

# General Managers Report

We have now come to the end of another financial year. Unfortunately the result was not favourable for Muree Golf Club. Upon the appointment of new accountants a lot of expenses with depreciation and finance contracts are now being accounted for correctly. Liabilities being time in lieu, annual/long service leave and bonus/golf points are now being fully disclosed and managed correctly. Although there was a lot of talk around the fairness of wiping golf points, the Club appreciates the acceptance by the majority of members. Although the Club has not traded as well as expected there has been significant saving on expenses.

The Club said goodbye to a few of long serving staff members, Julie Flanagan, Nathan Goodchild, Steven Slappendel, Narelle Slattery and Barry Deller. The Club thanks you for your tireless effort and wishes you all the best with future endeavours.

Membership at the Club has slightly improved on last year with a 6% increase in Social Membership and 1% with Golf Membership.

To all the volunteers who work not only on the course but also the Clubhouse and golf related duties thank you very much. The Club would not survive if it wasn't for the effort, work and knowledge you bring to the Club.

## **Bar**

The Bar underperformed on last year. Bar sales were down 10%. There was a saving of 5% on expenses. This is due to less foot traffic through the doors. I would like to take the opportunity to thank all the Bar Staff team for their efforts and continued hard work.

## **Bistro**

Much like the Bar due to a downturn in patronage the Bistro suffered a 7% decrease in sales with expenses in line with the previous financial year. It has been a difficult task trying to find a balance for our members and guests in relation to pricing and cost of goods sold. The Bistro also seen three Chefs employed during the 16/17 financial year which affects stability and consistency. I would like to take the opportunity to welcome Head Chef Michael Brennan to the Muree team. Mick brings a wealth of experience which we are already starting to see vast improvements with great feedback from patrons. Thank you to all staff in this department.

## **Pro Shop**

I'd like to welcome to Vince Owen who replaced Nathan Goodchild as our Director of Golf. The Pro Shop had a good result with sales and expenses much the same as the previous year but a \$15278 improvement on the bottom line. This excellent result is from better management. Congratulations and thank you to Vince and his team.

## **Gaming**

The Poker machines are where the Club has suffered its biggest downturn. Net clearances were down 14%. Keno and TAB were on par with previous year's figures and the Net trading profit was down 20%. This year was the first year since 2007 (new smoking regulations) that the state average of Poker Machine income has been down on the previous year. This is not an excuse simply a bench mark of industry average. A new poker machine system called Card IT was installed in February 2017 as the old system was old and required updating. The biggest hurdle the Club now faces is updating the very old machines on the floor so we can continue to be competitive with other local licenced premises. This is a very expensive exercise and is a long term plan.

## **Course**

The course looks to be on par with last year's figures but if you take into account the addition of the insurance recovery in the previous year it's been a great result this year. The course as all would agree is in the best condition it's been in years. The ring main and isolation valves installed for the irrigation system was completed in July 2016. Congratulations to Robert Baker and his team which includes all volunteers. The extra help we get from all community service workers and work for the dole can't go unmentioned with credit again to Robert for managing his team and keeping the course in tip top shape. Keep up the good work guys.

## **Clubhouse and expenses**

Expenses for the Clubhouse were reduced by 14% or \$140,909. The major savings were with general insurance, entertainment and member benefits, provision for employee entitlements, audit and accountancy fees, interest and wages. A small amount of capital improvements to the Club during the year included security screens around the Pro Shop to eliminate break ins, the display suite for the development and a minor renovation to the office.

Finally I would like to thank Ross Picot and the Board for their support and guidance throughout the financial year. They work tirelessly in the best interests of the Club.

Regards  
Brett Myers  
General Manager

# Treasurer's Report

Unfortunately, 2016/2017 has not been a good year financially, which reflects the trending downturn of many clubs, especially golf clubs.

A lack of disposable income as a result of a tightening economy, has had a deleterious effect on our revenue, especially in the gaming sector, which is Muree's major revenue stream. Brett Myers is doing an excellent job curtailing spending so our major focus is backsides on seats. We have a core of golfing members who attend raffles and club functions etc, but it would be excellent to see more golfing members enjoying their club's facilities.

Ongoing promotions through social media, newspaper and radio are being undertaken resulting in an upturn in functions and dining trade. We are focussing on weddings which are steadily increasing.

The club is in the midst of innovation which is obviously a necessity for survival in these harsh economic times. Apart from our development which is progressing slowly, as developments tend to do, we have several projects underway which will be most beneficial for our future. It is too early to discuss these projects but you will be informed as soon as appropriate.

Full financial figures are shown in the Auditors report but a brief overview is shown below.

## **Bar Trading.**

Gross profit for 2017 was \$344,900 at 55.6%

Gross profit for 2016 was \$392,293 at 56.6%

Nett trading profit was \$121,920 for 2017

Nett trading profit was \$157,695 for 2016

## **GAMING.**

Income for 2017 was \$856,457

Income for 2016 was \$973,208

Nett trading profit for 2017 was \$624,965

Nett trading profit for 2016 was \$777,238

## **CATERING.**

Gross Profit for 2017 was \$209,644 at 55.9%

Gross profit for 2016 was \$232,422 at 57.3%

Nett trading loss for 2017 was (\$22,207)

Nett trading profit for 2016 was \$484

## **GOLF COURSE OPERATIONS**

Income for 2017 was \$491,524

Income for 2016 was \$643,517

Nett trading loss for 2017 was (\$107,063)

Nett trading loss for 2016 was (\$104,296)

## **PROSHOP**

Gross profit for 2017 was \$71,708 at 48.0%

Gross profit for 2016 was \$59,209 at 39.3%

Nett trading profit for 2017 was \$2,745

Nett trading loss for 2016 was (\$12,533)

## **CLUBHOUSE EXPENSES**

Total expenses 2017 \$834,352

Total expenses 2016 \$975,261

All figures are detailed in the Income and Expenditure Statements, pages 27 to 33 in the attached financial report.

## **NOTE**

Despite the size of the loss reported in the financial statements, the normal operations of the club have improved since last year by \$57,222. If the one-off impact of a poker machine entitlement sale (\$37,078) is isolated, the loss is \$136,670 for 2017.

In 2016, the impact of the April storm insurance on our profit was \$195,681 favourable. If this is isolated, our loss in 2016 would have been \$193,892. So it's not all as bad as it looks on the surface.

I would like to thank all our Directors, General Manager, Admin Staff, Bar, Proshop, Catering and Course staff for their diligence in keeping the club functioning as well as it has during these difficult circumstances.

Thank you to our tireless volunteers who support the club so well and also thank you to our social members, whose patronage and support allows the club to continue functioning.

David Lovell

Treasurer.  
2016/2017

## Captains Report

Welcome and thank you to all members it is my pleasure to give my first full year report and a run down on our golfing highlights during 2016/17

### **Club Championships**

Club Championships were reported in last year's AGM due to the meeting being held later in the year. Currently we are two rounds into this year's championships.

### **Pennants**

Our A grade pennant side had a successful year with the team going through the series undefeated. Unfortunately the team drew with Pacific Dunes in the division II final and were subsequently beaten in a playoff for the title. It's to be noted we also drew with the Dunes in the first round after trailing 4 – 0 in earlier matches. This is a great result that will hopefully see the team moving into division I after a decision is finalised by the NDGA.

Currently our B and c grade teams are competing in the preliminary rounds of there respective competitions. Thank you to our pennant players in all grades and to our respective captains/ organisers.

### **Muree Cup**

A field of 53 contested the event this year with the winner being Dion Hannaford from Muree with a great round of 69 to win by three from Michael Coutman of Waratah. Dion also won the Parish Cup during the year to cap off an excellent return to competition golf.

### **Foursomes Championships**

Won by Matt Dorney and Peter Gardiner with the net being won by Mat Foley and Steve Shearer.

### **NSW Keno knockout**

Muree was represented in this event at Bonneville CC by Peter Botha and David Croul who were successful in claiming the district final to gain a place in the state final. Unfortunately on the day the team was unsuccessful in their attempt to take out the event.

### **Pro Am**

Our annual Pro Am was again a success with a 100 plus starters on the day. The winner was Callan O'Reilly with a fine round of 67.

### **Juniors**

Our director of golf Vince Owen has continued to enjoy taking out groups of all ages to give tuition on a Tuesday and Saturday afternoon. Thank you Vince for this unique experience for the kids.

Brayden and Jaxon Brookes continue to do the club proud in their golfing achievements. Recently both boys represented the NDGA in the Junior Encourage Shield. Brayden has also been chosen in the NDGA team to contest in the Junior 4 way team at Terrigal. At present Jaxon is putting his efforts into playing in our C grade pennant team. Well done boys.

My thankyou's go to Rob and his green staff for their efforts during the year. Thanks to Vince, Isaiah and Wendell in the pro- shop. I extend my thanks to our lady members for their ongoing participation and support, thanks also to our Vets and their play on Monday. Gratitude also extends to our volunteers, most present here today for their frivolous duties during the year on the course. I also thank my fellow board members for their ongoing duties throughout the year.

I would like to thank our members for their ongoing support of golf here at Muree and wish happy golfing in the future.

Jason Witt  
Captain