

Branxton Golf Club Co-operative Limited

ABN: 82 572 420 622

Financial Statements

For the Year Ended 31 December 2019

Branxton Golf Club Co-operative Limited

ABN: 82 572 420 622

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Branxton Golf Club Co-operative Limited

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Directors' Report For the Year Ended 31 December 2019

The directors present their report on Branxton Golf Club Co-operative Limited (the 'Club') for the financial year ended 31 December 2019.

Directors

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

Names	Position	Appointed/Resigned
Richard Crooks	President	Appointed April 2019
Kerrie O'Connell	Senior Vice President	
John Partidge	Vice President	
Tony Bercini	Treasurer	
Murray Johanson	Director	
Mark Moylan	Director	
Neil Rowlands	Director	Resigned April 2019
Dave Kinch	Director	
David Hollis	Director	
Daniel Turner	Director	Resigned September 2019
Adam Wallace	Director	Appointed November 2019

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

Information on directors

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

Richard Crooks	President
Qualifications	Retired ARTC Infrastructure Manager
Experience	Director 2019
Kerrie O'Connell	Senior Vice President
Qualifications	Sales
Experience	Director 2018 - 2019
John Partidge	Vice President
Qualifications	Mine operator trainer
Experience	Board Member 2012-2019
Tony Bercini	Treasurer
Qualifications	Retired mine deputy
Experience	Board Member 2006-2019
Murray Johanson	Director
Qualifications	School Teacher
Experience	Board Member 2011-2019
Mark Moylan	Director
Qualifications	Supervisor Fitter
Experience	Board Member 2014-2019

Branxton Golf Club Co-operative Limited

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Directors' Report For the Year Ended 31 December 2019

Information on directors

Neil Rowlands	Director
Qualifications	Main Roads Traffic Controller
Experience	Board Member 2011- April 2019
Dave Kinch	Director
Qualifications	Maintenance Coordinator
Experience	Director 2017-2018
David Hollis	Director
Qualifications	Sales Consultant
Experience	Director 2017-2018
Daniel Turner	Director
Qualifications	Plant Operator
Experience	Director 2018 - September 2019
Adam Wallace	Director
Qualifications	Logistics Manager, Toll Group
Experience	Director November 2019

Company secretary

Tony Bercini has been the company secretary since 17 April 2012.

Review of operations

The Club earned an operating surplus of \$36,465 (2018: loss of \$10,634) before depreciation of \$40,760 (2018: \$28,683) and finance costs of \$6,637 (2018: \$5,625).

Principal activities

The principal activity of Branxton Golf Club Co-operative Limited during the financial year was that of conducting a Registered Licensed Club for the sporting and recreational activities of members.

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

Members' guarantee

Branxton Golf Club Co-operative Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1, subject to the provisions of the company's constitution.

At 31 December 2019 the collective liability of members was \$ 685 (2018: \$ 709).

Operating results

The loss of the Club after providing for income tax amounted to \$ 10,932 (2018: \$ 44,942).

Branxton Golf Club Co-operative Limited

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Directors' Report For the Year Ended 31 December 2019

Dividends paid or recommended

The Club is precluded from paying dividends to its members and as such, no dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Future developments and results

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

Environmental issues

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

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
John Partidge	12	10
Tony Bercini	12	12
Murray Johanson	8	8
Mark Moylan	11	11
Neil Rowlands	3	3
Dave Kinch	12	12
David Hollis	12	11
Daniel Turner	9	9
Kerrie O'Connell	12	10
Richard Crooks	9	9
Adam Wallace	1	-

Indemnification and insurance of officers and auditors

The Club has paid a premium to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Club, other than conduct involving a wilful breach of duty in relation to the Club.

Core and non core property

In accordance with Section 41J of the Registered Clubs Act the Club's Property Assets are classified as follows:

Core property: The Club's core property assets comprise the Clubhouse, Course, Carpark and facilities located at 25 Cessnock Road Branxton.

Non core property: The Club has no property assets classified as non core property.

Branxton Golf Club Co-operative Limited

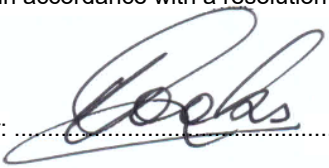
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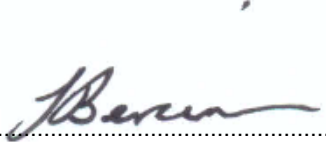
**Directors' Report
For the Year Ended 31 December 2019**

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2019 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated 9/03/2020

9/03/2020

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Branxton Golf Club Co-operative Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, 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.



PKF



MARTIN MATTHEWS
PARTNER

9 MARCH 2020
NEWCASTLE, NSW

Branxton Golf Club Co-operative Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

		2019	2018
	Note	\$	\$
Revenue	4	830,767	746,562
Cost of goods sold		(193,485)	(176,900)
Employee benefits expense		(264,419)	(258,366)
Depreciation and amortisation expense	5	(40,760)	(28,683)
Advertising, promotions and entertainment		(34,506)	(40,071)
Golf course expense		(75,859)	(72,721)
Donations and sponsorship		(1,652)	(1,739)
Insurance		(19,715)	(20,123)
Members expenses		(50,774)	(40,836)
Occupancy costs		(77,700)	(77,240)
Repairs and maintenance		(20,990)	(20,250)
Other expenses		(55,202)	(48,950)
Finance costs		(6,637)	(5,625)
Loss before income tax		(10,932)	(44,942)
Income tax expense	2(a)	-	-
Loss for the year		(10,932)	(44,942)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(10,932)	(44,942)

The accompanying notes form part of these financial statements.

Branxton Golf Club Co-operative Limited

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Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	89,158	44,687
Trade and other receivables		517	4,741
Inventories		24,844	21,605
Other assets		17,656	13,527
TOTAL CURRENT ASSETS		<u>132,175</u>	<u>84,560</u>
NON-CURRENT ASSETS			
Other financial assets	7	5,092	50,000
Property, plant and equipment	8	366,531	326,964
TOTAL NON-CURRENT ASSETS		<u>371,623</u>	<u>376,964</u>
TOTAL ASSETS		<u><u>503,798</u></u>	<u><u>461,524</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	51,130	49,186
Borrowings	10	83,869	58,455
Employee benefits		23,325	17,164
Income in advance		17,544	15,800
TOTAL CURRENT LIABILITIES		<u>175,868</u>	<u>140,605</u>
NON-CURRENT LIABILITIES			
Borrowings	10	43,905	18,186
Employee benefits		1,795	9,571
Share capital		638	638
TOTAL NON-CURRENT LIABILITIES		<u>46,338</u>	<u>28,395</u>
TOTAL LIABILITIES		<u>222,206</u>	<u>169,000</u>
NET ASSETS		<u><u>281,592</u></u>	<u><u>292,524</u></u>
EQUITY			
Retained earnings		<u>281,592</u>	<u>292,524</u>
TOTAL EQUITY		<u><u>281,592</u></u>	<u><u>292,524</u></u>

The accompanying notes form part of these financial statements.

Branxton Golf Club Co-operative Limited

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Statement of Changes in Equity For the Year Ended 31 December 2019

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2019	292,524	292,524
Loss attributable to the members	(10,932)	(10,932)
Other comprehensive income for the year	-	-
Balance at 31 December 2019	281,592	281,592
Balance at 1 January 2018	337,466	337,466
Loss attributable to the members	(44,942)	(44,942)
Balance at 31 December 2018	292,524	292,524

The accompanying notes form part of these financial statements.

Branxton Golf Club Co-operative Limited

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Statement of Cash Flows For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	919,857	816,698
Payments to suppliers and employees	(885,673)	(837,571)
Interest received	1,210	2,070
Finance costs	(6,637)	(5,625)
Net cash provided by/(used in) operating activities	<u>28,757</u>	<u>(24,428)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(5,879)	(6,870)
Proceeds from financial assets	44,908	5,646
Net cash provided by/(used in) investing activities	<u>39,029</u>	<u>(1,224)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	14,865	13,655
Repayment of borrowings	(37,671)	(22,051)
Net cash (used in) financing activities	<u>(22,806)</u>	<u>(8,396)</u>
Net increase/(decrease) in cash and cash equivalents held	44,980	(34,048)
Cash and cash equivalents at beginning of year	<u>44,178</u>	<u>78,226</u>
Cash and cash equivalents at end of financial year	6 <u>89,158</u>	<u>44,178</u>

The accompanying notes form part of these financial statements.

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

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

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Club have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when the performance obligation to the customer has been satisfied and there is no longer any obligations owing to the customer.

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Club completes the performance obligation attached to the revenue.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

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

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Property, plant and equipment

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

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

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	2.5%-20%
Plant and Equipment	5%-20%
Furniture, Fixtures and Fittings	5%-40%
Poker machines	14%-33%
Course works	0%

(f) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(g) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Leases

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club believes it is reasonably certain that the option will be exercised.

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(h) Leases

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Club's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Club's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(i) Employee benefits

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

Employee benefits expected to be settled more than 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 cashflows. 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 Club 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.

(j) Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

3 Critical Accounting Estimates and Judgments

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

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

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Critical Accounting Estimates and Judgments

The significant estimates and judgements made have been described below.

Estimation of useful lives

The Club determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Long service leave provision

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

4 Revenue and Other Income

	2019	2018
	\$	\$
Revenue recognised on receipt		
- Bar trading	416,802	373,484
- Poker machine	112,440	83,319
- Greens	194,405	210,578
- Gaming	23,382	14,032
- Other revenue	82,528	63,079
- Interest received	1,210	2,070
	<u>830,767</u>	<u>746,562</u>

5 Result for the Year

Depreciation and Amortisation

Buildings	10,155	10,183
Plant and Equipment	13,201	13,155
Furniture and Equipment	986	989
Poker Machines	16,418	4,356
	<u>40,760</u>	<u>28,683</u>

6 Cash and Cash Equivalents

Cash on hand	24,582	27,667
Bank balances	64,576	17,020
	<u>89,158</u>	<u>44,687</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents		89,158	44,687
Bank overdrafts	10	-	(509)
Balance as per statement of cash flows		<u>89,158</u>	<u>44,178</u>

7 Other Financial Assets

NON-CURRENT

Amortized cost

Term Deposit Investments		<u>5,092</u>	<u>50,000</u>
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Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

8 Property, plant and equipment

	2019	2018
	\$	\$
Land	<u>47,712</u>	<u>47,712</u>
Buildings	494,881	494,881
Accumulated depreciation	<u>(335,226)</u>	<u>(325,071)</u>
	<u>159,655</u>	<u>169,810</u>
Capital Works in Progress	<u>4,073</u>	-
Plant and Equipment	214,572	212,766
Accumulated depreciation	<u>(140,887)</u>	<u>(127,686)</u>
	<u>73,685</u>	<u>85,080</u>
Furniture, Fixtures and Fittings	31,752	31,752
Accumulated depreciation	<u>(26,133)</u>	<u>(25,147)</u>
	<u>5,619</u>	<u>6,605</u>
Poker Machines	106,838	81,710
Accumulated depreciation	<u>(43,607)</u>	<u>(76,509)</u>
	<u>63,231</u>	<u>5,201</u>
Course Works	12,556	12,556
Accumulated depreciation	<u>-</u>	<u>-</u>
	<u>12,556</u>	<u>12,556</u>
Total property, plant and equipment	<u><u>366,531</u></u>	<u><u>326,964</u></u>

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

8 Property, plant and equipment

(a) Movements in Carrying Amounts

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Poker Machines	Course Works	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Opening	-	47,712	169,810	85,080	6,605	5,201	12,556	326,964
Additions	4,073	-	-	1,806	-	74,448	-	80,327
Depreciation	-	-	(10,155)	(13,201)	(986)	(16,418)	-	(40,760)
Closing	4,073	47,712	159,655	73,685	5,619	63,231	12,556	366,531

9 Trade and Other Payables

	2019 \$	2018 \$
CURRENT		
Trade payables	16,056	14,992
GST payable	7,863	12,876
Sundry payables and accrued expenses	27,211	21,318
	51,130	49,186

10 Borrowings

CURRENT		
Bank loans	(a) 45,842	48,003
Bank overdraft	-	509
Finance lease	(b) 33,426	5,681
Financed insurance	4,601	4,262
	83,869	58,455
NON-CURRENT		
Finance lease	(b) 43,905	18,186
	43,905	18,186

(a) Bank loans

The bank loan is secured by the Regional Australia Bank having a registered mortgage over the freehold land and buildings of the Club.

(b) Leased Liabilities

Leased liabilities are secured by the underlying leased assets.

Branxton Golf Club Co-operative Limited

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Notes to the Financial Statements For the Year Ended 31 December 2019

11 Leasing Commitments

(a) Finance leases

	2019	2018
	\$	\$
Minimum lease payments:		
- not later than one year	35,427	8,129
- between one year and five years	45,956	22,238
	<hr/>	<hr/>
Minimum lease payments	81,383	30,367
Less: Finance charges	(5,211)	(6,500)
	<hr/>	<hr/>
	76,172	23,867

12 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Club. At 31 December 2019 the number of members was 685 (2018: 709).

13 Key Management Personnel Disclosures

It has been determined that the Board of Directors are the only key management personnel of Branxton Golf Club Co-operative Limited. There was no compensation paid to directors for their services provided to the club.

14 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 31 December 2019 (31 December 2018: None).

15 Related Parties

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

16 Cash Flow Information

(a) Non-cash financing and investing activities

Acquisition of assets by means of finance leases	<hr/> <hr/>	<hr/> <hr/>
	74,448	12,530

17 Events after the end of the Reporting Date

The financial report was authorised for issue on 9 March 2020 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 Club, the results of those operations or the state of affairs of the Club in future financial years.

Branxton Golf Club Co-operative Limited

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Directors' Declaration

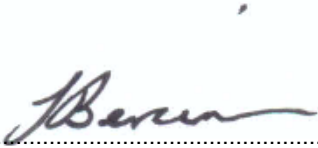
In accordance with a resolution of the directors of Branxton Golf Club Co-operative Limited, I state that:

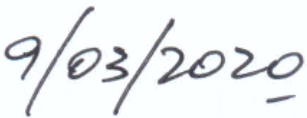
In the opinion of the directors:

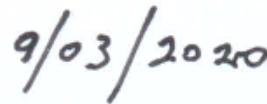
- 1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2019 and of the performance for the year ended on that date of the Club.
- 2. There are reasonable grounds to believe that the club will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

Director 

Director 

Dated 



INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF BRANXTON GOLF CLUB CO-OPERATIVE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Branxton Golf Club Co-operative Limited (the Co-operative), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Co-operative's financial position as at 31 December 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Responsibilities of Directors for the Financial Report

The directors of the Co-operative 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



PKF



MARTIN MATTHEWS
PARTNER

9 MARCH 2020
NEWCASTLE, NSW

Disclaimer

The additional financial data presented on pages 23 - 27 is in accordance with the books and records of the Club which have been subjected to the auditing procedures applied in our statutory audit of the Club for the year ended 31 December 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Branxton Golf Club Co-operative Limited) in respect of such data, including any errors or omissions therein however caused.



PKF



MARTIN MATTHEWS
PARTNER

9 MARCH 2020
NEWCASTLE, NSW

Branxton Golf Club Co-operative Limited

ABN: 82 572 420 622

For the Year Ended 31 December 2019

Divisional Profit and Loss Statement

	2019	2018
	\$	\$
Bar trading		
Trading income:		
Sales	<u>416,802</u>	373,484
Cost of goods sold		
Purchases	192,947	187,190
Freight	3,065	2,641
Bar gas	730	656
Wastage	335	334
Repairs and maintenance	166	-
Closing Stock	<u>(3,592)</u>	(13,921)
	<u>193,651</u>	176,900
Gross Profit	<u>223,151</u>	196,584
Less: Expenses		
Wages	<u>(107,087)</u>	(101,329)
Net operating profit	<u><u>116,064</u></u>	<u>95,255</u>

Branxton Golf Club Co-operative Limited

ABN: 82 572 420 622

For the Year Ended 31 December 2019

Divisional Profit and Loss Statement

	2019	2018
	\$	\$
Poker machines		
Sale of goods		
Poker machine gross takings	420,183	363,276
Poker machine payouts	(317,664)	(290,280)
GST subsidy received	9,921	10,323
	<u>112,440</u>	<u>83,319</u>
Less: Expenses		
Repairs and maintenance	15,408	14,615
Depreciation	16,418	4,356
	<u>31,826</u>	<u>18,971</u>
Net operating profit	<u>80,614</u>	<u>64,348</u>

Branxton Golf Club Co-operative Limited

ABN: 82 572 420 622

For the Year Ended 31 December 2019

Divisional Profit and Loss Statement

	2019	2018
	\$	\$
Greens		
Operating income		
Donations and sponsorships	6,902	16,934
Green fees	108,639	98,815
Competition fees	12,621	18,784
Machinery levy	6,183	7,006
Members subscriptions	60,060	69,039
	<hr/>	
	194,405	210,578
Less: Expenses		
Affiliation fees	16,352	11,323
Course professional	41,527	39,667
Course operating materials	21,595	17,166
Depreciation - Greens	10,155	10,183
Donations	1,380	1,739
Wages	62,916	62,297
Competition fees paid	12,737	15,888
	<hr/>	
	166,662	158,263
	<hr/>	
Net operating profit	27,743	52,315

Branxton Golf Club Co-operative Limited

ABN: 82 572 420 622

For the Year Ended 31 December 2019

Divisional Profit and Loss Statement

	2019	2018
	\$	\$
Gaming		
Income		
TAB Commission	12,089	2,599
Keno income	11,293	11,433
	<hr/>	<hr/>
	23,382	14,032
Less: Expenses		
TAB fees	5,039	5,337
Keno expense	1,707	1,721
Sky channel	9,947	9,838
	<hr/>	<hr/>
	16,693	16,896
Net operating profit	<hr/> <hr/>	<hr/> <hr/>
	6,689	(2,864)

Branxton Golf Club Co-operative Limited

ABN: 82 572 420 622

For the Year Ended 31 December 2019

Divisional Profit and Loss Statement

	2019	2018
	\$	\$
Net operating profit: Bar trading	116,064	95,255
Net operating profit: Poker machines	80,614	64,348
Net operating profit: Greens	27,743	52,315
Net operating profit: Gaming	6,689	(2,864)
	<u>231,110</u>	<u>209,054</u>
Income		
ATM commission	1,288	1,498
Carols on the course	13,387	12,207
Club functions	3,673	3,982
Entertainment income	4,753	2,943
Raffle income	31,933	29,458
Social members subscriptions	4,678	4,665
Sundry income	22,816	8,326
Interest received	1,210	2,070
	<u>83,738</u>	<u>65,149</u>
Less: Expenses		
Accounting and audit fees	(19,825)	(20,392)
Advertising and promotional expenses	(2,715)	(1,870)
Bank charges	(1,712)	(1,254)
Cleaning	(5,328)	(4,717)
Carols on the course	(5,545)	(11,139)
Depreciation	(14,187)	(14,144)
Entertainment	(26,246)	(27,062)
Finance costs	(6,637)	(5,625)
General insurance	(14,260)	(14,309)
Kitchen - retainer and expenses	(1,768)	(1,611)
Land Rates	(10,294)	(9,942)
Licences, registrations and permits	(2,671)	(2,805)
Other expenses	(9,054)	(4,749)
Pennant expense	(1,441)	-
Printing and stationery	(2,937)	(4,111)
Raffle expenses - non profit	(34,422)	(29,513)
Repairs and maintenance	(5,416)	(5,635)
Security	(7,093)	(5,250)
Sponsorship	(272)	-
Superannuation	(22,615)	(21,972)
Telephone	(3,135)	(2,104)
Till unders and overs	(869)	1,257
Utilities	(50,082)	(53,616)
Wages - cleaning	(31,266)	(32,142)
Wages - clerical	(40,535)	(40,626)
Workers compensation insurance	(5,455)	(5,814)
	<u>(325,780)</u>	<u>(319,145)</u>
Loss before income tax	<u>(10,932)</u>	<u>(44,942)</u>