

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**CONTENTS**

Directors' Report	1
Independent Audit Report	4
Auditor's Independence Declaration	6
Statement of Profit or Loss & Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	26
Disclaimer on Additional Financial Information	27
Supplementary Information	28

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 31 December 2018.

**Principal Activities**

The principal activities of the company during the financial year were:

To provide and maintain a golf club.

No significant changes in the state of affairs occurred during the financial year.

**Objectives & Strategies**

The short and long term objectives of the Company are to provide golf club facilities to members and their guests.

The strategy for achieving these objectives is to conservatively manage and monitor the company's financial position, and ensure that member facilities are kept at the highest of standards.

**Performance Measurement**

The company uses industry accepted financial and non-financial KPI's to monitor performance.

**Membership**

The number of members registered in the Register of Members at 31 December 2018 were as follows:

Playing	537
Life	15
Social	113
Total Members	<u>665</u>

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution states that each member is liable to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 31 December 2018 the collective liability of members was \$1,330 (31 December 2017: \$1,334).

**Directors**

The names of the directors in office at any time during or since the end of the year are:

**Robert Russell**

**President**

*Qualifications, experience, and special duties:*

Board Member 2013-2018

Former Senior Secondary School Teacher for 39 years

Director Leeton Golf Club 1997-1999

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**DIRECTORS' REPORT**

**Cec Montgomery**

**Vice President**

*Qualifications, experience, and special duties:*

Board Member 2014 -2018

Banker for 32 years

Owned and operated own business for 16 years

Board member for 8 years various golf clubs

**Mark Henning**

**Treasurer**

*Qualifications, experience, and special duties:*

Board Member 2012-2018

CPA

Finance and Administration Manager for 15 years

Business Performance Manager for 5 years

**Glenn Askew**

**Secretary**

*Qualifications, experience, and special duties:*

Board Member 2016-2018

Secretary 2016-2018

Former Credit Union Manager for 14 years

**Geoffrey Collins**

**Captain**

*Qualifications, experience, and special duties:*

Board Member 2017-2018

Retired Builder.

**Gregory Montgomery**

**Director**

*Qualifications, experience, and special duties:*

Board Member 2012-2018

Former Woolworths Manager for 18 years

President of Clubs Veteran Golfers Association

**Connie Parrish**

**Director**

*Qualifications, experience, and special duties:*

Board Member 2014-2018

Site Secretary current employment

President of Woman's Golf Club 2 years

**Keith Muller**

**Director**

*Qualifications, experience, and special duties:*

Board Member 2015-2018

Motor Mechanic

Plant Operator & Supervisor for 22 years.

**James Preston**

**Director**

Appointed 14/03/2018

*Qualifications, experience, and special duties:*

Board Member 2018

Former Qantas Steward.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**DIRECTORS' REPORT**

**Harry Delany**

**Director**

Term completed 14/03/2018

*Qualifications, experience, and special duties:*

Board Member 2014-2018

Antill Golf Club board member for 2 years

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

**Summary of Meeting Attendances:**

13 ordinary meetings were held during the year.

	<i>Number of Meetings Eligible To Attend</i>	<i>Number of Meetings Attended</i>
Robert Russell	13	12
Cec Montgomery	13	10
Mark Henning	13	11
Glenn Askew	13	12
Geoffrey Collins	13	12
Gregory Montgomery	13	11
Connie Parrish	13	9
Keith Muller	13	10
James Preston	10	9
Harry Delany	4	3

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2018 has been received and can be found on page 6 of the financial report.

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

Director:   
Mr Robert Russell

Dated 21 February 2019

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
SHOALHAVEN HEADS GOLF CLUB LIMITED  
A.B.N. 76 003 000 217**

**Audit Opinion**

We have audited the financial report of Shoalhaven Heads Golf Club Limited (the company), which comprises the statement of financial position as at year ended 31 December 2018, the statement of comprehensive income, statement of changes in equity and 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 Shoalhaven Heads 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 the year ended 31 December 2018 and of their performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis of Audit 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.

**Other Information**

The Directors are responsible for the other information. The other information does not include the financial report and our auditor's report thereon, but comprises the President's Report, Treasurer's Report and Secretary's Report, which are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
SHOALHAVEN HEADS GOLF CLUB LIMITED  
A.B.N. 76 003 000 217**

**Responsibilities of the Directors for the Financial Report**

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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.

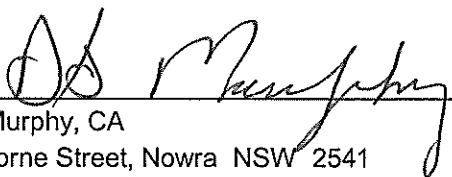
In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

**Booth Partners**



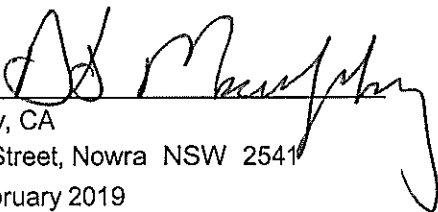
David Murphy, CA  
52 Osborne Street, Nowra NSW 2541  
Dated 21 February 2019

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
SHOALHAVEN HEADS GOLF CLUB LIMITED  
A.B.N. 76 003 000 217**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, 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.

**Booth Partners**

  
\_\_\_\_\_  
David Murphy, CA  
52 Osborne Street, Nowra NSW 2541  
Dated 21 February 2019



**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
Revenue	2	921,257	973,755
Other income	2	91	2,273
Cost of sales		(103,462)	(104,014)
Administration expenses		(28,767)	(28,725)
Depreciation expenses		(107,671)	(103,279)
Employment expenses		(227,554)	(210,741)
Golf expenses		(227,390)	(248,625)
Interest expenses		(3,164)	(3,693)
Occupancy expenses		(73,709)	(65,395)
Other expenses		(147,640)	(123,458)
<b>Profit before income tax</b>	<b>3</b>	<u>1,991</u>	<u>88,098</u>
Income tax expense		-	-
<b>Profit (loss) attributable to members of the company</b>		<u>1,991</u>	<u>88,098</u>
<b>Total comprehensive income (loss) attributable to members of the company</b>		<u><u>1,991</u></u>	<u><u>88,098</u></u>

The accompanying notes form part of these financial statements.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	157,012	144,163
Trade and other receivables	5	2,298	11,634
Inventories	6	24,354	22,679
Other current assets	7	9,856	71,462
<b>TOTAL CURRENT ASSETS</b>		<u>193,520</u>	<u>249,938</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	1,325,695	1,357,867
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,325,695</u>	<u>1,357,867</u>
<b>TOTAL ASSETS</b>		<u>1,519,215</u>	<u>1,607,805</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	82,303	154,566
Borrowings	10	18,684	17,238
Short term provisions	11	18,714	40,510
Other current liabilities	12	82,986	94,531
<b>TOTAL CURRENT LIABILITIES</b>		<u>202,687</u>	<u>306,845</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	48,792	29,043
Long term provisions	11	-	6,172
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>48,792</u>	<u>35,215</u>
<b>TOTAL LIABILITIES</b>		<u>251,479</u>	<u>342,060</u>
<b>NET ASSETS</b>		<u>1,267,736</u>	<u>1,265,745</u>
<b>EQUITY</b>			
Retained earnings		1,267,736	1,265,745
<b>TOTAL EQUITY</b>		<u>1,267,736</u>	<u>1,265,745</u>

The accompanying notes form part of these financial statements.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

	<b>Retained Profits</b>
Balance at 1 January 2017	1,177,647
Profit (loss) for the year	88,098
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	<u>88,098</u>
Income tax expense	-
Balance at 31 December 2017	<u><u>1,265,745</u></u>
Balance at 1 January 2018	1,265,745
Profit (loss) for the year	1,991
Other comprehensive income for the year	-
Total comprehensive income attributable to members of the entity	<u>1,991</u>
Balance at 31 December 2018	<u><u>1,267,736</u></u>

The accompanying notes form part of these financial statements.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		677,629	913,549
Payments to suppliers and employees		(608,008)	(761,458)
Interest received		607	618
Interest expense		(3,164)	(4,095)
<b>Net cash provided by (used in) operating activities</b>		<u>67,064</u>	<u>148,614</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		91	2,273
Payments for property, plant and equipment		(75,501)	(131,602)
<b>Net cash provided by (used in) investing activities</b>		<u>(75,410)</u>	<u>(129,329)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		48,894	34,482
Repayment of borrowings		(27,699)	(25,259)
<b>Net cash provided by (used in) financing activities</b>		<u>21,195</u>	<u>9,223</u>
Net increase (decrease) in cash held		12,849	28,508
Cash at beginning of financial year		144,163	115,655
Cash at end of year	4	<u>157,012</u>	<u>144,163</u>

The accompanying notes form part of these financial statements.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**1 Summary of Significant Accounting Policies**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board 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 the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

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

The financial statements of Shoalhaven Heads Golf Club Limited for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 21 February 2019.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the period of the memberships.

Grant revenue is recognised in the statement of comprehensive income 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.

Shoalhaven Heads Golf Club Limited receives non-reciprocal contributions of assets from the government and other parties for zero or 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 the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

### **Cash and Cash Equivalents**

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

### **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. 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.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Stores are valued at cost.

**Prepayments**

Prepayments are recognised when a payment is made for services that the company expects to utilise over a period of time. Prepayments are measured at the unexpended portion of the contractual cost of the services. Expenditure is transferred to profits and losses on a straight line basis over the period to which it relates.

**Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are measured at cost less depreciation. It is the policy of the entity to have annual appraisals by the directors to ensure the carrying amount is not in excess of the recoverable amount from those assets.

**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 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.

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 during the financial period in which they are incurred.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Building at Cost	2.5 - 10%
Course Improvements at Cost	2.5%
Plant and Equipment	7.5 - 20%
Kitchen Equipment	10 - 20%
Furniture and Fittings	20 - 25%
Course Equipment	5 - 25%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

## **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 (i.e. trade date accounting 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 expensed to profit or loss immediately.

### **Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, prices quoted in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is 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.



**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

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) Financial assets at fair value through profit or loss

Financial assets are classified as 'fair value through profit or loss' when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) 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.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They 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.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). 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 current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding 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 instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute 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 to profit or loss at this point.

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 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 taken all possible measures of recovery, if 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 of the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognised 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 when the contractual rights to receipt of cash flows expires 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 either discharged, cancelled or expire. The difference between the carrying amount of the financial liability 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.

#### **Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement, unless the asset is carried at a revalued amount in accordance with another standard. 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 goodwill and intangible assets with indefinite lives.

#### **Trade and Other Payables**

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

#### **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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

Cash flows are presented on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

### **Income Tax**

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

### **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 and salaries. 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 and salaries are recognised as a part of current liabilities in the statement of financial position.

#### **Other long-term employee benefits**

The company classifies employee's 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 the 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.

### **Provisions**

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

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

### **Comparative Figures**

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

### **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report 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 judgments - 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 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.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue</b>		
<b>Operating activities</b>		
Trading Revenue	237,386	240,690
Interest	607	618
Advertising, Signs and Sponsorship	36,732	37,131
Government Grant	6,158	38,917
Competition Fees	26,301	29,270
Donations	26,293	22,226
Fundraising	6,867	19,889
Green Fees	349,211	354,274
Insurance Recoveries	-	6,683
Subscriptions & Nominations	218,856	212,989
Sundry Income	12,846	11,068
	<u>921,257</u>	<u>973,755</u>
<b>Non-operating activities</b>		
Profit on Disposal of Property, Plant and Equipment	91	2,273
	<u>91</u>	<u>2,273</u>
	<u>921,348</u>	<u>976,028</u>
<b>3 Profit from Ordinary Activities</b>		
Profit from ordinary activities before income tax expense has been determined after:		
<b>Expenses:</b>		
Cost of sales	103,462	104,014
Depreciation of non-current assets	107,671	103,279
<b>Revenue and Net Gains:</b>		
Net gain on disposal of property, plant, and equipment	91	2,273

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>4 Cash and Cash Equivalents</b>		
<b>Current</b>		
Cash on Hand	3,762	8,646
National Australia Bank - Current Account	44,631	55,604
NAB Business Card	500	500
National Australia Bank Maximizer	108,119	79,413
	<u>157,012</u>	<u>144,163</u>
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	<u>157,012</u>	<u>144,163</u>
	<u>157,012</u>	<u>144,163</u>
<b>5 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	<u>2,298</u>	<u>11,634</u>
<b>6 Inventories</b>		
<b>Current</b>		
Stock on Hand - Other	15,174	12,651
Stock on Hand - Bar	9,180	10,028
	<u>24,354</u>	<u>22,679</u>
<b>7 Other Current Assets</b>		
<b>Current</b>		
Prepayments	<u>9,856</u>	<u>71,462</u>

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
<b>8 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Building at Cost	364,120	364,120
Less: Accumulated Depreciation	<u>(142,543)</u>	<u>(124,824)</u>
	221,577	239,296
Course Improvements at Cost	1,150,474	1,129,058
Less: Accumulated Depreciation	<u>(331,023)</u>	<u>(304,329)</u>
	819,451	824,729
<b>Total Land and Buildings</b>	<u>1,041,028</u>	<u>1,064,025</u>
<b>Plant and Equipment</b>		
Plant & Equipment at Cost	258,382	238,385
Less: Accumulated Depreciation	<u>(215,503)</u>	<u>(201,940)</u>
	42,879	36,445
Motor Vehicles	22,342	-
Less: Accumulated Depreciation	<u>(1,359)</u>	<u>-</u>
	20,983	-
Kitchen Equipment at Cost	19,302	12,273
Less: Accumulated Depreciation	<u>(8,382)</u>	<u>(6,618)</u>
	10,920	5,655
Furniture & Fittings, at Cost	14,171	12,403
Less: Accumulated Depreciation	<u>(10,788)</u>	<u>(10,608)</u>
	3,383	1,795
Course Equipment, at Cost	505,895	503,658
Less: Accumulated Depreciation	<u>(299,393)</u>	<u>(253,711)</u>
	206,502	249,947
<b>Total Plant and Equipment</b>	<u>284,667</u>	<u>293,842</u>
<b>Total Property, Plant and Equipment</b>	<u>1,325,695</u>	<u>1,357,867</u>

All of the land and buildings leased by the club are located at Staples Street Shoalhaven Heads and are considered 'Core Property' (as defined in the Registered Club Act 1976).



**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018		2017	
		\$		\$	
<b>Movements in Carrying Amounts</b>					
Movements in carrying amount for each class of property, plant and equipment between the beginning and the end of the financial year:					
	<b>Carrying Value</b>			<b>Carrying Value</b>	
	<b>1 Jan 2018</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>31 Dec 2018</b>
Building at Cost	239,296	-	-	(17,719)	221,577
Course Improvements at Cost	824,729	21,416	-	(26,694)	819,451
Plant and Equipment	36,445	19,997	-	(13,563)	42,879
Kitchen Equipment	5,655	7,029	-	(1,764)	10,920
Furniture and Fittings	1,795	1,768	-	(180)	3,383
Course Equipment	249,947	2,947	-	(46,392)	206,502
Motor Vehicles	-	22,342	-	(1,359)	20,983
	<u>1,357,867</u>	<u>75,499</u>	<u>-</u>	<u>(107,671)</u>	<u>1,325,695</u>

**9 Trade and Other Payables**

**Current**

Sundry Creditors	74,713	143,073
Voluntary Workers	5,572	5,634
GST Liability	2,018	5,859
	<u>82,303</u>	<u>154,566</u>

**Financial liabilities at amortised cost classified as trade and other payables**

Trade and other payables:

- Total current	82,303	154,566
- Total non-current	-	-
	<u>82,303</u>	<u>154,566</u>
Less:		
GST	(2,018)	(5,859)
Financial liabilities as trade and other payables	<u>80,285</u>	<u>148,707</u>

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
<b>10 Borrowings</b>		
<b>Current</b>		
Hire Purchase Liability	21,507	19,463
Less: Unexpired Interest	<u>(2,823)</u>	<u>(2,225)</u>
	<u>18,684</u>	<u>17,238</u>
<b>Non-Current</b>		
Hire Purchase Liability	51,776	30,895
Less Unexpired Interest	<u>(2,984)</u>	<u>(1,852)</u>
	<u>48,792</u>	<u>29,043</u>
<b>11 Provisions</b>		
<b>Current</b>		
Provision for Holiday Pay	18,714	26,695
Provision for Long Service Leave	<u>-</u>	<u>13,815</u>
	<u>18,714</u>	<u>40,510</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>-</u>	<u>6,172</u>
	<u>-</u>	<u>-</u>
<b>Aggregate Employee Benefit Liability</b>	<u>18,714</u>	<u>46,682</u>
<b>12 Other Liabilities</b>		
<b>Current</b>		
Income In Advance	-	10,000
Subscriptions in Advance	74,415	72,190
Sponsorship In Advance	<u>8,571</u>	<u>12,341</u>
	<u>82,986</u>	<u>94,531</u>
<b>13 Related Party Transactions</b>		

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

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
<hr/>		
<b>14 Financial Risk Management</b>		
<p>The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.</p> <p>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:</p>		
<b>Financial Assets</b>		
Cash and cash equivalents	157,012	144,163
Loans and receivables	2,298	11,634
Total Financial Assets	<u>159,310</u>	<u>155,797</u>
<b>Financial Liabilities</b>		
Financial Liabilities at amortised cost		
- Trade and other payables	80,285	148,707
- Borrowings	67,476	46,281
Total Financial Liabilities	<u>147,761</u>	<u>194,988</u>

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards.
  - (b) give a true and fair view of the financial position of the company as at 31 December 2018 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:

  
\_\_\_\_\_

Mr Robert Russell

Dated 21 February 2019

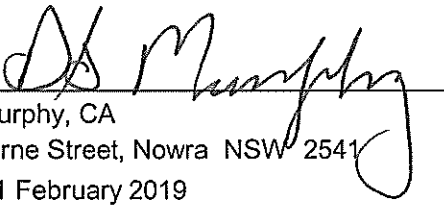
**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION**

The additional information on the following pages is in accordance with the books and records of Shoalhaven Heads Golf Club Limited which have been subjected to the auditing procedures applied in the audit of the company for the year ended 31 December 2018. It will be appreciated that the audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

**Booth Partners**

  
\_\_\_\_\_  
David Murphy, CA  
52 Osborne Street, Nowra NSW 2541  
Dated 21 February 2019

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**SUPPLEMENTARY INFORMATION**  
**DEPARTMENTAL PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 \$	2017 \$
<b>Bar Trading</b>			
Refreshment Sales		237,386	240,690
		<u>237,386</u>	<u>240,690</u>
<b>LESS: COST OF GOODS SOLD</b>			
Opening Stock		10,028	8,364
Closing Stock		(9,180)	(10,028)
Purchases		102,614	105,678
		<u>103,462</u>	<u>104,014</u>
<b>GROSS PROFIT FROM TRADING</b>		<u>133,924</u>	<u>136,676</u>

The accompanying notes form part of these financial statements.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**SUPPLEMENTARY INFORMATION**  
**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Bar Trading	133,924	136,676
Advertising, Signs and Sponsorship	36,732	37,131
Competition Fees	26,301	29,270
Donations	26,293	22,226
Fundraising	6,867	19,889
Government Grant	6,158	38,917
Green Fees	349,211	354,274
Insurance Recoveries	-	6,683
Interest Income	607	618
Profit on Sale of Non-Current Assets	91	2,273
Subscriptions & Nominations	218,856	212,989
Sundry Income	15	11,068
	<b>817,886</b>	<b>872,014</b>
<b>LESS : EXPENDITURE</b>		
Accountant	20,167	21,475
Advertising	3,433	4,886
Affiliation Fees	17,820	20,319
Audit Fees	8,600	7,250
Bank Charges	7,081	7,345
Catering Retainer	20,000	21,366
Cleaning	6,225	6,158
Commission Paid	71,813	69,117
Depreciation	107,671	103,279
Donations	16,947	10,874
Electricity & Gas	32,757	26,021
Fuel & Oil	16,313	14,914
Fundraising	5,690	4,559
Holiday Pay Provision	13,649	16,682
Insurance	43,323	34,015

The accompanying notes form part of these financial statements.

**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**SUPPLEMENTARY INFORMATION**  
**PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Interest Paid	3,164	3,693
Leasing Charges	1,731	2,889
Licensing Fees	3,203	5,554
Long Service Leave Expense	(6,021)	2,060
Members Expenses	6,128	3,278
Motor Vehicle Expenses	1,243	-
Postage	296	498
Printing & Stationery	11,568	8,827
Prizes - Golf Balls & Trophies	25,474	23,948
Rates & Taxes	3,391	2,521
Rent	31,336	30,695
Repairs & Maintenance	84,227	108,495
Security Costs	2,492	1,858
Staff Training & Welfare	4,665	2,330
Subscriptions	6,332	1,342
Superannuation Contributions	19,836	17,750
Telephone	6,681	4,635
Tool Replacement	5,699	7,611
Unders and Overs	(208)	(182)
Uniforms	673	360
Volunteers	6,044	4,221
Wages	194,752	171,559
Waste Disposal	5,256	7,250
Water	6,444	4,464
	<b>815,895</b>	<b>783,916</b>
<b>OPERATING PROFIT</b>	<b>1,991</b>	<b>88,098</b>

The accompanying notes form part of these financial statements.



**SHOALHAVEN HEADS GOLF CLUB LIMITED**  
**A.B.N. 76 003 000 217**

**NOTES TO THE SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
<b>15 Sundry Income</b>		
Coffee Machine	928	1,035
Corporate Day	7,200	6,572
Fuel Tax Rebate	1,933	1,719
Other Income	2,785	1,742
	<u>12,846</u>	<u>11,068</u>

The accompanying notes form part of these financial statements.  
These statements should be read in conjunction with the attached disclaimer of Booth Partners.

