



TOCUMWAL
GOLF & BOWLS CLUB

2017
ANNUAL REPORT

CLUB CONTACT DETAILS:

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OFFICE BEARERS & DIRECTORS 2016 - 2017

President:

Christopher O'Connell

Vice President:

Phillip Dungan

Treasurer:

Raymond Bailey

Golf Captain:

Michael Keen

Bowls Captain:

Pamela Van Huizen

Directors:

David Hansen
Douglas Perrett
Adam Purtil
Roslyn Seymour

Life Members:

Colin Allen
Judith Baguley
Donald Baguley
Ronald Haley
Jeffrey Harris
Allan Jones
James Milgate
Christopher Philpot
Alan Seamer
Graeme Sharp
Alan Whiteside

Chief Executive Officer:

Craig Smith

Club Auditor:

Xerri Evans

BUSINESS

Tocumwal Golf & Bowls Club Limited
ABN 84 001 088 302

NOTICE OF MEETING

Notice is hereby given that the Forty Fifth (45) Annual General Meeting will be held in the club premise, 42 Barooga Road at 6.00pm on Tuesday 24th October 2017.

ORDINARY BUSINESS

1. Apologies
2. To receive the Minutes of the Forty Forth (44) Annual General Meeting held on Tuesday 25th October 2016.
3. To receive and consider the Directors' Report, Profit or Loss and Other Comprehensive Income for the year ended 30th June 2017, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows as at that date and the Auditors' Report thereon.
4. Ordinary Resolutions.
5. Declaration of Ballot for Office Bearers and Directors.
6. Any other business for which due and proper notice has been given.

MEMBERS PLEASE NOTE:

Members are requested to advise the Chief Executive Officer in writing seven (7) days prior to the date of the Annual General Meeting (Tuesday 17th October 2017 at 5.00pm) of any questions relating to the financial accounts that is not contained in the annual report. Requested information will be extracted from the records and provided to the members at the Annual General Meeting.

FIRST ORDINARY RESOLUTION

That the members hereby approve expenditure by the Club until the next Annual General Meeting of the Club for the following:

The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board from time to time.

The reasonable costs (including travel and accommodation expenses) of directors attending meetings, conferences and trade shows conducted by Clubs NSW, the Club Managers Association and such other conferences and trade shows as determined by the Board from time to time.

The reasonable cost of directors attending any other registered club for the purpose of viewing and assessing its facilities as determined by the Board as being necessary for the benefit of the Club.

The reasonable cost of directors (and their spouses/partners if required) attending any club, community or charity function as the representatives of the Club and authorised by the Board to do so.

The reimbursement of reasonable out of pocket expenses incurred by directors travelling to and from Board meetings or other duly constituted meetings of any committee of the Board.

The reimbursement of reasonable out of pocket expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure.

The reasonable cost of Club Uniform being provided to directors as required.

The provision of designated car parking spaces for directors in the Club's car park.

The members acknowledge that these benefits are not available for members generally but are only for those who are directors of the Club.

Notes to Members on First Ordinary Resolution

2. The First Ordinary Resolution is to have the members in general meeting approve expenditure by the Club for directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the Club and for other out of pocket expenses.

Included in the First Ordinary Resolution is the cost of directors attending functions as representatives of the Club and, if required, the costs of their spouses/partners also attending those functions.

Procedural Matters

1. To be passed, the First Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the First Ordinary Resolution at the meeting.
2. The Registered Clubs Act provides that:
members who are employees of the Club are not entitled to vote; and
proxy voting is prohibited.

SECOND ORDINARY RESOLUTION

That the members hereby approve expenditure by the Club on honorariums to the value of \$1,000.00 per annum for the President & Club Captains.

The members acknowledge that these benefits are not available for members generally but are only for those who are directors of the Club.

Notes to Members on Second Ordinary Resolution

1. The Second Ordinary Resolution is to have the members in general meeting approve expenditure by the Club on honorariums for the President and Club Captains.
2. The honorarium is intended as a gesture of appreciation to the President & Club Captains for which include attending Board meetings committee meetings, and other directors duties as required.

Procedural Matters

To be passed, the Second Ordinary Resolution must receive votes from not less than a majority of those members who being eligible to do so vote in person on the Second Ordinary Resolution at the meeting.

The Registered Clubs Act provides that:

members who are employees of the Club are not entitled to vote; and
proxy voting is prohibited.

Dated:

By direction of the Board

Craig Smith
Chief Executive Officer

CLUB PROPERTY REPORT

Pursuant to Section 41J (2) of the Registered Clubs Act for the financial year ended 30 June 2017

(a) The following properties are core property of the Club;

(i) 42 Barooga Rd Tocumwal NSW 2714

Parish Tocumwal Lots 1 & 2 DP 1096569, Lot 1 DP728913, Lot 14 DP738067, Lot 1 DP738098, Lot 228 DP 752296, WS049422 Easement DP 1027814
118.80HA Tocumwal Golf Club

(b) The following properties are non-core property of the Club;

(i) There are no listed non-core properties.

Notes to Members

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

2. Core property is any real property owned or occupied by the Club that comprises:

(a) the defined premises of the Club; or

(b) any facility provided by the Club for use of its members and their guests; or

(c) any other property declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.

3. Non-core property is any real property owned or occupied by the Club that:

(a) does not fall within the definition of core property; or

(b) is declared by a resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be non-core property.

4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:

(a) The property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and

(b) The disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval; and

(c) Any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

5. These disposal provisions (and what constitutes a disposal for the purposes of section 41J) are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above, amongst other things, do not apply to:

- Core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer; or
- Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunication tower.

6. Non-core property is not subject to the limitations referred to in paragraphs 4 and 5 above and can be disposed of without the Club having to following the procedure referred to in paragraph 4 above.

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DIRECTORS' REPORT

The directors present their report on the company for the financial year ended 30 June 2017.

Information on Directors

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

Mr. Christopher John O'Connell

Position: President
Qualifications: CEO of Metropolitan & Regional Free to Air Television Company for 20 years, Retired. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member serving 7 years
Special Responsibilities: Member of Finance and Master Plan Committees

Mr. Phillip Leonard Dungan

Position: Vice President
Qualifications: Information Technology Programmer, Sales & Business owner for 30 years. Retired. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member serving 5 years
Special Responsibilities: Member of Sponsorship, Marketing & Communications Committees.

Mr. Raymond John Bailey

Position: Treasurer
Qualifications: Accounting teacher, Accountant for 16 years and I.T. Consultant for 20 years. Retired.
Time Served: Board member serving 5 years
Special Responsibilities: Member of Finance committee.

Mr. David Charles Hansen

Position: Director
Qualifications: Managing Director of Financial Planning Practice for 20 years. Retired. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member serving 4 years
Special Responsibilities: Member of the Sponsorship, Master Plan and Marketing & Communications Committees.

Mr. Douglas Ronald Perrett

Position: Director
Qualifications: Golf Club Management 25 years. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member serving 4.5 years
Special Responsibilities: Member of General Golf, Master Plan and Finance Committees.

Mr. Adam Norman Purtill

Position: Director
Qualifications: Director of accounting firm for 10 Years, qualified CPA Accountant for 11 Years, Registered Company Auditor for 5 Years. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member serving 2 years
Special Responsibilities: Member of Finance Committee.

DIRECTORS' REPORTS (cont)

Mrs. Roslyn Ann Seymour

Position: Director
Qualifications: Accounts Clerk for 20 years. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member served 4 years
Special Responsibilities: Member of the General Golf committee and Ladies committee

Mr. Michael Francis Keen

Position: Golf Captain
Qualifications: Manager at Label Companies for 38 years, Secretary Manager of Golf & Country Clubs for 12 years, Captain of GVDGA for 13 years. Retired. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member serving 2 years
Special Responsibilities: Member of the General Golf committee.

Mrs. Pamela May Van Huizen

Position: Bowls Captain
Qualifications: Office Manager & Personal Assistant, former Director of Bowls Victoria for 3 years. Retired. Successfully completed Director foundation and Management Collaboration Course and Finance for Club Boards Course.
Time Served: Board member serving 2 years
Special Responsibilities: Member of the Bowls committee

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

Meeting of Directors

During the financial year, 13 meetings of Directors were held. Attendees by each director were as follows:

	Eligible to Attend	Number Attended
C O'Connell	13	12
P Dungan	13	11
R Bailey	13	10
D Hansen	13	12
D Perrett	13	10
A Purtill	13	12
R Seymour	13	12
M Keen	13	12
P Van Huizen	13	12

The loss of the company after providing for income tax amounted to (\$78,197) following an operating loss of (\$54,856) in 2016.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the year.

DIRECTORS' REPORTS (cont.)

Principal Activities

The principal activity of the entity during the financial year was:

A registered club (NSW) providing facilities and amenities to its members:

- Encourage and support all forms of sporting activities in the Tocumwal district;
- Provide members and their guests, a social and sporting club with all facilities needed.

No significant change in the nature of the company's activity occurred during the financial year.

The entities short term objectives are to:

- Maintain the community facilities and Club environment
- Promote sporting and social activities for members and guests
- Provide a high level of customer service

The entities long term objectives are to:

- To proactive to the members and community needs and expectations
- Improve and enhance the Clubs financial position and performance.
- Be recognised as a leading corporate citizen with high social values facilities

Review of Operations

The Tocumwal Golf and Bowls Club had a year of consolidation following an amalgamation with the Tocumwal Bowling Club Limited. Whilst the club produced a loss for the financial year cash flow from operations was still positive. The area suffered a major turndown in sale's through the spring months due to floods in the district which has impacted on the overall result.

Events After the Reporting Date

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

The number of Members registered in the Register of Members at 30 June 2017 is as follows;

	<u>2016</u>	<u>2017</u>
Golf & Bowls Members	25	36
Golf Members	302	266
Bowls Members	58	68
5 Year Members	14	14
Country Members	413	412
Social Members	1,438	1511
Junior Members	35	24
Life Members	12	11
Total Members	2,297	2,342

Future Developments and Results

Likely development in the operation of the economic entity are general upgrading of club equipment and facilities. The club has three projects in progress at year end, these are detailed below

	Cost incurred 2017	Estimated Total Cost
Pump Upgrade	\$11,364	\$40,000
Members Car Park	\$15,462	\$55,000

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

DIRECTORS' REPORTS (cont)

Indemnification and Insurance of Officers and Auditors

The Club has agreed to indemnify all Directors of the Club and certain Executive Officers against all liabilities to another person (other than the Club or a related body corporate) that may arise from their position as Directors or Executive Officers of the Club and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The policy agreement stipulates that the Club will meet the relevant liability. The premium paid in respect of this policy is part of a combined premium for a comprehensive suite of insurance products held by the Club.

Auditors' Independence Declaration

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2017 has been received and can be found on page 13.

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

Director:



Mr. Adam Norman Purtill

Dated this day of 28th September 2017

DIRECTORS' OPERATIONAL REPORT

Last year your Board indicated that the 2017 FY would be one of consolidation of the projects commenced in the previous year and we are delighted to say that those projects have been completed and are being fully utilised.

Trading for the year however was impacted by less than favourable weather conditions during our peak spring season which put a dampener on the Club's results for the year. Revenue, especially in the gaming and golf areas, was down on last year leaving overall revenue down around \$231,000. The continual decline in gaming revenues is a major concern and we must continue to provide other activities and events to offset this revenue fall.

However, despite the slower visitor activity, bar sales performed better than last year due to continuing strong support from local members. Given the tighter trading conditions the expense lines were kept under scrutiny and our CEO and his team are to be commended for their management of costs during a tough year.

Our Pro Shop has seen major changes to its layout and the positive feedback from members and visitors is a credit to the way in which Rod and his team continue to conduct that area of our business. Even though the profit of the Pro Shop, including the carts, is down on last year by some \$52,000, around \$167,000 was added to our bottom line by this department. This department is an important addition to club's operation.

Throughout the cooler months it has been the Club's aim to ensure activities were particularly focused on the needs of local members and the attendances at the regular raffle and special meal nights and the responses to our special event evenings have been

DIRECTORS' OPERATIONAL REPORT (cont)

very heartening. A special thanks to all the staff involved in the planning and presentation of the special events.

Change, on the scale we have experienced over the past year can often bring with it some instability amongst members and staff and we should be very proud of the way in which the changes have been introduced and positively accepted by everyone and with a minimum of fuss.

The new President's 18th hole and the back nine automated irrigation system have been in full use for twelve months and have provided a signature finishing hole for the President's course and a more efficient working environment for our course staff.

The new bowls facility, the completion of which was held up significantly by the weather, was officially opened on 29th April this year and appears to be settling as expected. It is early days yet and there are further works under review to finalise this magnificent addition to our sporting complex. As it continues to settle in to its new home the Board is confident it will provide more and more opportunities to attract an even broader range of visitors to the Club.

The coming year will see further consolidation of our business activities with most of the focus being on the upgrade of the Club and sports facilities. The new personal car park area is close to completion and plans for the upgrade to the general parking area have been finalised.

Despite the net loss of around \$78,000, the club's operations were cash positive with a \$397,548 trading cash surplus. The club's operations are cash sensitive and require adherence to strong business principles. It needs a strong focus and commitment from its Board and associated committees and the continuing support of its members. In the past twelve months it has been a pleasure to observe how all of these elements have worked together in harmony.

Your Board would like to take this opportunity to thank all those members who have given their time on committees, as a part of Dad's Army or through other avenues. It is their tireless efforts that helped the club be presented in the best possible light. It would also like to thank the CEO, Craig Smith and all of his operational team for the wonderful job they have done throughout the year. The respect that staff have for each other and the commitment they have to their roles in the Club become more and more obvious every day and holds our business in good stead for the future.

Board of Directors Tocumwal Golf and Bowls Club Ltd.

AUDITORS' INDEPENDENCE DECLARATION

In accordance with the requirement of section 307C of the *Corporation Act 2001*, as lead auditor for the auditor of Tocumwal Golf and Bowls Club Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

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

- (a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

Xerri Evans
Certified Practising Accountants
13a Main Street, COBRAM VIC 3644

Xerri Evans

Certified Practising Accountants

A.P. Xerri

Partner

Dated in Tocumwal on 3rd October 2017

VISION STATEMENT

Tocumwal Golf & Bowls Club is driven to uphold the identity, new direction, social fabric and historical foundations of our region”.

MISSION STATEMENT

To provide an environment where members, guests and their families can enjoy each other’s company on both the sporting facilities and in the clubhouse.

To provide facilities of the highest quality and deliver a superior standard of customer service.

CLUB GRANTS

For the information of Members, the Tocumwal Golf & Bowls Club has supported many local community groups and individuals through the Club Grants Scheme (formally CDSE - Community Development and Support Expenditure Scheme). This year the contribution was \$20,296.07 for Club Grants Year 1st September 2016 – 31st August 2017.

Those who have benefited include:

Tocumwal Lions Community Hostel
Tocumwal Pre School Kindergarten
Tocumwal War Memorial Hall
Tocumwal Visitor Information Centre
Murray Valley Cricket Umpires Ass.
Yarroweyah Football & Netball Club
Tocumwal Football & Netball Club
Tocumwal Sacred Heart
Murray Bushrangers Football Club - Womens
Murray Valley Cricket Association
MND Australia
Finley High School
Tocumwal Public School
Bendigo Sportsman Association
Veteran’s Golf Classic
Jason Seis Charity Day
Jim Moffat Charity Day
Finley Little Athletics
Mothers Day Classic
Korumburra Golf Club
Soccer Club
Richard Stokes Benefit

BUSINESS PARTNERS & SPONSORS

Board of Directors, Management and Staff of the Tocumwal Golf & Bowls Club, wish to thank the following sponsors, both major and associated, who have shown generous support to many events at the Club throughout the year.

Your assistance is greatly appreciated and is vital to the success of these events, and the Tocumwal Golf & Bowls Club looks forward to your continued support.

RACV Cobram Resort	Fairway View Motor Inn
Crawfords	Barooga Sports Club
March's IGA	Boomerang Way Tourist Park
Darryl Twitt Volkswagen	Southern Riverina News
Tocumwal Golf Resort & Early Settlers	Airport Corporate SmartPark
Garnaut Private Wealth	Cobram Panel Works
Strathmerton Drilling Pty Ltd	Rich Glen Olive Oil
Shepparton BMW	Dean Laws Signs
Shepparton Renault	Monichino Wines
Stubbs Wallace Pty Ltd	Artavilla Emporium
Tocumwal Accounting	Tocumwal Skin & Body
Haynes Butchery	Murray Valley Cricket Umpires Ass.
Mark 11	Cobram Mitre 10
Taylor & Whitty Solicitors	K&A Foods
NAS	Ace Golf Cars
Dawes & Vary	Vanderhoek Engineering
Ken Muston Automotive	Finley Flooring Xtra
Pace Electrics	Redgum Photos & Computers
Eliza's on the Murray	Wilson Stockfeed
Global Accreditation Services	Foreshore Committee

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Income			
Revenue	5	4,946,622	5,087,927
Cost of sales	6	<u>(1,568,769)</u>	<u>(1,565,537)</u>
Gross profit		3,377,853	3,522,390
Other income	5	1,476,068	1,546,263
Expenditure			
Administration expenses	5	(304,446)	(284,202)
Auditors Remuneration fees	5	(17,500)	(18,000)
Depreciation expenses	5	(414,781)	(403,349)
Employment expenses	5	(2,874,368)	(2,628,946)
Finance costs	5	(92,351)	(99,407)
Occupancy expenses	5	(158,168)	(221,432)
Operational expenses	5	(403,803)	(404,083)
Other expenses		(666,701)	(574,123)
Revaluation of Plant and Equipment			<u>(489,967)</u>
Total Expenses		4,932,118	5,123,509
Surplus/ (deficit) for year		<u>(78,197)</u>	<u>(54,856)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Net changes in fair value of Available for sale financial assets			(24,400)
Items that may be reclassified subsequently to profit or loss:			
Revaluation of Land & Buildings			1,254,210
Members Equity Tocumwal Bowling Club Limited		1,703	797,000
Total other comprehensive income			2,026,810
Total comprehensive income for the year		<u>1,703</u>	<u>1,971,954</u>
Total comprehensive income attributable to members of the entity		<u>(76,494)</u>	<u>1,971,954</u>

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	235,490	855,648
Trade and other receivables	8	16,040	37,080
Inventories	9	181,259	144,340
Other Assets	10	57,964	74,718
TOTAL CURRENT ASSETS		<u>490,753</u>	<u>1,111,786</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	9,003,640	8,669,484
TOTAL NON-CURRENT ASSETS		<u>9,003,640</u>	<u>8,669,484</u>
TOTAL ASSETS		<u>9,494,393</u>	<u>9,781,270</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	12	564,116	834,796
Borrowings	13	748,446	638,589
Provision for Long Service Leave - Current	14	955	1,680
Provision for Holiday Pay - Current	14	212,250	204,222
TOTAL CURRENT LIABILITIES		<u>1,525,767</u>	<u>1,679,287</u>
NON-CURRENT LIABILITIES			
Borrowings	13	521,844	593,106
Provision for Long Service Leave - Non Current	14	91,169	70,633
5 Year Memberships	15	-	6,137
TOTAL NON-CURRENT LIABILITIES		<u>613,013</u>	<u>669,876</u>
TOTAL LIABILITIES		<u>2,138,780</u>	<u>2,349,163</u>
NET ASSETS		<u>7,355,613</u>	<u>7,432,107</u>
EQUITY			
Reserves		1,516,779	1,516,779
Retained earnings		5,838,834	5,915,328
TOTAL EQUITY		<u>7,355,613</u>	<u>7,432,107</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1st July 2015	5,197,584	262,569	5,460,153
Profit Attributable to members of the entity	(54,856)	-	(54,856)
Other comprehensive income			
Amalgamation Tocumwal Bowls Club	797,000	-	797,000
Cash on Hand write down	(24,400)	-	(24,400)
Land & Building Revaluation	-	1,254,210	1,254,210
Total Comprehensive Income for the period	717,744	1,254,210	1,971,954
Balance at 1st July 2016	5,915,328	1,516,779	7,432,107
Profit Attributable to members of the entity	(78,196)		(78,196)
Other comprehensive income			
Members Equity Tocumwal Bowls Club Ltd	1,702		1,702
Total Comprehensive Income for the period	(76,494)	0	(76,494)
Balance at 30th June 2017	5,838,834	1,516,779	7,355,613

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,991,262	7,733,254
Payments to suppliers and employees	(6,319,422)	(6,723,339)
GST Paid	(271,583)	(302,312)
Cash on Hand Write Down		(24,400)
Commissions Received	71,053	78,350
Interest received	1,210	3,170
Fuel Tax Credit	18,464	18,215
Insurance Recoveries		3,080
Interest and other Finance Costs	(93,436)	(99,407)
Net cash from operating activities	19	686,611
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	12,164	10,909
Payments for property, plant and equipment	(1,068,464)	(1,043,383)
Proceeds Tocumwal Bowls Club Amalgamation	-	797,000
Net cash used in investing activities	(1,056,300)	(235,474)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	478,205	981,583
Repayment of borrowings	(439,611)	(1,057,338)
Net cash used in financing activities	38,594	(75,755)
Net increase in cash held	(620,158)	375,382
Cash at beginning of financial year	855,648	480,266
Cash at end of financial year	7	855,648

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1 Nature of operations

The Tocumwal Golf and Bowls Club Limited is primarily involved in the management of a licensed Social club with associated sporting facilities and social activities provided for its members.

2 General information and statement of compliance

The general purpose financial statements of the company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Group applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Tocumwal Golf and Bowls Club Limited is a Public Company limited by guarantee incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Tocumwal-Barooga Rd, Tocumwal NSW.

The financial statements were authorised for issue on the 14th August 2017 by the directors of the company.

3 Changes in accounting policies

3.1 New and revised standards that are effective for these financial statement

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2015. Information on the more significant standard(s) is presented below

AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

AASB 2015-4 amends AASB 128 Investments in Associates and Joint Ventures to ensure that its reporting requirements on Australian groups with a foreign parent align with those currently available in AASB 10 Consolidated Financial Statements for such groups. AASB 128 will now only require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.

AASB 2015-4 is applicable to annual reporting periods beginning on or after 1 July 2015.

The adoption of this amendment has not had a material impact on the Company

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4 Summary of accounting policies

4.1 Overall consideration

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

4.2 Revenue and Other Income

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

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

Sale of goods

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

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

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

Government Grants

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

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end until the service is delivered.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Group obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the Company receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

4.3 Property, Plant and Equipment

Classes of property, plant and equipment are measured using the revaluation model.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on an appropriate method as determined by Management.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

Fixed Asset Class	Depreciation Rate
Buildings	0 – 2.5%
Plant & Equipment	3 - 30%

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

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4.4 Leases

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

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

Leased assets are depreciated over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

4.5 Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income in the 'finance income' or 'finance costs' line item respectively.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The company's available-for-sale financial assets include listed securities.

Purchases and sales of available-for-sale investments are recognised on settlement date.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period income statements resulting from the impairment of debt securities are reversed through the income statement, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when the company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Impairment of financial assets

At the end of each reporting period, the company assesses whether there is any objective evidence that a financial asset has been impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

4.6 Impairment of Non-Financial Assets

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

Where this indicator exists the recoverable amount of the asset is estimated.

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4.7 Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

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

4.8 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 are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

4.9 Cash and Cash Equivalents

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

4.10 Gaming Machine License

The directors consider that an active market does not currently exist for gaming licenses in this region and the dollar value of poker machine licenses to the Club in an open and unbiased market is not able to be determined. Any gaming licenses received as part of a business combination are not allocated at value.

Any gaming licenses separately acquired are stated at cost or deemed cost less accumulated amortization.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4.11 Water License

The license has an indefinite useful life and accordingly will be tested for impairment on an annual basis.

The water license is measured at revaluation less any accumulated impairment losses.

4.12 Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

4.13 Goods and Services Tax (GST)

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

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

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

4.14 Comparative Amounts

Comparatives have been altered to correct the treatment of leases that the club holds.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

The Cash flow statement has been restated to reflect that last year's cash flow included plant and equipment purchases of \$319,527 being for irrigation works and a vehicle that were unpaid at 30 June 2016

4.15 Critical Accounting Estimates and Judgments

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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

The significant estimates and judgements made have been described below.

Key estimates - Key estimates - Impairment

The Plant, Machinery, Equipment, Furniture and Contents were independently inspected and valued on 12 January 2015 by Preston, Rowe and Paterson of SYDNEY NSW 2000. The valuation was based on the fair value which is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arms-length transaction. The valuation resulted in a revaluation decrement amount of \$491,859.

The Board determined to recognise this revaluation in the accounts to 30th June 2016.

The Land, Improvements and Buildings were independently inspected and valued on 12 January 2015 with a valuation date of 30 June 2015 by Preston, Rowe & Paterson of SYDNEY NSW 2000. The valuation was based on the fair value which is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arms-length transaction. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$1,254,210. The Board determined to recognise this revaluation in the accounts to 30th June 2016.

Key judgments - Provision for impairment of Receivables

Included in trade and other receivables at 30 June 2017 is a provision for impairment for services performed by the Tocumwal Golf Club and Bowls Club during the current financial year amounting to \$2,810.

4.16 Economic Dependence

The Tocumwal Golf and Bowls Club Limited is dependent on the Poker Machine Income for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Poker Machine income will not continue to support the Club. However, with the decline in Poker Machine income, the Directors will continue to monitor all aspects of the Club's business to ensure a strong financial future.

4.17 Valuations

Valuations were undertaken in January 2015. Effects of the revaluation of all Plant & Equipment, Land, Buildings and Improvements have been included in the 2016 comparative accounts.

4.18 Asset Capitalisation

Asset purchases above \$500 are capitalised and depreciated. Assets below \$500 are written off as an expense.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

4.19 Business Amalgamations (Combinations)

Where amalgamations occur between two clubs, the assets and liabilities are recognized at fair value from the date that control commences. Subject to terms of any amalgamations a non-reciprocal transfer of the net assets is treated as revenue within the clubs income statement.

4.19 New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for unexpected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedges of non-financial items. Should the company elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

The new standard does away with the current operating/finance lease distinction, requiring entities to recognize all leases, except short term (less than 12 Months) and low value leases, on balance sheet.

Although the directors anticipate that the adoption of AASB 16 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
5 Revenue and Other Income		
Revenue		
Sales revenue:		
Sale of goods	4,946,622	5,087,927
Other revenue:		
Interest received	1,226	3,170
Other revenue	1,474,842	1,543,093
	<u>1,476,068</u>	<u>1,546,263</u>
Total revenue	<u>6,422,690</u>	<u>6,634,190</u>
Interest revenue from:		
Interest Received	<u>1,226</u>	<u>3,170</u>
Total interest revenue on financial assets not at fair value through profit or loss	<u>1,226</u>	<u>3,170</u>
Other revenue from:		
Revenue		
Commissions	21,391	23,561
Profit on sale of assets	12,164	11,744
Grants – Department of Veteran Affairs	-	104,781
Insurance Recoveries	18,104	3,080
Fuel Tax Credit	18,464	18,215
Other Income	10,053	6,374
Keno Commission	38,880	35,505
Room & Equipment Hire	3,400	5,309
TAB Commission	10,781	19,284
Sundry Gaming Revenue	126,264	115,867
Subscriptions	232,919	257,029
Competition/Tournament/Levies	265,821	299,248
Bowls Income	36,615	26,223
Green Fees	530,219	351,229
Golf Packages	149,767	265,644
Total other revenue	<u>1,474,842</u>	<u>1,543,093</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
<hr/>		
6 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	1,568,769	1,565,537
Depreciation of property, plant and equipment	414,781	403,349
Auditors Remuneration - Fees	17,500	18,000
	2,001,050	1,986,886
Administration Expenses		
Affiliation Fees	60,109	49,937
Commission	349	2,104
Consultants Fees	26,232	47,469
Donations	13,318	23,213
Members Amenities	131,786	102,690
Insurance	66,745	52,718
License Fee	5,907	4,508
Loss on Disposal of Fixed Assets	-	1,563
	304,446	284,202
Employment Expenses		
Payroll Tax	97,224	87,917
Superannuation	212,574	192,262
Workers Compensation	49,692	49,044
Wages	2,461,755	2,203,842
Contract Wages Kitchen	145	32,639
Staff Recruitment	-	1,200
Leasing Charges	-	4,615
Staff Amenities	38,730	35,087
Staff Training	5,964	12,632
Uniforms	8,284	9,708
	2,874,368	2,628,946

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Finance Costs		
Bank Charges	30,068	23,883
Interest & Finance Costs	62,283	75,524
Total finance costs	92,351	99,407
Occupancy Expenses		
Electricity & Gas	136,238	203,642
Telephone & Postage	21,930	17,790
	158,168	221,432
Operational Expenses		
Advertising & Promotion	51,892	64,239
Adams St Bowls Facility	30,344	10,717
Cleaning	15,223	22,635
Client Entertainment	-	2,038
Computer Consumables	34,686	52,401
Entertainment	32,289	21,351
General Expenses	528	1,758
Honorarium Payments	3,000	1,800
Hire of Plant	10,954	13,267
Legal Costs	2,340	1,353
Motor Vehicle Expenses	17,443	12,941
Printing & Stationery	36,003	43,196
Rates	18,503	21,241
Repairs & Maintenance	131,759	115,226
Service Contracts	16,579	18,328
Travelling Expenses	2,260	1,592
	403,803	404,083

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
7 Cash and Cash Equivalents		
Cash in Hand		
Cash Floats	100,000	80,000
Cash On Hand - Hoppers	<u>1,292</u>	<u>1,224</u>
	<u>101,292</u>	<u>81,224</u>
Cash at Bank		
CBA - Business Account	108,504	458,941
CBA Business Online Saver	7,809	285,480
CBA TAB Trust Account	4,990	16,988
CBA Amalgamation Account	860	980
Bendigo Bank Community Account	<u>12,035</u>	<u>12,035</u>
	<u>134,198</u>	<u>774,424</u>
Total Cash and Equivalents	<u>235,490</u>	<u>855,648</u>
8 Trade and Other Receivables		
Current		
Trade Debtors	14,639	32,315
Less Prov'n for Doubtful Debts	<u>(2,810)</u>	<u>(1,151)</u>
	11,829	31,164
EziDebit	<u>4,211</u>	<u>5,916</u>
	<u>16,040</u>	<u>37,080</u>

The company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

A doubtful debts provision has been recognised amounting to \$2,810 which has been offset against trade receivables.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
9 Inventories		
Current		
Stock on Hand - at Cost	181,259	144,340
	<u>181,259</u>	<u>144,340</u>
10 Other Non-Financial Assets		
Current		
Debtor - Diesel Fuel Rebate	893	1,094
Prepayments	57,071	73,624
	<u>57,964</u>	<u>74,718</u>
11 Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land at:		
At Valuation	1,298,465	1,265,000
	<u>1,298,465</u>	<u>1,265,000</u>
Buildings at:		
At Valuation	4,488,280	4,404,545
Less accumulated depreciation	(215,838)	(108,858)
	<u>4,272,442</u>	<u>4,295,687</u>
Total Land and Buildings	<u>5,570,907</u>	<u>5,560,687</u>
PLANT AND EQUIPMENT		
Plant and Equipment:		
At Valuation	2,726,260	2,188,776
Accumulated depreciation	(788,083)	(484,311)
	<u>1,938,177</u>	<u>1,704,465</u>
Other Non-Current Assets		
Irrigation Development Presidents Course	-	263,024
Bowling Green Development	705,239	262,722
Less accumulated depreciation	(2,233)	
President 18 th Green	-	87,036
Water Projects at Valuation	136,950	136,950
Water Entitlements at Valuation	654,600	654,600
	<u>1,494,556</u>	<u>1,404,332</u>
Total Plant and Equipment	<u>3,432,733</u>	<u>3,108,797</u>
Total Property, Plant and Equipment	<u>9,003,640</u>	<u>8,669,484</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Movements in Carrying Amounts of Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings at valuation	Plant and Equipment & MV	Water	Water Project /Bowling Green	Total
	\$	\$	\$	\$	\$	\$
Balance at 1st July 2015	1,058,703	3,352,087	1,751,716	654,600	136,950	6,954,056
Additions		4,545	745,583		612,782	1,362,910
Disposals			(10,909)			(10,909)
Adjustment to plant			2,533			2,533
Revaluation increments/(decrements)	206,297	1,047,913	(489,967)			764,243
Depreciation expense		(108,858)	(294,491)			(403,349)
Carrying amount at 30th June 2016	<u>1,265,000</u>	<u>4,295,687</u>	<u>1,704,465</u>	<u>654,600</u>	<u>749,732</u>	<u>8,669,484</u>
Balance at 1st July 2016	<u>1,265,000</u>	<u>4,295,687</u>	<u>1,704,465</u>	<u>654,600</u>	<u>749,732</u>	<u>8,669,484</u>
Additions		83,734	222,686		442,517	748,937
Disposals						
Internal Transfer	33,466		316,595		(350,061)	0
Revaluation increments/(decrements)						
Depreciation expense		(106,979)	(305,569)		(2,233)	(414,781)
Carrying amount at 30th June 2017	<u>1,298,466</u>	<u>4,272,442</u>	<u>1,938,177</u>	<u>654,600</u>	<u>839,955</u>	<u>9,003,640</u>

The Plant, Machinery, Equipment, Furniture and Contents were independently inspected and valued on the 12th January 2015 by Preston, Rowe and Paterson of SYDNEY NSW 2000. The valuation was based on the fair value which is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arms-length transaction. The valuation resulted in a revaluation decrement amount of \$491,859. Board determined to recognise this revaluation in the accounts to 30th June 2016.

The Land, Improvements and Buildings were independently inspected and valued on 12 January 2015 with a valuation date of 30 June 2015 by Preston, Rowe & Paterson of SYDNEY NSW 2000. The valuation was based on the fair value which is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arms-length transaction. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$1,254,210. The Board determined to recognise this revaluation in the accounts to 30th June 2016.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
12 Trade and Other Payables		
Current		
Trade Creditors	281,476	570,383
Poker Machine Tax	69,011	71,960
Poker Machine Jackpots	13,418	18,269
Income In Advance	151,690	151,462
Payroll Tax Payable	6,126	7,465
Net GST Payable	10,269	(17,941)
Superannuation Payable	16,459	15,623
Members Cards	9,408	9,301
5 Year Memberships	6,137	6,818
CBA Credit Card	122	1,456
	<u>564,116</u>	<u>834,796</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
13 Borrowings		
Current		
Loan Accounts		
De Lage Landen P/L – Course Equipment	67,037	67,037
Unexpired Interest -De Lage Landen P/L	(10,087)	(13,230)
IGT Interest Free Loan - Gaming Machine	-	6,646
Lease – Aristocrat TITO	-	119,840
CBA Term Loan	196,253	28,296
Community & Members	470,000	430,000
Aristocrat – Lightning Poker Machines	27,298	
Unexpired Interest – Aristocrat	(2,055)	
	-	-
	-	-
Total current borrowings	748,446	638,589
Non-Current		
Loan Community & Members	325,000	390,000
Term Loan Account		
De Lage Landen P/L – Course Equipment	156,419	223,456
Unexpired Interest -De Lage Landen P/L	(10,262)	(20,350)
Aristocrat – Lightning Poker Machines	52,320	-
Unexpired Interest – Aristocrat	(1,633)	-
Total non-current borrowings	521,844	593,106
Total borrowings	1,270,290	1,231,695

The Commonwealth Bank of Australia holds Registered first mortgages over the real property, water rights and other assets of the company.

A contingent liability comprised of a \$50,000 auto pay facility and a \$5,000 security deposit guarantee exists with the Commonwealth Bank of Australia.

14 Provisions

Provision for Holiday Pay - Current	212,250	204,222
Prov'n for Long Service Leave - Current	955	1,680
Prov'n for Long Service Leave - Non Current	91,169	70,633
	304,374	276,535
Total provisions	304,374	276,535

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Analysis of Total Provisions		
Current	213,205	205,902
Non-current	91,169	70,633
	304,374	276,535
15 Other Liabilities		
Non Current		
5 Year Memberships	-	6,137
	-	6,137

16 Member's Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any outstanding and obligations of the entity. At 30 June 2017 the number of members was 2,342.

17 Events After the Reporting Period

There are no after balance date events that would impact on the club other than those already disclosed in this report.

18 Key Management Personnel

Remuneration of Key Personnel

Short-term employee benefits

Total Compensation	450,915	372,397
	450,915	372,397

Post-employment benefits

Total Compensation	104,887	92,844
	104,887	92,844

Total compensation	555,802	465,241
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Key Personnel

Craig Smith - General Manager
Ben Lucas - Course Manager
Theresa Rootsey - Operations Manager
Andrew Stevens - Kitchen Manager
Rodney Booth - Director of Golf

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
19 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax	(76,494)	1,971,954
Non-cash flows in profit		
Depreciation	414,781	403,349
Doubtful and Bad Debts		20
Revaluation Property plant and equipment		(764,243)
Net gain on disposal of property, plant and equipment	(12,164)	(10,180)
Proceeds Tocumwal Bowls Club Limited Amalgamation		(797,000)
Cash on Hand Write Down		(24,400)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in inventories	(36,919)	(66,914)
(Increase)/decrease in other assets	16,754	(26,133)
(Increase)/decrease in trade and other receivables	21,040	(19,207)
Increase/(decrease) in trade and other payables	48,848	31,803
Increase/(decrease) in tax liabilities	0	(20,869)
Increase/(decrease) in other liabilities	21,702	8,431
	397,548	686,611

20 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, loans to and from subsidiaries, bills and leases.

The totals 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:

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30 June 2017.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2016	2015
	\$	\$

Specific Financial Risk Exposures and Management

Interest rate risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows;

	\$	\$
Floating Rate Instruments		
Cash at bank	134,198	774,424
Trade and Other Receivables	16,040	37,080
Cash on Hand	<u>101,292</u>	<u>81,224</u>
Total floating rate financial assets	<u>251,530</u>	<u>892,728</u>

Liquidity Risk

The entity manages liquidity risk by monitoring forecast cash flows and utilising cash reserves.

		Fixed Interest Rate Maturing			
2017	Weighted Average Effective Interest Rate	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	%	\$	\$	\$	\$
Financial assets - cash flows realisable					
Cash and cash equivalents	1	557,643	569,353	616,193	1,743,189
Total anticipated inflows					
Financial liabilities due for payment					
Bank Loan Secured and Community Loans	5	(333,386)	(333,386)	(540,518)	(1,207,290)
Total expected outflows					
Net (outflow)/inflow on financial instruments		<u>224,257</u>	<u>235,967</u>	<u>75,675</u>	<u>535,899</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2016	Weighted Average Effective Interest Rate %	Fixed Interest Rate Maturing			Total \$
		Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	
Financial assets - cash flows realisable					
Cash and cash equivalents	1	1,054,420	945,420	945,420	2,945,260
Total anticipated inflows		1,054,420	945,420	945,420	2,945,260
Financial liabilities due for payment					
Bank loan secured	8	(659,784)	(436,087)	(436,087)	(1,531,958)
Total expected outflows		(659,784)	(436,087)	(436,087)	(1,531,958)
Net (outflow)/inflow on financial instruments		394,636	509,333	509,333	1,413,302

21 Related Party Transactions

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.

Transactions with related parties:

Loans

Directors and members of the entity have lent unsecured funds to the entity at commercial rates of interest. No director or member has received any additional benefit from these loans.

Accountancy

Adam Purtil a director of Stubbs Wallace Pty Ltd and is the clubs accountant. He has been remunerated for those services. (2016/2017 \$22,940)

22 Commitments

As at 30 June 2017 the total of the Clubs linked progressive Poker Machine Jackpots not paid was \$13,418.

23 Contingent Liabilities

Public Liability Claims

As at the date of this report, the Club has no unresolved Public Liability Claims.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

24 Company Details

TOCUMWAL GOLF AND BOWLS CLUB LIMITED

The principal place of business is:

Tocumwal/ Barooga Road, Tocumwal NSW 2714

25 Segment Reporting

The club operates predominantly in one business and geographical segment, being in gaming and sporting sectors, providing social facilities to members.

26 Business Amalgamation- Tocumwal Bowling Club Limited

On the 25/05/2016 , the club amalgamated with Tocumwal Bowls Club Ltd, under a deed of Amalgamation. Under the amalgamation, the club acquired the net assets and liabilities of Tocumwal Bowls Club Ltd.

The amalgamation resulted in the club recognizing an excess on amalgamation of \$797,000 This was as a result of no consideration being paid as part of the amalgamation, with assets and liabilities of Tocumwal Bowls Club Ltd. Being assumed by the club and the net assets being recognized as income.

	Carrying Value	Fair Value Adjustment	Fair Value at (date)
Cash	797,000	0	797,000
Plant & Equipment	56,552	56,552	0
Convention Centre	<u>2,558</u>	<u>2,558</u>	<u>0</u>
Excess on Amalgamation	<u>856,110</u>	<u>59,110</u>	<u>797,000</u>

DIRECTORS' DECLARATION

1. In the opinion of the Directors of the Tocumwal Golf and Bowls Club Limited:
 - a The financial statements and notes of Tocumwal Golf and Bowls Club Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair of its financial position as at 30 June 2017 and of its performance for the financial year ended on that date, and
 - (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
 - b There are reasonable grounds to believe that Tocumwal and Bowls Golf Club Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the director:

Director: 

Mr. Adam Norman Purtill

Dated this day of 28th September 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TOCUMWAL GOLF & BOWLS CLUB LTD**

Report on the Financial Report

We have audited the accompanying financial report of the Tocumwal Golf & Bowls Club Ltd, which comprises the statement of financial position as at 30 June 2017, 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, other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Tocumwal Golf & Bowls Club Ltd 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 a financial report that gives a true and fair view, and is free from material misstatement, whether due to fraud or error.

In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards. The accounts have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

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 about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tocumwal Golf & Bowls Club Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- a. the financial report of Tocumwal Golf & Bowls Club Ltd is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Tocumwal Golf & Bowls Club Ltd's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Xerri Evans
CPA Australia

Anthony P Xerri
Partner

Xerri Evans

A.P. Xerri

Certified Practising Accountants

Partner

Dated in Tocumwal on 3rd October 2017

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