

**Nambucca Heads Island Golf Club Ltd**

79 002 470 582

**For the Year Ended 30 June 2016**



**Nambucca Heads Island Golf Club Ltd**

**79 002 470 582**

**ANNUAL REPORT 2016**

**For the Year Ended 30 June 2016**

Notice is hereby given that the Annual General Meeting of the Nambucca Heads Island Golf Club Limited will be held on Sunday 27<sup>th</sup> November 2016 commencing at 10.00am in the Auditorium at the premises of the Golf Club on Stuart's Island, Nambucca Heads, New South Wales.

**OFFICE BEARERS 2015-2016**

President:	Mr John O'Neill
Vice President:	Ms Henny Oldenhove
Treasurer:	Mr Chris Thorndike (resigned 30/9/16)
	Mr Geoffrey McCann
Captain:	Mr Kerry McCoy
Directors:	Mr John Hopkins
	Mrs Sue Seymour

## **WE WISH TO THANK OUR SPONSORS FOR THEIR SUPPORT**

Bradleys Real Estate

President & Captain:  
John O'Neill & Kerry McCoy

Coelli Floor Sanding

Destiny Motor Inn

Eyecare Plus

Foreshore Caravan Park  
Forever Fabulous

Geoff King Eastland Holden  
Golden Sands Tavern  
Guardian Pharmacy

Hibiscus Plumbing & Gas  
Hello World Travel  
Hooykaas Lawry Valjan

Liberty Petrol Station

McGoldrick Electrical  
MidCoast Trucks  
Miramar Motel

Nambucca Heads RSL Club  
Nambucca Liquor Supplies  
Nambucca Newsagency  
Nambucca Glass – Craig Marsay  
Nambucca Liberty Auto  
Nambucca Valley Cranes  
Nelson Street Workers

Pacific Bay Resort, Coffs Harbour  
Pizza This Pizza That (Steve Ward)

Reece Plumbing Supplies

Sid Campton Jnr  
Star Hotel Macksville  
Steve Barnes Golf Professional

360 Financial Advantage  
Tooheys Ltd  
Treasury Wines  
V Wall Tavern

Watson's Caravans & RVs  
Coffs Harbour  
Wharf Street Cafe  
White Albatross Holiday Centre

*\*\*Plus the many members who support our  
golf by sponsoring individual days.....  
.Thank you everyone!*

## **AGENDA - ANNUAL GENERAL MEETING Sunday 27th November 2016 at 10.00am.**

Copies of the Club's Financial Statements are available from 31<sup>st</sup> October 2016 at the Office, or by email request, and are posted on the Club's website: [www.namgolf.com](http://www.namgolf.com)

### **BUSINESS**

1. Opening & Welcome
2. Attendance, Quorum & Apologies.
3. Receive and confirm the Minutes of the Annual General Meeting held on 29 November 2015.
4. Receive and adopt the Reports of Directors & Office Bearers.
5. Receive and adopt the Balance Sheet, Statement in Changes of Equity, Income Statement, Cash Flow Statement, Notes to the Accounts, Director's report, Director's Declaration and the Independent Audit Report.
6. Notify the result of Ballot and Declaration of Office Bearers for 2016-2017.
7. To elect Office Bearers to any vacant position following the declaration of Office Bearers.
8. To consider any Notice of Motion received by the Nambucca Heads Island Golf Club Ltd.
9. General Business.

### **NOTICES OF MOTION –ANNUAL GENERAL MEETING 2016**

#### **Notice of Motion 1 – Removal and Appointment of Auditor**

**Preamble:** The board has been approached by our existing auditors, Hooykaas Lawry Valjan to consider their restructure from an Audit Partnership to an Authorised Audit Company.

The proposed change is in accordance with the principles of best practice recommended by the audit profession, ensures continuity of the audit engagement and meets the regulatory requirements of the Corporations Act 2001.

The Board of Directors have considered these issues and recommends that the following resolutions be adopted and the appropriate notifications be made to ASIC.

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### **Ordinary Resolution**

To consider and if thought fit, pass the following ordinary resolution which must be passed by at least 50% of the members attending the meeting and entitled to vote on the resolution:

1. That Hooykaas Lawry Valjan be removed as auditors of the company in accordance with s329(1) of the Corporations Act 2001.

Moved: John O'Neill                      Seconded: Geoffrey McCann

The Board has approved this Ordinary Resolution and recommends that members vote in favour of this resolution.

### **Special Resolution**

To consider and if thought fit, pass the following resolution is a Special Resolution which must be passed by at least 75% of the members attending the meeting and entitled to vote on the resolution. Members who abstain from voting are excluded from the percentage count. In terms of the Corporations Act, the Special Resolution must be considered as a whole and cannot be altered (other than minor typographical corrections which do not change the substance of the Special Resolution) by motions from the floor of the meeting.

2. That HLV Audit Pty Ltd, having been appropriately nominated, be appointed as auditor of the company in accordance with s327D of the Corporations Act 2001.

Moved: John O'Neill                      Seconded: Geoffrey McCann

The Board has approved this Special Resolution and recommends that members vote in favour of this resolution.

### **Notice of Motion 2 – Director's Expenses.**

**Preamble:** The motion passed at the 2014 Annual General Meeting for reimbursement of out of pocket expenses up to \$50 per month for Club Directors is due for review. The Board of 2016/2017 is of the opinion that the amount of \$50 per month would be an adequate level of reimbursement.

**Motion:** That the Board of Directors be authorised to reimburse out of pocket expenses not exceeding \$50 per month to Club Directors. Further, that these out of pocket expenses paid be reviewed each year.

## **GENERAL INFORMATION**

### **NOTICE OF QUESTIONS OR REQUEST FOR DETAILS.**

Members wishing to raise any queries or seek any further information are requested to provide written notice of the question to the Office at least 10 days prior to the meeting, so answers may be researched, if required.

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**ELIGIBILITY.**

Financial Golf Club Members (Gold, Silver, & Bronze Golf Memberships) and Life Members have the right to attend and vote at the meeting.

Under Registered Clubs Legislation, proxies are not permitted.

Club employees are ineligible to vote.

**QUORUM.** (Constitution S.24)

The quorum for the meeting is 12 eligible members present in person.

**VOTING.** An Ordinary Resolution must receive votes in favour from not less than 50% of the members attending the meeting and entitled to vote on the resolution.

A Special Resolution must receive votes in favour from not less than 75% of the members attending the meeting and entitled to vote on the resolution.

**RESOLUTIONS.** In terms of the Corporations Act, the Special Resolution must be considered as a whole and cannot be altered (other than minor typographical corrections which do not change the substance of the Special Resolution) by motions from the floor of the meeting.

No resolutions may be proposed at the meeting that is not already listed in the Notice of Meeting.

## **PRESIDENT'S REPORT**

The year 2015-16 was a defining year for the Club. Perhaps it could be described as the good, the bad and the ugly. Our business described in detail below is an unfinished work at this time.

Upgrades to Riverside Drive created limited access for many months in 2015. This contributed to falling numbers of visitors to our Club with a resultant loss of profits. The Club's power circuits received an electrical strike late in that year and this disabled our computer system and the knock on effect of that was the processing of our accounts was put on hold causing a large back log until the system was patched back up. There is an insurance claim for this damage but at time of writing has not been settled.

During late 2015 acting on an anonymous (to the Club) tip, which turned out to be just a vexatious allegation, the Australian Taxation Office launched an investigation into alleged unpaid superannuation guarantee. This inquiry, lasting over a number of months, caused countless hours of time producing years of historical documents. The result was that the ATO found no irregularity but the resultant cost to the Club in wasted man hours was immense and served to take the focus off progress. This misdirection did your Club no favours.

Midterm in the last half of the financial year the Board discovered a large discrepancy in the Club's accounts and banking. A more in-depth investigation by Auditors led to Police being involved and subsequently the Secretary Manager of the day was arrested, interviewed, admitted offences of stealing from the Club and was subsequently charged with counts of Larceny as a Servant. At the time of this report he has pleaded guilty and the matter is still before the Courts. As such I am not at liberty to discuss the specifics of the matter in more detail.

The Club was insured for such an eventuality and a claim was lodged. Again, at time of writing this has not been settled. However, indications are that the matter will be settled but the entire amount of the theft will not be covered by the policy as it exceeded the insured amount which was the maximum amount possible. The movements of these moneys in and out of the Club are reflected in the enclosed accounts. The forensic examination did not come cheaply and this is not a reflection on our Auditors but rather the voluminous amount of work they were required to do to determine the full extent of the thefts. We are grateful to HLV Partners, in particular Aart Hooykaas and Angela Holladay for their good work and support.

Whilst the Club was insured for the theft of monies, the amount taken exceeded the insurance coverage, also not covered by insurance are the auditors costs, the insurance excess, other unpaid accounts and administration functions which have incurred penalties through neglect. Then there are the hundreds of hours of unpaid volunteer time in keeping the doors open and meeting our obligations under a myriad of legislation. It is not possible to count the real cost of this larcenous activity in terms of dollars and human endeavour. Rebalancing the Club will take many, many more months of dedicated, watchful attention by your Board to return to a profitable trading position.

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Resulting from the larcenous matters, payments to the Australian Taxation Office and the local council for water rates went unpaid as well as other various accounts. In the case of the council, we received advice and help from a now former Councillor Bob Morrison who uncovered a large over charging by council in our water accounts. This resulted in a large credit being applied by council to our outstanding account but a significant amount was still unpaid. Former Cr Morrison proposed a lengthy motion to council seeking a reduction in our water rate. Several Board members attended a council meeting and the Vice President and I addressed the council but to no avail. Subsequent misreporting in a local newspaper caused concern amongst members and some suppliers over our ongoing viability. As a result I published to members and spoke with many reassuring them that whilst things were not great they were manageable and they still remain so. The Board has entered into manageable repayment plans with both the ATO and council. The accounts now reflect that the Club is up to date with its dealings with suppliers.

The Board is undertaking an ongoing investigation into alternate sourcing of water for the course and we may receive council assistance with this depending on our ability to meet \$ for \$ requirements of council.

It is said that every cloud has a silver lining and whilst this cloud was expensive it allowed the Board to really drill down into the operational side of the Club. This is something that no Board should ever actively involve itself with and should only monitor policy, set direction and governance. Having said that, involving itself in operational matters gave the Board a valuable insight into how the Club was not being run effectively and created the opportunity to fine tune existing operations, introduce new systems, reconfigure the accounting systems. It allowed the Board to introduce new work practices, introduce a part-time office assistant and the engagement of an external bookkeeper who rolls over the accounts at months end, each month and in doing provides the Board monthly management reports.

Going forward the Board has taken the position not to appoint another Secretary-Manager at this time but to employ a Bar/House Manager. This role, as well as redirection in the office is within budget and the Board feels confident that this approach will serve the best interests of members for the foreseeable future. It brings with it cost savings and we have a way to go to realign our balances after the past year's events. A special mention must be made of Jenna Glasson who has kept the course in difficult times, learning, as has the Board new areas that need attention in the aftermath of the criminal investigation. Thank you so much Jenna and the Board looks forward to working with you well into the future.

The aforementioned events caused a redirection by the Board to facilitate the forensic examination of the Club's accounts, liaise with Auditors, Police and generally ensuring the Club was trading correctly. This seriously interrupted our membership drive and the review of our tee sponsorships. Both activities were aimed at increasing Club revenue. The Board is continuing to work in these two areas and with a realignment of tasks and roles both in the office and house will see more focused pursuit of attaining a successful outcome.

The Club's kitchen received a refurbishment and ongoing maintenance will see the area more manageable and functional for the lessees. Matt Peck and Ashley Hoffman and their staff continue to operate, arguably in my opinion, the best restaurant in the Valley and it is always

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heartening to see large numbers of diners in the restaurant and to receive compliments about their food and the beautiful view of the river just outside; a big thank you Matt, Ashley and your staff.

From the view of the river to the magnificent course stretching away from the Clubhouse surrounded by that river continues to draw such happy comments and compliments and this is in no small way due to the efforts of Course Manager Brad Ronan and his dedicated band of course artisans. The Board cannot compliment you all too highly. On behalf of the members and our many visitors, thank you, thank you. I don't have to encourage you to keep up the good work because we all know you will.

My very serious "thank you" to Steve Barnes, our golf professional; Steve you are the face of our course and what we offer golfers of all levels. You are known far and wide as a friendly, helpful, knowledgeable man and we are very lucky to have a golf professional of your calibre here at our Club. I have been pleased to have you involved with the Board and your contributions have been greatly appreciated.

There are a number of volunteers who work on and around the course during the year and without your tireless efforts the product that we offer would not be the same high quality. Thank you one and all on behalf of the Board, our member golfers and visiting golfers.

I offer thanks to the House committee, again all volunteers, who are dedicated to our Club making it function and work well, by extension my thanks to those involved in running the Wednesday, Friday night raffles and the special team who run the Christmas ham raffles; you folk just turn up and help make this place tick along.

Competition days sees another set of volunteers, the Scorers turn up and "do the cards" and necessary administration. Thank you so much and there is always room for more volunteers to help out. To the organisers of the Vets Week of Golf and the Island Classic, Ian Vidler and Chris Thorndike together with your assistants, thank you all. Those who turned up at either or both weeks had a great time.

This Club would not be what it is without its many volunteers and all the more the merrier and the lighter the load. If you have a particular skill that you are not using and would like to contribute please come forward and make yourself known.

Our lady golf members deserve a special mention for their work around the Club and grounds and in the office where they undertook a massive clear/clean out of redundant "stuff" that was just making the place untidy. The ladies have indicated that in the near future they will have the blinds in the offices replaced and facilitate the painting of the offices. Long overdue and most welcome, very generous ladies and thank you.

Also keeping the Club house in the best possible condition and presentation is our cleaning services staff, Marilyn who does a fantastic job with a very tired interior.

Our sponsors are invaluable to us providing monies for special golf days and to provide meaningful prizes and trophies.

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It is pleasing to see that the Squash Club is still operating and providing a service to the community as there are no other courts between Coffs Harbour and Kempsey. I read with interest the report of Bruce Graham and I encourage all to spread the word about the squash club and see if we can attract more players.

As I mentioned this has been a challenging year and we would have had difficulty surviving if it were not for the dedication of my fellow Board members who are a highly intelligent, motivated group of people who shouldered and still carry out additional, difficult and unfamiliar responsibilities. It is a pleasure and honour working alongside you men and women and I thank you for your support and encouragement from the bottom of my heart.

During the year the Club lost a number of valuable members past and present, it is indeed time to reflect on the greater tragedies in our lives and I offer my condolences to family and loved ones.

My thanks go to the other members of staff for their work in the bar and at other Club functions.

I have avoided mentioning by name all our great supporters for fear of missing valuable people who I would not want to think they did not count. You who support the Club know who you are and you can be proud of your input.

We hope for good weather over the coming summer period to encourage more golfers and visitors to our Club and course. The Island Golf Club is only as good as the support it receives from you its members. If you haven't been coming along, try and make it more often.

I look forward to our future.

***John O'Neill,      President***

## **TREASURER'S REPORT**

The year has been one of monumental difficulties, and President John has provided detailed information on these circumstances, and how they have impacted upon our business – we are indeed very fortunate to have finished the year with a book loss of only \$20,686, or about \$84 for each Golf Member. Once again, we are starting the year behind the eight ball, a lot of lessons have been learnt, and operational changes are already being implemented as John has mentioned

I believe our published accounts provide quite detailed information, so I will only cover the major points:

**INCOME:** Revenue increased by a modest \$8,091 (0.6%), specific details are provided in Note 2 on page 34. Bar and Course revenue have improved slightly, but Gaming revenue continues to decline. Other Income includes expected Insurance recovery for the Larceny.

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Sundry Income includes \$ 51,949 credit from Nambucca Shire Council for prior year overcharges.

**EXPENSES:** Total Expenses increased by \$43,205 (2.7%), but this includes the loss from theft \$121,859. Details of major expense categories are shown on page 23, with details of Bar, Gaming and Course expenses shown in Note 3 on page 34. The Administration restructure and changes to trading hours implemented the previous year has reduced our Employee benefits expense by \$63,751 (10.4%). One of our biggest expenses is for water – it's somewhat ironic that we are surrounded by water, but have to buy town water at commercial rates for our course to survive – this cost has tripled over the last 10 years. As President John has mentioned, the Board are investigating a number of alternatives.

**TRADE & OTHER PAYABLES:** President John has mentioned that we have entered into repayment programmes with ATO and Nambucca Shire Council – the Note 9 on Page 37 outlines the amounts due in the 12 months following 30 June 2016 as current, and the amounts due in future years are classified as non-current.

**GOLF COURSE LEASE:** The current Crown Land Lease expires on 30<sup>th</sup> June 2017 – I am in the course of preparing our application seeking a 20 year term, and a supporting submission seeking rental hardship relief from normal market rental rates.

**ENTRANCE BRIDGE:** It's no secret that it's in a state of disrepair, and in fact, does need total replacement. Council have offered to have their Bridge Designer come up with a cost effective and permanent design that will suit our needs, to replace the existing wooden structure. Unfortunately, access to our property is our responsibility, but we hope to apply for a grant to assist in the construction cost.

**THE FUTURE:** The cost of doing business continues to escalate, while previously sound income streams are in decline. Now that the problems from last year are largely behind us, the challenge for the remaining part of this year will be to re-focus our efforts to grow our business to offset rising expenses, ensuring that we can maintain the cost of playing golf at an affordable level for everyone.

It has been a pleasure to work for the last three months with Jenna and Lyn who run our Administration Unit, and with Julie Garvey, our new contract Bookkeeper – these Ladies are the engine room of our Club, and often operate under difficult conditions - their dedication to task is commendable, and my sincere thanks for your proficiency – a big change from a year ago! A special commendation to Andrew Bagust who has spent many frustrating hours liaising with our software provider to successfully implement email access from our Membership database.

There are a number of Board members who have devoted countless hours per day over many months involved in the fraud investigation, interviews, insurance claim, and managing unpaid accounts – at the expense of their personal lives and business interests, and for no pay! Some would simply walk away, and we would have no club –but we are still here – THANK YOU!

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If any member has any questions or would like more detailed information on the Financial Statements, please submit a written note of the question to the office at least 7 days prior to the AGM, so that answers may be researched, if required.

I will be remaining as Treasurer for one more year, and look forward to working with your new Board of Directors. We really do need some support –you don't have to become a Board member, but assisting any of our committees, or volunteering on House or Course assists our Club greatly, and spreads the work load.

***Geoffrey McCann, Treasurer.***

### **CAPTAIN'S REPORT**

When things go pear shape they certainly put a lot of pressure on those who are left to carry on.

As captain, I have had to play a lot of different roles over the past few months, fortunately I have had good people around me to help with the work load.

Nobody has had to step up more than Jenna Glasson, I thank her and the office staff for their help and assistance throughout the past six months.

Our pro shop through Steve Barnes and his staff are a great help, and I thank them all for their assistance.

Scorers give up a lot of time to assist in a thankless task, for your time and effort, thank you very much.

Helping out the greens staff we had Peter Miller and Mark Cooney on the rough mower most weeks, thank you to both. Others to help out over the year are Andrew Bagust, Danny Fleming, and Ian Vidler when he is home. Phillip Mander has been an invaluable help with the whipper snipper around the course during the growing season- thank you to all.

To our bar staff, thank you for your help and assistance in many areas, especially the Island Sundays.

Through the year we held two major events, the Veterans Tournament and our Island Classic week of golf in August. Both events proved a great success thanks to Ian and Lyn Vidler for the successful running of the Veterans Tournament along with their volunteers, a great result for our club. Our Island Classic week of golf again proved valuable to the club, and I thank Chris Thorndike who headed up a very great team of volunteers.

Greens staff had a difficult year in dealing with two floods. We are still feeling the effects of the second one due to inundation of salt water from a king tide, and a huge swell running over the course. Special thanks to Brad Ronan and his staff who have endeavoured to present a golf course in best possible condition each and every week. We are fortunate to have two past head green keepers helping out part time – the experience of Linc Urquhart and Bruce Kelsey has been invaluable. Jed coming out of his apprenticeship also has helped our staff no end. Graham Weary has been with us over some time now, and shows a great

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eye for detail on course.

Unfortunately we have not been able to achieve all we would have liked, time and money our main enemies. Water our biggest cost has had to be limited over the past months as we play catch-ups with the council. Replacement of the main bridge into the club had to be put on hold, but with the council's design assistance, we should be able to press on with a replacement in the coming year.

To all our championship winners, a hearty congratulations. This year's Men's Champion is Nathan Smith, a welcome return to the winners circle - trust you will have many more. Our B Grade champion Trevor Peter has again shown out in this grade, so well done to Trevor. In C Grade, a surprise packet was Keith Elphick, no doubt Keith just hung in to take the title. Ladies Champion Maxine Townsend has conquered all comers again, well done to Maxine. Once again Maxine has taken out the Mixed Fourball, with Jason Belt - congratulations to you both. The Men's Singles Knockout went to Dennis Ashton after a tussle with Peter Moxon, a great win for Dennis. The Men's Fourball title went to Dave Smith and John Nebauer, from last year's winners Graham Weary and Neil Duffus, the latter pair showing great sportsmanship. Sadly, our junior ranks are almost non-existent, hopefully we can rectify this problem in the coming year.

Great help has come from the ladies this year, out on the course and within the club - thanks to Sue Seymour and a team of ladies, your help has been most appreciated. Another who has given up his time to carry out arduous jobs around the club is Peter Moxon - thanks for your help.

Over the past year I have endeavoured to get a work detail together of a Monday morning with little response - hopefully we can all give a little this coming year.

Last but by no means least, I would like to thank my vice-captain John Hopkins, he is always around to step-up, and I personally thank you for your time and efforts throughout the year.

To all who take part in our golf club, should it be playing the game or the entertainment we provide, a big thank you to all for your presence - you are playing your part. I trust that our efforts are rewarding in the coming year.

***Kerry McCoy, Captain.***

## **WOMEN'S GOLF REPORT**

2016 has once again been a year of highlights and achievements. The Lady Golfers have contributed at a variety of levels to the successful operation of the Golf Club.

Financially the annual contribution to a significant improvement around the course or the clubhouse, has so far seen work on the 18<sup>th</sup> bunkers progress, the computer system upgraded, and most recently, the refurbishment of the office and administration area of the Club.

Socially, the ladies have been the backbone of organised events at the Club, contributing everything from decorations, to music, as well as regularly selling raffle tickets on Wednesday

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and Fridays. These events have been both enjoyable and an added financial bonus for the Club. Without our willing volunteers, they just wouldn't happen.

Once again our regular "trip away" was a huge success, (thanks to our organising guru Di Hopkins). The CNC Championship event at Foster Tuncurry, saw Sue Nicholls have success in the single stableford event, and Donna Easy and Wendy Robey have success in the 4BBB. Next year Nambucca has won the right to host this event, drawing over 130 players. This will attract a significant injection of funds for the club, with the event lasting 3 days, as well as associated social occasions. These "excursions" provide opportunities for firm friendships to be made, as well as playing access to other courses.

Another highlight is the willingness of our major sponsors to continue to support our competitions year after year. We rely financially on the good will of Hello World, Nambucca Valley Cranes, Mid Cost Trucks, V-Wall Tavern, Eyecare Plus, Bradley's Real Estate, Forever Fabulous, Pizza This Pizza That, Steve Barnes Pro Shop, 360 Financial Advantage, Liberty Petrol Station, and Wharf Street Café. Our own lady golfers also support our raffles by both buying tickets, and providing the prizes. This goes a long way to covering our costs for competition prizes and allows us to make the donations to the Club for expenditure in areas of need.

The outstanding playing conditions, we have the pleasure of enjoying every week are maintained by a group of hardworking Ground staff and volunteers, to whom as a whole we say "Thank You". Our course is hailed as one of the best on the mid North Coast. The 18 holes are both challenging and picturesque. It is a huge drawcard to the local area, enjoyed by locals and visitors alike.

The Ladies Committee I have worked with this year are remarkable. They have supported one another, and multitasked, running everything from many and varied golf competitions to Breast Cancer Days, Lotto, Publicity, and raffles. They have liaised with other clubs, the Greens staff, the Board, and Community Sponsors. They are approachable, reliable, and skilled. They are a group with a lot of experience from many different areas, drawn together with the one main aim of continuing to make the Nambucca Ladies Golf an enjoyable experience for everyone. For that I thank them.

***Sue Seymour, President.***

## **SQUASH CLUB PRESIDENT'S REPORT**

When deciding what to report to this AGM, it became clear that 'steady as she goes' was probably the right message.

Our Competition player numbers have been steady, Junior numbers are on the rise and our regular Social numbers have been consistent. Overall, we have around 40 regular Wednesday Competition players throughout the year and a further 20 players who turn up to Thursday Social Squash, when work and family don't get in the way of a good time.

We keep attracting new people to fill the holes left by those leaving town for study and work,

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or those who have simply fallen victim to their physical limitations and advancing years.

The squash courts are now in very good condition with the floors and walls being upgraded in the last couple of years. New ceiling fans and wall-mounted heaters have recently been installed in place of the 45 year old antiques we had been using. The lighting in the lower-level entry area and the upstairs viewing area has always been a bit shabby, so this too was recently updated and improved.

Apart from some generous support by the Board last year, to help improve the safety of the court floors, the balance of the improvements was funded by the squash players themselves.

What we need now is for all members of our Golf Club to let our children, grandchildren, social and sporting groups, friends and work colleagues know that we actually have Squash Courts in Nambucca Heads. It doesn't matter if they don't know how to play squash, that's only a minor problem and very quickly sorted out. Come up and have a look some time.

See you at the courts.

***Bruce Graham. President, Squash sub-Committee.***

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## **Directors' Report**

**30 June 2016**

The directors present their report on Nambucca Heads Island Golf Club Ltd for the financial year ended 30 June 2016.

### **1. General information**

#### **Information on directors**

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

John Miller

Qualifications	Retired Valuer
Experience	Previous Company Director
Special responsibilities	President
Resigned	29th November 2015

John O'Neill

Qualifications	Farmer
Experience	Previous Company Director
Special responsibilities	Vice President until 29th November 2015. President from 29th November 2015

Arthur Geoffrey McCann

Qualifications	Retired Banker
Experience	Previous Company Director
Special responsibilities	Treasurer
Resigned	29th November 2015
Reappointed	30th September 2016

Andrew Bagust

Qualifications	Retired School Teacher
Experience	Previous Company Director
Special responsibilities	Captain from 12th November 2013 - 29th November 2015
Resigned	29th November 2015

Coral McCann

Qualifications	Retired
Experience	Previous Company Director
Special responsibilities	Vice Captain / Director
Resigned	29th November 2015

## **Directors' Report**

**30 June 2016**

### **1. General information continued**

#### **Information on directors continued**

John Hopkins

Qualifications	Retired Club Manager
Experience	Previous Company Director
Special responsibilities	Vice Captain

Hendrika Oldenhove

Qualifications	Retired
Experience	Previous Company Director
Special responsibilities	Vice President from 29th November 2015

Kerry McCoy

Qualifications	Previous Company Manager
Experience	Previous Company Director
Appointed	29th November 2015
Special responsibilities	Captain from 29th November 2015

Susan Seymour

Qualifications	Retired School Principal
Experience	Director
Appointed	29th November 2015

Christopher Thorndike

Qualifications	Retired Stockbroker
Experience	Previous Company Director
Appointed	29th November 2015
Special responsibilities	Treasurer from 29th November 2015 - 30th September 2016
Resigned	Resigned 30th September 2016

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

#### **Principal activities**

The principal activity of Nambucca Heads Island Golf Club Ltd during the financial year was the provision of a first class golf course and other recreational facilities and services at an affordable price to its members and visitors.

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

## **Directors' Report**

**30 June 2016**

### **1. General information continued**

#### **Short term objectives**

The Company's short term objectives are to:

- Offer first class golf course and other recreational facilities and services at an affordable price to its members and visitors, with hospitality service to best standards;
- Achieve a trading surplus, so that there is sufficient funding for on-going development and improvements to the course and clubhouse facilities;
- Seeking to diversify the Club's operations to increase revenue and reduce dependence upon golf patronage and good weather;
- Promote the game of golf to people of all ages and abilities.

#### **Long term objectives**

The Company's long term objectives are to:

- Increase golf and social membership of the Club and attract more local patronage;
- Be recognised as a leader in the provision of Golfing events and function services;
- Establish and maintain relationships with local businesses that will foster reciprocal support;
- Be sustainable and strive for continuous improvement so as to offer the best possible outcomes for all activities undertaken.

#### **Strategy for achieving the objectives**

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

- Development of a Golf Course Master Plan, and a five year Financial Business Master Plan which includes a detailed analysis of the Club's strengths, weaknesses, opportunities and threats, and annual budgeting with detailed economic, environmental and other trading assumptions;
- Modernisation of the Clubhouse interior to attract new business, and construction of golf cart pathways on the course to allow increased wet weather patronage;
- Attract and retain quality staff and Restaurant contractors that are committed to working with management and the board to implement new strategies, and to achieve the highest standards of service and efficiency;

## **Directors' Report**

**30 June 2016**

### **1. General information continued**

#### **Strategy for achieving the objectives continued**

- Implementation of product specific marketing, supported by a focused advertising plan;

#### **Performance measures**

The following measures are used within the Company to monitor performance:

- Monthly meetings of various sub-committees and management team with a full review of trading results by the Finance Committee to the Board of Directors;
- Using a variety of statistics, financial ratios and Key Performance Indicators to monitor golf and club patronage levels, and control expenses against income.

#### **Property Classification**

In accordance with the Registered Club's Amendment Regulations 2007, the Board has determined the following Club Property Classifications:

Core Property: Stuart Island, Nambucca Heads  
Lot 512 in DP 41534 - on 2023 square metres where the Clubhouse is situated.

#### **Members guarantee**

Nambucca Heads Island Golf Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 1 for all other members, subject to the provisions of the company's constitution.

At 30 June 2016 the collective liability of members was \$ 1,736 (2015: \$ 1,643).

## Directors' Report

30 June 2016

### Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Miller	4	1
John O'Neill	9	9
Arthur Geoffrey McCann	5	5
Andrew Bagust	5	5
Coral McCann	5	5
John Hopkins	9	8
Hendrika Oldenhove	9	7
Kerry McCoy	4	4
Susan Seymour	4	1
Christopher Thorndike	4	4

### Sub-Committees

The following table sets out the number of other meetings the directors attended during the financial year in their capacity as members of various committees.

NAME	FINANCE	MATCH/ GREENS
John Miller	3/5	
John O'Neill	4/4	
Geoffrey McCann	5/5	
Christopher Thorndike	4/4	
Andrew Bagust		5/5
Henny Oldenhove		5/9
John Hopkins		4/9
Kerry McCoy		4/4

## **Directors' Report**

**30 June 2016**

### **Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2016 has been received and can be found on page 7 of the financial report.

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

Director:.....

John O'Neill

Director:.....

Hendrika Oldenhove

Dated 21 October 2016



## **Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Nambucca Heads Island Golf Club Ltd**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

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

Hooykaas Lawry Valjan

A handwritten signature in black ink, appearing to read 'A. Hooykaas', written in a cursive style.

Aart Hooykaas, Partner

Nambucca Heads, NSW

21 October 2016

## Statement of Profit or Loss and Other Comprehensive Income

### For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Income</b>			
Revenue	2	1,400,379	1,391,478
Other income	2	204,894	98,446
<b>Total Income</b>		<b>1,605,273</b>	<b>1,489,924</b>
<b>Expenses</b>			
Cost of goods sold		(239,151)	(241,434)
Employee benefits expense		(551,138)	(614,889)
Depreciation and amortisation expense		(110,668)	(115,054)
Repairs & Maintenance		(73,563)	(63,886)
Entertainment & Promotions expense		(69,037)	(90,238)
Loss from theft		(121,859)	(14,584)
Finance costs		(17,182)	(21,269)
Other operating costs		(443,361)	(421,400)
<b>Total Expenses</b>		<b>(1,625,959)</b>	<b>(1,582,754)</b>
<b>Profit/(Loss) before income tax</b>		<b>(20,686)</b>	<b>(92,830)</b>
Income tax expense	1(j)	-	-
<b>Profit/(Loss) for the year</b>		<b>(20,686)</b>	<b>(92,830)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(20,686)</b>	<b>(92,830)</b>

**Statement of Financial Position**

30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	128,130	70,445
Trade and other receivables	5	108,540	31,932
Inventories	6	30,504	29,327
Other assets	8	5,064	4,816
TOTAL CURRENT ASSETS		<u>272,238</u>	136,520
NON-CURRENT ASSETS			
Property, plant and equipment	7	464,013	564,652
TOTAL NON-CURRENT ASSETS		<u>464,013</u>	564,652
TOTAL ASSETS		<u>736,251</u>	701,172
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	200,322	199,245
Borrowings	10	51,438	88,031
Employee benefits	12	3,928	3,365
Income in advance	11	106,932	91,148
TOTAL CURRENT LIABILITIES		<u>362,620</u>	381,789
NON-CURRENT LIABILITIES			
Trade and other payables	9	74,031	-
Borrowings	10	247,229	247,833
Employee benefits	12	12,877	11,370
TOTAL NON-CURRENT LIABILITIES		<u>334,137</u>	259,203
TOTAL LIABILITIES		<u>696,757</u>	640,992
NET ASSETS		<u>39,494</u>	60,180
<b>EQUITY</b>			
Retained earnings		<u>39,494</u>	60,180
TOTAL EQUITY		<u>39,494</u>	60,180

**Nambucca Heads Island Golf Club Ltd**

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**Statement of Changes in Equity**

**For the Year Ended 30 June 2016**

**2016**

	<b>Note</b>	<b>Retained Earnings \$</b>
<b>Balance at 1 July 2015</b>		<u>60,180</u>
Comprehensive Income/ (Loss) for the year		<u>(20,686)</u>
<b>Balance at 30 June 2016</b>		<u><u>39,494</u></u>

**2015**

	<b>Note</b>	<b>Retained Earnings \$</b>
<b>Balance at 1 July 2014</b>		<u>153,010</u>
Comprehensive Income/ (Loss) for the year		<u>(92,830)</u>
<b>Balance at 30 June 2015</b>		<u><u>60,180</u></u>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,587,295	1,497,802
Payments to suppliers and employees	(1,465,843)	(1,541,824)
Interest received	640	1,458
Interest paid	(17,182)	(21,269)
Net cash provided by (used in) operating activities	19(b) <u>104,910</u>	<u>(63,833)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investment	-	60,000
Purchase of property, plant and equipment	7 <u>(10,028)</u>	<u>(31,892)</u>
Net cash used by investing activities	<u>(10,028)</u>	<u>28,108</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	10 <u>54,000</u>	-
Repayment of borrowings	10 <u>(24,367)</u>	<u>(12,085)</u>
Payment of finance lease liabilities	10 <u>(37,834)</u>	<u>(47,854)</u>
Net cash used by financing activities	<u>(8,201)</u>	<u>(59,939)</u>
Net increase (decrease) in cash and cash equivalents held	<u>86,681</u>	<u>(95,664)</u>
Cash and cash equivalents at beginning of year	19 <u>41,449</u>	<u>137,113</u>
Cash and cash equivalents at end of financial year	19(a) <u><u>128,130</u></u>	<u><u>41,449</u></u>

## Notes to the Financial Statements

For the Year Ended 30 June 2016

The financial statements are for Nambucca Heads Island Golf Club Ltd as a not-for-profit individual entity.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of preparation

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### (b) Comparative figures

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

#### (c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

#### (d) 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

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies continued

#### (d) Property, plant and equipment continued

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

#### Depreciation and Amortisation

The depreciable amount of plant and equipment including capitalised leased assets is depreciated on a straight-line basis or diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Buildings are depreciated using the straight line method over 5-40 years. Land is not depreciated.

Leasehold improvements on Leasehold Land including golf course reconstruction and cart shed construction are amortised over the term of the remaining lease. The existing lease is due to expire on the 1st July 2017, having been renewed on 1st July 1997 for a period of 20 years.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5% - 20%
Plant and Equipment	5% - 100%

The assets' residual values, depreciation methods 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 and losses are included in the statement of profit or loss and other comprehensive income.

#### (e) Financial instruments

##### **Initial recognition and measurement**

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

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies continued

#### (e) Financial instruments continued

Financial instruments are initially measured at fair value plus transactions 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 either 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 in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

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 value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies continued

#### (e) Financial instruments continued

##### *(i) Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

##### *(ii) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

#### Derecognition

Financial assets are derecognised where 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 expired. The difference between the carrying value 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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

#### **(f) Impairment of non-financial assets**

At the end of each reporting year, 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. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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.

#### **(g) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### **(h) 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.

#### **(i) 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.

#### **(j) Income tax**

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

#### **(k) Leases**

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

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

Leased assets are depreciated on a straight-line basis 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.

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

#### **(l) Revenue and other income**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Nambucca Heads Island Golf Club Ltd's activities as discussed below.

##### **Sale of goods**

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 the cessation of all involvement in those goods.

##### **Interest revenue**

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

##### **Rental income**

Rent revenue is recognised on a straight-line basis and relates to the rental revenue charged to the catering company for use of the kitchen and dining room facilities.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

#### **(l) Financial instruments continued**

##### Subscriptions

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

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

#### **(m) 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.

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

#### **(n) Critical accounting estimates and judgments**

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

#### **(o) Adoption of new and revised accounting standards**

There were no new or revised accounting standards that significantly affected the measurement and recognition of amounts in the financial statements or the related disclosures and presentation.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 2 Revenue and Other Income

	Note	2016 \$	2015 \$
<b>Revenue</b>			
- Bar Sales		583,413	574,880
- Poker Machine Revenue		247,759	269,819
- Course Revenue		451,209	430,186
- Commissions		18,738	18,349
- Other operating revenue		99,260	98,244
		<u>1,400,379</u>	<u>1,391,478</u>
<b>Other Income</b>			
- Interest Income		640	1,458
- Sundry Income		74,331	-
- Rental income Restaurant		23,629	23,629
- Insurance recoveries		106,294	13,359
- Gain on sale of Poker Machine entitlements		-	60,000
		<u>204,894</u>	<u>98,446</u>
<b>Total Other Income</b>		<u>204,894</u>	<u>98,446</u>
<b>Total Revenue and Other Income</b>		<u>1,605,273</u>	<u>1,489,924</u>

### 3 Operating Expenses by Department

	2016 \$	2015 \$
Bar expenses	427,160	466,435
Poker Machine Expenses	92,414	93,326
Course Expenses	424,889	442,526
Other Operating Expenses	610,572	580,467
<b>Total Expenses</b>	<u>1,555,035</u>	<u>1,582,754</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 4 Cash and Cash Equivalents

	2016	2015
Note	\$	\$
Cash at bank and in hand	100,925	43,880
Short-term bank deposits	27,205	26,565
<b>Cash at bank and in hand</b>	<b>128,130</b>	<b>70,445</b>

### 5 Trade and Other Receivables

	2016	2015
Note	\$	\$
<b>CURRENT</b>		
Trade receivables	14 13,540	31,932
Insurance recovery receivable	95,000	-
<b>Total current trade and other receivables</b>	<b>108,540</b>	<b>31,932</b>

### 6 Inventories

	2016	2015
Note	\$	\$
<b>CURRENT</b>		
<b>At cost:</b>		
Bar Inventory	14,598	13,123
Course and Other Inventory	15,906	16,204
<b>Total Inventory</b>	<b>30,504</b>	<b>29,327</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 7 Property, Plant and Equipment

	2016	2015
	\$	\$
<b>LAND AND BUILDINGS</b>		
<b>Freehold land</b>		
At cost	42,594	42,594
Total Land	<u>42,594</u>	<u>42,594</u>
<b>Building</b>		
At cost	511,435	511,435
Accumulated depreciation	(327,096)	(310,647)
Total buildings	<u>184,339</u>	<u>200,788</u>
Total land and buildings	<u>226,933</u>	<u>243,382</u>
<b>Plant and equipment</b>		
At cost	1,467,601	1,700,213
Accumulated depreciation	(1,274,636)	(1,451,660)
Total plant and equipment	<u>192,965</u>	<u>248,553</u>
<b>Leasehold Improvements</b>		
At cost	650,861	650,861
Accumulated amortisation	(606,746)	(578,144)
Total leasehold improvements	<u>44,115</u>	<u>72,717</u>
Total plant and equipment	<u>237,080</u>	<u>321,270</u>
<b>Total property, plant and equipment</b>	<u><u>464,013</u></u>	<u><u>564,652</u></u>

(a) Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Improve ments	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2016</b>					
Balance at beginning of the year	42,594	200,788	248,553	72,717	564,652
Additions	-	-	10,028	-	10,028
Depreciation and amortisation expense	-	(16,449)	(65,616)	(28,602)	(110,667)
<b>Balance at the end of the year</b>	<u>42,594</u>	<u>184,339</u>	<u>192,965</u>	<u>44,115</u>	<u>464,013</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 8 Other Assets

	2016	2015
	\$	\$
<b>CURRENT</b>		
Prepayments	3,233	3,233
Sub-Club Assets	1,831	1,583
<b>Total other assets</b>	<b>5,064</b>	<b>4,816</b>

### 9 Trade and Other Payables

	2016	2015
	\$	\$
<b>CURRENT</b>		
Trade payables	106,210	136,057
Accrued annual leave	22,343	39,475
Sundry payables and accrued expenses	28,658	16,041
ATO Payable	26,000	2,446
Superannuation Payable	17,111	5,226
<b>Total Current Trade &amp; Other Payables</b>	<b>200,322</b>	<b>199,245</b>
	2016	2015
	\$	\$
<b>NON-CURRENT</b>		
Nambucca Shire Council	28,000	-
ATO Payable	46,031	-
<b>Total Non-Current Trade &amp; Other Payables</b>	<b>74,031</b>	<b>-</b>

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

	2016	2015
	\$	\$
Trade and other payables:		
- total current	200,322	199,245
- total non-current	74,031	-
	<b>274,353</b>	<b>199,245</b>
Less:		
Annual leave entitlements	(22,343)	(39,475)
<b>Financial liabilities as trade and other payables</b>	<b>252,010</b>	<b>159,770</b>

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## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 10 Borrowings

	Note	2016 \$	2015 \$
<b>CURRENT</b>			
Bank overdraft		-	28,996
Lease and Hire Purchase	13(a)	24,816	37,834
Bank loans		26,622	21,201
<b>Total current borrowings</b>		<b>51,438</b>	<b>88,031</b>

	Note	2016 \$	2015 \$
<b>NON-CURRENT</b>			
Lease and Hire Purchase	13(a)	18,612	43,428
Bank loans		228,617	204,405
<b>Total non-current borrowings</b>		<b>247,229</b>	<b>247,833</b>

Summary of borrowing arrangements:

(i) Lease liabilities are secured by the underlying assets as detailed in note 13 to these financial statements.

(ii) A BetterBusiness Loan with the Commonwealth Bank with a facility amount of \$250,000. The loan has an 11 year and 9 month term bearing a variable interest rate and monthly repayments of principal and interest commencing in March 2015. The minimum monthly payment at 30 June 2015 was \$1,954.31. The loan has a redraw facility and the Club made a redraw of \$54,000 in September 2015, resulting in minimum monthly payments of principal and interest of \$2,454.08 at 30 June 2016.

The security for Commonwealth Bank facilities consists of a registered first mortgage over the Land and Buildings owned by the Club, as well as a registered equitable mortgage and floating charge over the assets and undertakings of the Club.

(iii) An overdraft facility with the Commonwealth Bank with a limit of \$50,000.

(iv) An asset finance loan from the Commonwealth Bank to finance the purchase of a Toro Sand Pro bunker rake. The loan amount was \$10,704 for a 4 year term effective January 2014 bearing a fixed interest rate of 6.59% and requiring monthly interest and principal payments of \$252.92.

(v) An asset finance loan from the Commonwealth Bank to finance the purchase of a Perlight Solar Panel System. The loan amount was \$37,090 for a 5 year term commencing in April 2014 bearing a fixed interest rate of 6.78% and requiring monthly interest and principal payments of \$726.48.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 11 Income in Advance

	2016	2015
	\$	\$
Membership Subscriptions in advance	93,255	68,861
Sponsorships in advance	-	6,386
Other income in advance	13,677	15,901
<b>Total income in advance</b>	<b>106,932</b>	<b>91,148</b>

### 12 Employee Benefits

	2016	2015
	\$	\$
Provision for long service leave - current	3,928	3,365
Provision for long service leave - non-current	12,877	11,370
	<b>16,805</b>	<b>14,735</b>

(a) Reconciliation of amounts in the statement of financial position

	2016	2015
	\$	\$
Beginning of the year	14,735	36,142
Current service cost	2,070	3,044
Benefits paid	-	(24,451)
<b>End of year</b>	<b>16,805</b>	<b>14,735</b>

### 13 Leasing Commitments

(a) Finance lease commitments

**Payable - minimum lease payments:**

- no later than 1 year	24,816	37,834
- between 1 year and 5 years	18,612	43,428
- greater than 5 years	-	-
	<b>43,428</b>	<b>81,262</b>

The finance lease agreements are secured by the underlying assets. The carrying amount of the underlying assets at 30 June 2016 is \$83,333. The minimum lease payments relate to the following arrangements:

(i) Poker Machine equipment with a lease term of 3 years commencing in December 2012.

(ii) Poker machine equipment with a lease term of 3 years commencing in April 2015.

(b) Operating lease commitments

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

	2016	2015
Note	\$	\$
<b>Payable - minimum lease payments:</b>		
- no later than 1 year	56,617	64,068
- between 1 year and 5 years	89,760	161,377
- greater than 5 years	-	-
	<b>146,377</b>	<b>225,445</b>
	<b>146,377</b>	<b>225,445</b>

The operating leases relate to:

(i) The lease of the golf course on Stuart Island land for a term of 20 years from 1st July 1997. The annual rent payable is based on 5% of the market value of the land. A revaluation of the land was performed in January 2011 and the Nambucca Shire council has revised the base rent to \$15,000 plus GST. The Club is in the process of applying to renew the lease for a period of 20 years.

(ii) The rental of multi-screen equipment for a period of 5 years commencing in October 2010.

(iii) The rental of a photocopier for a period of 5 years commencing in September 2011.

(iv) The lease of a Toro Workman for a period of 5 years commencing in January 2012.

(v) The lease of a Toro 2WD Groundsmaster Mower and a Greensmaster Mower for a period of 5 years commencing in January 2015.

(vi) The lease of a Toro Sidewinder, Reelmaster and Workman for a period of 5 years commencing in March 2015.

## 14 Financial Risk Management

The main risks Nambucca Heads Island Golf Club Ltd is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, bank loans and overdrafts and leases.

The totals for each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are as follows:

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 14 Financial Risk Management continued

		2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	<u>128,130</u>	70,445
<b>Total financial assets</b>		<u><u>128,130</u></u>	<u>70,445</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	9(a)	<u>252,010</u>	159,770
- Borrowings	10	<u>298,667</u>	335,864
<b>Total financial liabilities</b>		<u><u>550,677</u></u>	<u>495,634</u>

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Nambucca Heads Island Golf Club Ltd and arises principally from Nambucca Heads Island Golf Club Ltd's receivables.

The Club is not exposed to any significant credit risk as most sales are cash based rather than on credit terms.

(b) Liquidity risk

Liquidity risk arises from the possibility that Nambucca Heads Island Golf Club Ltd might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **14 Financial Risk Management continued**

(b) Liquidity risk continued

- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(c) Interest rate risk

The Company is not exposed to any significant interest rate risk.

### **15 Members' Guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstanding debts and obligations of the Company. At 30 June 2016 the number of members was 1,736 (2015: 1,643).

### **16 Interests of Key Management Personnel**

The total remuneration paid to key management personnel of the Company is \$141,018 (2015: \$228,584).

### **17 Contingent Liabilities and Contingent Assets**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015:None).

### **18 Related Party Transactions**

The following related party transactions occurred during the year:

The made payments totalling \$7,278.70 (including GST) to Cooks on Carrington Pty Ltd for the supply of food catering services for various events held at the Club. The controlling shareholder of Cooks on Carrington Pty Ltd is a close family member of John O'Neill, the President of the Nambucca Heads Island Golf Club at 30 June 2016.

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

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 19 Cash Flow Information

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Note	2016 \$	2015 \$
Cash and cash equivalents	4	128,130	70,445
Bank overdrafts	10	-	(28,996)
		<u>128,130</u>	<u>41,449</u>

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

Reconciliation of net income to net cash provided by operating activities:

	2016 \$	2015 \$
Profit/ (loss) for the year	(20,686)	(92,830)
Cash flows excluded from profit attributable to operating activities		
- Gain on sale of poker machine entitlements	-	(60,000)
Non-cash flows in profit:		
- amortisation	28,602	28,507
- depreciation	82,065	86,547
Changes in net current assets and liabilities:		
- (increase)/decrease in trade and other receivables	(76,608)	(9,688)
- (increase)/decrease in prepayments and other assets	(248)	1,846
- (increase)/decrease in inventories	(1,177)	(338)
- increase/(decrease) in income in advance	15,784	24,897
- increase/(decrease) in trade and other payables	75,108	(21,367)
- increase/(decrease) in provisions	2,070	(21,407)
Cashflow from operations	<u>104,910</u>	<u>(63,833)</u>

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **20 Capital Expenditure Commitments**

Between the end of the financial year until the date of this report the Club had committed to the following capital expenditure:

- the purchase of a Toro bunker rake under a lease agreement for a 5 year term with monthly payments of \$327.30 (plus GST) commencing in November 2016.

### **21 Events after the end of the Reporting Period**

The financial report was authorised for issue on 21 October 2016 by the Board of Directors.

No 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.

## **Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 30, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director ..... Director .....  
John O'Neill Hendrika Oldenhove

Dated 21 October 2016

# **Independent Audit Report to the members of Nambucca Heads Island Golf Club Ltd**

## **Report on the Financial Report**

We have audited the accompanying financial report of Nambucca Heads Island Golf Club Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

### *Auditor's Responsibility*

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

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 Nambucca Heads Island Golf Club, would be in the same terms if given to the directors as at the time of this auditor's report.

## **Independent Audit Report to the members of Nambucca Heads Island Golf Club Ltd**

### *Opinion*

In our opinion the financial report of Nambucca Heads Island Golf Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Hooykaas Lawry Valjan

A handwritten signature in black ink, appearing to read 'A. Hooykaas'.

Aart Hooykaas, Partner

Nambucca Heads, NSW

21 October 2016