

QUEANBEYAN GOLF CLUB LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 49 010 767 574

FINANCIAL REPORT
FOR THE YEAR ENDED 31 JULY 2016

QUEANBEYAN GOLF CLUB LIMITED
ABN 49 010 767 574

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 July 2016.

Directors

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

Ray Evans (Appointed December 2015, resigned June 2016)
Gail Goiser
Leigh Blyton
Aina Blyton
Walter Harrison
Garry Swanston (Resigned 22 December 2015)
Daniel Goodchild
Jerry Smith
Liz Clarke
Ian McKenzie (Appointed January 2016)

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 the company during the financial year was to provide the facilities of a Licensed Club to the members and guests and to promote sporting activities.

Short-term and Long-term Objectives

The company's short-term objectives are to:

- provide the best possible golf course and clubhouse facilities to members; encourage new membership; and
- remain financially viable to achieve the above objectives.

The company's long-term objectives are to:

- establish and maintain membership relationships which foster the game of golf; and
- be sustainable and strive for continuous improvement so as to offer the best possible golfing and social amenities to members.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- the Board strives to attract and retain quality management and staff who are committed to providing high standards of service levels to the members. The Board believes attracting and retaining quality staff will assist with the success of the Club in both the short and long term.
- maintain rigorous control over the Club's finances to ensure the Club remains viable and is able to continually upgrade the course and clubhouse for the benefit of members and encourage new membership.
- the Board is committed to meet consistent standards of governance best practice and provide clear expectations of professional accountabilities and responsibilities to all members.

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DIRECTORS' REPORT (CONTINUED)

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Information on Directors

Gail Goiser	Captain
Experience	Has served on the board from 31 October 2003
Occupation	Retired
Leigh Blyton	Vice Captain
Experience	Elected to the board December 2012
Occupation	Self employed
Aina Blyton	Director & Vice President
Experience	Appointed to the board July 2013
Occupation	Bookkeeper/BAS agent
Walter Harrison	Director & President
Experience	Has served on the board from 30 November 2010
Occupation	Accountant
Garry Swanston	Director (Resigned 22 December 2015)
Experience	Appointed to the board June 2014
Occupation	Project Manager
Daniel Goodchild	Director
Experience	Appointed to the board June 2014
Occupation	Self employed
Liz Clarke	Director
Experience	Appointed to the board February 2015
Occupation	Retired
Jerry Smith	Director
Experience	Appointed to the board February 2015
Occupation	Retired
Ray Evans	Director (Resigned June 2016)
Experience	Appointed to the board December 2015
Occupation	Retired
Ian McKenzie	Director
Experience	Appointed to the board January 2016
Occupation	Retired

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Ian McKenzie Director
Experience Appointed to the board January 2016
Occupation Retired

DIRECTORS' REPORT (CONTINUED)

Meetings of Directors

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

Directors' Meetings

	Number eligible to attend	Number attended
Ray Evans	6	5
Gail Goiser	12	12
Leigh Blyton	12	12
Aina Blyton	12	12
Walter Harrison	12	10
Garry Swanston	4	1
Daniel Goodchild	12	10
Jerry Smith	12	12
Liz Clarke	12	12
Ian McKenzie	7	7

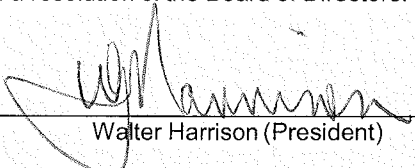
The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 July 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$18,000 (2015: \$18,000).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 July 2016 has been received and can be found on page 4 of the financial report.

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

Director



Walter Harrison (President)

Dated this 22nd day of November 2016

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF QUEANBEYAN GOLF CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 July 2016 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Shane Bellchambers, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 22nd day of November 2016

QUEANBEYAN GOLF CLUB LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 \$	2015 \$
Revenue	2	1,989,106	2,561,027
Cost of sales	3	(237,602)	(242,433)
Employee benefits expense	3	(686,694)	(673,217)
Depreciation expense	3	(271,917)	(253,153)
Advertising expense		(51,001)	(47,546)
Administration expense		(363,555)	(388,762)
Finance costs - external	3	(32,783)	(62,919)
Cleaning expense		(54,602)	(50,083)
Course expenses		(140,313)	(109,669)
Electricity expense		(55,012)	(71,149)
Entertainment expense		(63,892)	(88,372)
Insurance expense		(57,619)	(40,608)
Land and water rates expense		(49,126)	(50,262)
Social activities expenses		(48,279)	(19,862)
Poker machine expenses		(19,898)	(18,913)
Trophy expenses		(50,347)	(34,148)
		<hr/>	<hr/>
(Loss) / profit for the year		(193,534)	409,931
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Reduction in asset revaluation reserve for disposed land		-	(8,484)
		<hr/>	<hr/>
Other comprehensive (loss) for the year		-	(8,484)
Total comprehensive income for the year		(193,534)	401,447
		<hr/>	<hr/>
(Loss) / profit attributable to members of the entity		(193,534)	401,447
Total comprehensive income / (loss) attributable to members of the entity		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

QUEANBEYAN GOLF CLUB LIMITED
ABN 49 010 767 574

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2016

	Note	2016	2015
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	307,033	302,605
Trade and other receivables	5	43,056	31,032
Inventories	6	13,926	9,298
Other assets	7	54,263	5,067
TOTAL CURRENT ASSETS		418,278	348,002
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,239,234	5,352,705
Intangible assets	9	51,636	61,318
TOTAL NON-CURRENT ASSETS		5,290,870	5,414,023
TOTAL ASSETS		5,709,148	5,762,025
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	182,597	130,686
Borrowings	11	172,742	131,327
Other liabilities	12	409,614	350,454
Provisions	13	41,968	55,407
TOTAL CURRENT LIABILITIES		806,921	667,874
NON-CURRENT LIABILITIES			
Provisions	13	5,746	3,955
Borrowings	11	377,840	378,021
TOTAL NON-CURRENT LIABILITIES		383,586	381,976
TOTAL LIABILITIES		1,190,507	1,049,850
NET ASSETS		4,518,641	4,712,175
EQUITY			
Retained surplus		754,235	947,769
Reserves	18	3,764,406	3,764,406
TOTAL EQUITY		4,518,641	4,712,175

The accompanying notes form part of these financial statements.

QUEANBEYAN GOLF CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016

	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 August 2014	537,838	3,772,890	4,310,728
Comprehensive income			
Profit for the year attributable to members	409,931	-	409,931
Other comprehensive (loss) for the year	-	(8,484)	(8,484)
Total comprehensive income attributable to members	409,931	(8,484)	401,447
Balance at 31 July 2015	947,769	3,764,406	4,712,175
Comprehensive income			
(Loss) for the year attributable to members	(193,534)	-	(193,534)
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members	(193,534)	-	(193,534)
Balance at 31 July 2016	754,235	3,764,406	4,518,641

The accompanying notes form part of these financial statements.

QUEANBEYAN GOLF CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and customers		2,157,606	2,094,402
Payments to suppliers and employees		<u>(2,012,865)</u>	<u>(2,057,459)</u>
Net cash generated from operating activities		<u>144,741</u>	<u>36,943</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(37,992)	(21,945)
Proceeds from sale of property, plant equipment		<u>-</u>	<u>650,000</u>
Net cash (used in) / generated by investing activities		<u>(37,992)</u>	<u>628,055</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(252,568)	(329,878)
Proceeds from borrowings		183,030	-
Finance Costs		<u>(32,783)</u>	<u>(62,919)</u>
Net cash generated by / (used in) financing activities		<u>(102,321)</u>	<u>(392,797)</u>
Net increase in cash and cash equivalents		4,428	272,201
Cash and cash equivalents at beginning of financial year		<u>302,605</u>	<u>30,404</u>
Cash and cash equivalents at end of financial year	4	<u><u>307,033</u></u>	<u><u>302,605</u></u>

The accompanying notes form part of these financial statements.

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

The financial statements cover Queanbeyan Golf Club Limited as an individual entity, incorporated and domiciled in Australia. Queanbeyan Golf Club Limited is a company limited by guarantee. The financial statements were authorised for issue on 22 November 2016 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Queanbeyan Golf Club Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

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

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

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

b. Property, Plant and Equipment

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Property, Plant and Equipment (continued)

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

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

Depreciation

Buildings are depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 -10 %
Plant and equipment	10 - 33.3 %
Leasehold land improvement	5 - 20 %
Furniture and fittings	10 - 20 %

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

c. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum Lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. 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 the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

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

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

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

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) *Held-to-maturity investments*

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available for-sale financial assets are classified as current assets.

(iii) *Financial liabilities*

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

Impairment

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

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

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. Financial Instruments (continued)

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

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

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

Derecognition

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

e. Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Employee Benefits (continued)

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

f. Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g. Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

h. Trade and Other Receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

i. Goods and Services Tax (GST)

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

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

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

j. Income Tax

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

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Intangibles

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

l. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

n. Accounts Payable and Other Payables

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

o. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

Impairment

The freehold land and buildings were independently valued at April 2010 by Independent valuers. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation being recognised for the year ended 31 July 2010.

At 31 July 2016, the directors reviewed the key assumptions made by the valuers at April 2010. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 31 July 2016.

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal company policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

p. Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

QUEANBEYAN GOLF CLUB LIMITED
ABN 49 010 767 574

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Fair Value of Assets and Liabilities (continued)

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 2: REVENUE AND OTHER INCOME

	Note	2016 \$	2015 \$
Revenue:			
Bar sales		484,724	508,364
Competitions income		127,440	117,813
Subscriptions		452,394	406,763
Green fees		168,094	174,254
Poker machine proceeds		443,651	462,607
Keno & TAB		9,764	12,758
Golf cart hire income		71,277	67,875
		<u>1,757,344</u>	<u>1,750,434</u>
Other revenue:			
Rental of assets		10,400	10,400
Other income		221,362	159,499
Gain on sale of land		-	640,694
		<u>231,762</u>	<u>810,593</u>
Total revenue and other income		<u><u>1,989,106</u></u>	<u><u>2,561,027</u></u>

NOTE 3: PROFIT FOR THE YEAR

Expenses			
Cost of sales		237,602	242,433
Finance costs - external		32,783	62,919
Employee benefits expense		686,694	673,217
Depreciation			
Freehold land and buildings		79,255	79,255
Leasehold improvements		45,405	45,405
Furniture and fittings		15,504	15,912
Plant and equipment		131,753	112,581
Total Depreciation		<u><u>271,917</u></u>	<u><u>253,153</u></u>

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT			
Cash at bank		262,539	259,845
Cash on hand		44,494	42,760
Total cash and cash equivalents	19	<u><u>307,033</u></u>	<u><u>302,605</u></u>

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2016	2015
		\$	\$
CURRENT			
Trade receivables	19	43,056	31,032

Provision for impairment of receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. There has been no provision for impairment of receivables during the years ended 31 July 2016 or 31 July 2015.

NOTE 6: INVENTORIES

CURRENT			
At cost – Bar		13,926	9,298

NOTE 7: OTHER CURRENT ASSETS

CURRENT			
Barter Card		-	67
Prepayments		49,263	-
TAB guarantee		5,000	5,000
		54,263	5,067

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$	\$
LAND AND BUILDINGS		
Freehold land & buildings – at valuation	5,165,958	5,165,958
Accumulated depreciation	<u>(526,145)</u>	<u>(446,891)</u>
	<u>4,639,813</u>	<u>4,719,067</u>
Leasehold land improvements –at cost	629,089	629,089
Accumulated depreciation	<u>(407,143)</u>	<u>(361,738)</u>
	<u>221,946</u>	<u>267,351</u>
Total land and buildings	<u><u>4,861,759</u></u>	<u><u>4,986,418</u></u>
PLANT AND EQUIPMENT		
Furniture and fittings – at cost	149,033	141,070
Accumulated depreciation	<u>(126,037)</u>	<u>(110,532)</u>
	<u>22,996</u>	<u>30,538</u>
Plant and equipment – at cost	1,314,136	1,210,995
Accumulated depreciation	<u>(959,657)</u>	<u>(875,246)</u>
	<u>354,479</u>	<u>335,749</u>
Total plant and equipment	<u><u>377,475</u></u>	<u><u>366,287</u></u>
Total property, plant and equipment	<u><u>5,239,234</u></u>	<u><u>5,352,705</u></u>

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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:

	Freehold land & buildings \$	Leasehold improvements \$	Furniture and fittings \$	Plant and equipment \$	Total \$
2016					
Carrying amount at 1 August 2015	4,719,067	267,351	30,538	335,749	5,352,705
Additions at cost	-	-	7,962	150,484	158,446
Disposals	-	-	-	(47,342)	(47,342)
Depreciation write back	-	-	-	47,342	47,342
Depreciation expense	(79,254)	(45,405)	(15,504)	(131,754)	(271,917)
Carrying amount at the end of the year	<u>4,639,813</u>	<u>221,946</u>	<u>22,996</u>	<u>354,479</u>	<u>5,239,234</u>

Asset Revaluations

The freehold land and buildings were independently valued at April 2010 by independent valuers. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation being recognised in the revaluation surplus for the year ended 31 July 2010.

At 31 July 2016 the directors reviewed the key assumptions made by the valuers at 31 July 2010. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying amount does not exceed the recoverable amount of land and buildings at 31 July 2016.

NOTE 9: INTANGIBLE ASSETS

	2016 \$	2015 \$
Poker Machine License		
At cost	<u>51,636</u>	<u>61,318</u>
Net carrying amount	<u>51,636</u>	<u>61,318</u>
	Poker Machine License \$	Total \$
2016		
Balance at the beginning of the year	61,318	61,318
Additions	-	-
Disposals	(9,682)	(9,682)
Amortisation expense	-	-
Carrying amount at the end of the year	<u>51,636</u>	<u>51,636</u>

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 10: TRADE AND OTHER PAYABLES

	Note	2016 \$	2015 \$
CURRENT			
Accrued expenses		24,817	25,126
GST payable		77,034	21,305
Trade payables		80,746	84,255
		182,597	130,686

a. Financial liabilities at amortised cost classified as trade and other payables

Accounts payable and other payables:			
- total current		182,597	130,686
Less Accrued expenses		(24,817)	(25,126)
Less GST payable		(77,034)	(21,305)
		80,746	84,255
Financial liabilities as accounts payable and other payables	19		

NOTE 11: BORROWINGS

CURRENT			
Bank Loan		54,336	54,336
Golf cart leases		19,342	45,763
Car lease		8,600	-
Poker machine loan		33,578	22,628
Toro lease		8,600	8,600
Insurance loan		48,286	-
		172,742	131,327
NON-CURRENT			
Bank Loan		271,673	326,009
Golf cart leases		41,908	-
Poker machine loan		12,775	22,628
Toro lease		20,784	29,384
Car lease		30,700	-
		377,840	378,021
Total borrowings		550,582	509,348

- a. The bank loan is secured by a registered mortgage over the properties situated at Booth Street and Dodsworth Street Queanbeyan.
- b. Leased liabilities are secured by the underlying asset.

NOTE 12: OTHER LIABILITIES

CURRENT			
Subscriptions in advance		409,614	350,454
		409,614	350,454

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 13: PROVISIONS

	2016	2015
	\$	\$
Current		
Annual leave	32,844	36,112
Long service leave	9,124	19,295
	41,968	55,407
Non-Current		
Long service leave	5,746	3,955
	5,746	3,955
	47,714	59,362

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Analysis of Total Provisions			
Opening balance at 1 August 2015	36,112	23,250	59,362
Movement in year	(3,268)	(8,380)	(11,648)
Balance at 31 July 2016	32,844	14,870	47,714

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(e).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 14: CAPITAL AND LEASING COMMITMENTS

	2016	2015
	\$	\$
a. Finance Lease Commitments		
Payable - minimum lease payments		
- not later than 12 months	118,406	90,655
- between 12 months but not later than 5 years	106,167	76,943
Minimum lease payments	224,573	167,598

The finance lease for 15 used golf carts was entered in October 2015 for a period of 4 years.
The finance lease for four new golf carts was entered in October 2015 for a period of 5 years.
The finance lease for one Toyota Hilux was entered in October 2015 for a period of 5 years.
The finance lease for one Ainsworth poker machine was entered in July 2014 for a period of 3 years.
The finance lease for one Aristocrat poker machine was entered in August 2014 for a period of 3 years.
The finance lease for one Ainsworth poker machine was entered in August 2015 for a period of 3 years.
The Chattel lease for Toro Mower was entered in December 2014 for a period of 5 years.
The financing lease for Insurance Premium Funding with Hunter Premium Funding was entered in June 2016 for the period of 10 months.

b. Operating Lease Commitments

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

Payable - minimum lease payments:

- not later than 12 months	39,129	52,172
- between 12 months but not later than 5 years	-	39,129
	39,129	91,301

The mower lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term from May 2012.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

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

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

Key management personnel compensation:	114,698	104,295
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QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 17: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

No related party transactions occurred during the financial year.

NOTE 18: RESERVES

a. **Revaluation Reserve**

The revaluation surplus records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this reserve.

b. **Financial Assets Reserve**

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

NOTE 19: FINANCIAL RISK MANAGEMENT

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

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

	Note	2016	2015
		\$	\$
Financial assets			
Cash and cash equivalents	4	307,033	302,605
Loans and receivables	5	43,056	31,032
Total financial assets		<u>350,089</u>	<u>333,637</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	10a	80,746	84,255
– borrowings	11	550,582	509,348
Total financial liabilities		<u>631,328</u>	<u>593,603</u>

NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets existing at the end of the financial period.

QUEANBEYAN GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTE 21: ENTITY DETAILS

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

Queanbeyan Golf Club Limited
Brown Street
Queanbeyan NSW 2620

NOTE 22: GOING CONCERN – MATERIAL UNCERTAINTY

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its debts as and when they fall due and payable. The Company incurred a net loss of \$193,534 during the year ended 31 July 2016 (2015: profit: \$401,447 which included a gain on disposal of land of \$640,694 resulting in an operational loss of \$239,247 after related cost of sales) and, as of that date, the Company's current liabilities exceeded its current assets by \$388,643 (2015: \$319,872). These conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

On the basis of changes to the operations of the club, future forecasts and cost saving measures, management believes that the Company will continue as a going concern for the foreseeable future. Management acknowledge that uncertainty remains over the ability for the Company to meet its funding requirements and to refinance or repay its banking facilities as they fall due. However, Management anticipate that its strategies, which may include options to develop excess land, will be sufficient to satisfy forecasted operating requirements and has reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

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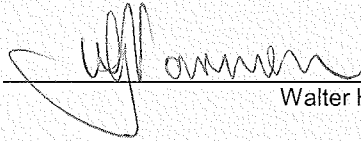
DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 5 to 24, 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 of the company as at 31 July 2016 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Walter Harrison (President)

Dated this 22nd day of November 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEANBEYAN GOLF CLUB LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Queanbeyan Golf Club Limited (the company), which comprises the statement of financial position as at 31 July 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 judgment, 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 the association's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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*.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEANBEYAN GOLF CLUB LIMITED

Opinion

In our opinion, the financial report of Queanbeyan 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 31 July 2016 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Emphasis of the Matter

Without qualifying our opinion, we draw attention to Note 22 in the financial report which indicates that the Company incurred a net loss of \$193,529 during the year ended 31 July 2016 (2015: profit \$401,447, which included a gain on disposal of land of \$640,694 resulting in an operational loss of \$239,247 after related cost of sales) and, as of that date, the Company's current liabilities exceeded its current assets by \$388,632 (2015: \$319,872). These conditions, along with other matters as set forth in Note 22, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.



Shane Bellchambers, FCA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 22nd day of November 2016