

# **Wollongong Golf Club Limited**

**ABN: 20 000 740 983**

## **Financial Statements**

**For the Year Ended 30 June 2021**

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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For the Year Ended 30 June 2021

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### ***Presidents Report***

I am pleased to present my report on the last budget year. The club rebounded to normal trading following periods of restriction or lockdown in 2020. Hopefully, this will be the case following the more significant lockdown period at the beginning of the 2022 budget year. The successful amalgamation with City Diggers has improved our asset base, doubled our membership, and resulted in better than business case modelling results.

In past annual reports I have expanded upon activities and projects which appeared in our strategic plan and business plan. The clubhouse master plan and course improvement plan are two of the more prominent items.

I am pleased to report that the clubhouse master plan is now completed, with the last stages being undertaken during the last lockdown. The revenue that is being generated allows a greater focus on service, allows more flexible and diverse options across our two venues for members and guests and can attract visitors to enjoy. This will be the cornerstone to our sustainability. We will continue to review operations and where possible enhance the service offering with more diverse options.

The course improvement plan is a long term one. Irrigation works were postponed earlier this year due to contractors and supply chain issues caused by either material or human resource constraint due to the pandemic. Works will commence in the new year for stage 2. The implementation of smaller projects such as minor reshaping, bunker remediation, or sand replacement across specific manageable course areas. Funding for these items have come either directly from course capital levies or Australian Sports foundation funding which has been supported by members.

I look forward to even better results for the next year. Many thanks go to our members, volunteers, sponsors, and staff. It is not possible to achieve what our club does each year without you. Also, many thanks to my fellow board members for your efforts throughout the last year, they are noted and appreciated

Yours in Golf,  
Adam Giddings  
President

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### ***Treasurer's Report***

Thank you for the opportunity of presenting my Treasurers' Report for the financial year ended 30 June 2021.

The financial year to 30 June 2021 was to say the least an interesting one. I have been a member here for almost 30 years and never have I experienced anything like the last 12 months. The negative impact of Covid, the positive impact of the merger with City Diggers and the general uncertainty in the community have all had their effect on the business.

And yet the club has managed to trade through this last 12 months to June culminating in a net profit of \$270,614 and a result before depreciation and Interest of \$1,525,864.

It is difficult to compare 2020 results with 2021 because of the factors mentioned above but I must commend our General Manager and his leadership team with managing the business through this most difficult time and to produce the result that they have is exceptional. Bringing together the two locations under the one company banner and maintaining the above average trading result was not easy and required hard work, dedication, and the support of all levels of staff and most importantly, you the members.

At the Balance sheet level our asset base has increased to \$25,435,870. Our debt-to-equity level sits at a very manageable 33%. The net equity of the company, that is our excess of assets over liabilities is at \$18,777,342.

Our corporate vision is 'To be a strong, vibrant, member owned organisation' I can confidently say we are well on the way to achieving our vision and our future has never been more secure.

Thank you for the opportunity to represent you on the Board and I look forward to an exciting 12 months, emerging from this pandemic with two venues to guarantee the future of the Wollongong Golf Club Limited.

Murray Reid  
Treasurer  
Wollongong Golf Club Limited

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### ***Golf Operations Committee Report.***

Operationally it has been a year of two distinct periods. The latter half being very challenging with reduced member access to the course, pennant competition rescheduling & cancellations and golf timesheet scheduling.

Learning to operate in the new normal of stop/start & many versions of healthorders during lockdowns, while supporting member expectations, has been particularly challenging for our management.

Committee would like to formally express our thanks to Greg Kerr and his Golf Operational Team for their proactive approach on delivering a member focused approach. Member support and direct communication remains a core value and the team lifted to a new level to manage through this period. Thank you.

Inter-club competition season.

The 2021 Pennant competition was yet again a stop-start process particularly towards the latter end of the season. Its great to report that our "C" Men's team were successful in bringing home a coveted Pennant as the Regional Winner 2021. Congratulations to Captain/player Matt Morgan and the team - well done.

Wrapping up at 30 June, the only competition open remains the Masters team which is "pending" so hopefully we will see this one can get completed as the team are keen to complete their winning journey!.. My thanks go to the 2020-21 Captains, Coaches/Caddies and players for their commitment throughout the season.

Women in Golf

Our 25% Women membership by 2025 journey continues, with our birdie social golf membership providing a pathway through to golfing membership. I would like to thank our Lady members for their proactive support and golfing Professional - Aaron Keevers for his focus and passion to delivery on this vision.

Female participation completed the year up 2% to 19%

Juniors

The Junior development program continues to develop an outstanding young group of girls & boys. Their presence around the course, positive attitude and commitment to the game of golf is exceptional and a credit to their parents.

Keevers and Jack Kessell continue to lead the development of this cohort, both with their golf skills and etiquette development.

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### ***Golf Operations Committee Report.(cont)...***

#### Course Management.

Last year in this section I advised members of the foundation work Ray Isarin (Course Super) and his team had conducted delivering the WGC - irrigation design. Your Board approved Course Irrigation as a strategic imperative to delivering on our clubs purpose "To provide outstanding golf and hospitality services".

The first stage of implementation was conducted prior to Christmas, deploying irrigation to the 13/15th & 11th greens and immediate surrounds. We are all now experiencing the noticeable playing improvement approaching and around these greens.

Next phase will see significant ground works in the southern paddock which will further include fairway irrigation. Full details are available for viewing on your member portal.

Course improvement project development, prioritisation, scheduling and accountability is now an embedded management process. Committee would like to thank those members who assisted through donations to the Course Improvement fund or with their time and expertise.

Another foundational element Golf Operations was tasked to deliver is a full course Vegetation audit. Identifying native and non native vegetation and documenting to a Vegetation register. Going forward this work in conjunction with previous consultant issued vegetation requirements, is an essential building block as we continue the journey to deliver on our purpose of providing members with outstanding golf services.

We have a strong pipeline of course improvement work identified and documented, so look forward to delivering on these as funding becomes available.

To those I have "tapped on the shoulder" trade skills, rules expertise or just a "helping hand" - thank you for your enthusiasm to assist. It makes my job as your Club Captain more pleasurable.

Wrapping up, your 2020-21 Golf Operations Committee & Management team are Ann Woods, Paul Fenton, Murray Reid, Greg Kerr, Ray Isarin, Leigh Hingston & myself

Mark Finlay

Club Captain & Chair of GOC.

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### ***Clubhouse Operations Committee Report***

The Clubhouse Operations is the engine room that generates the cash flow that helps to deliver the Club's purpose, which is to provide outstanding golf and hospitality services to the local community. This ultimately is achieved through the support, patronage and promotion of Wollongong Golf Club by our Members and their guests.

The period of Financial Year 2020/21 was a year of challenges in the Clubhouse which has been the case for the last three or four – however, led by an outstanding management team we have found a way through.

The amalgamation has allowed for a more diverse set of skills and experience – in 2021 the club has been able to hire Executive Chef -Simon Everett, Finance & Commercial manager – Erin Franklin and Marketing Manager Nicole Walker all in varying stages on their journey with the club

The transformation of the club – to now include two separate venues, has been remarkable over the last 5 years, to think that only 4 years ago the Club was subcontracted out the kitchen. The club now enjoys a range of revenue streams, which will ensure the clubs long term viability.

Michael continued to lead the accommodation team; their success underpins the financial performance of our Club. The foresight of previous boards to include accommodation in part of the then “new” Clubhouse back in the early 2000s should be recognised, along with commending the current management team's ability to continually maximise this asset.

The restaurants, which the Club has been running for over four years now under the watchful eye of the experienced chef, Simon – has given management the ability to control the menu, food quality, and quantity, whilst also being able to achieve synergies across the venues. We are now starting to see the full potential of the two kitchens and pop-up eateries.

Bar and Gaming results for the year, were the best the Club has ever seen, which re-enforces the decision to invest in the venues. The new bar and gaming area having now been open three years and it continues to provide members and their guests excellent facilities to come in and relax or have a post golf refreshment in a venue of which you can be truly proud of.

Whilst COVID has provided a new norm, it would be remiss not to mention just how difficult a working environment Rodd and his team have had to face into, all of whom have continued to perform their role with a smile and to an extremely high standard – thank you.

The overall result of the club, strengthens the ability to reinvest into the golf course and while it was sad not to see the irrigation project completed in August 2021, there are some great things happening on course in the coming 18 months.

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***Clubhouse Operations Committee Report (cont)...***

I would like to take this opportunity to sincerely thank all our members and their guests that have embraced the Club, even during these disruptive times

Matthew Morgan,

Chair - Clubhouse Operations Committee

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### ***Marketing and Membership Committee Report***

The function of the Committee remains to identify and develop opportunities to grow membership through member attraction, retention and support whilst assisting Club Management achieve strategic planning goals.

During the past year the amalgamation occurred between WGC and City Diggers. This significant event required a migration of members into the one entity, effectively becoming members of both clubs.

Subsequently a new Rewards system was implemented which followed the City Diggers Rewards which was working very well. All WGC members were entered into this new Rewards Program.

A CAP of 650 memberships had been placed on the 4 key golfing categories for the year and this was reached in 2 main golfing categories. At Year end we had 897 golf members in all categories.

Subsequently the 5 day and 6 day golfing membership categories were merged and the CAP was increased to 700 in the remaining 3 main golfing categories, being 300 Full memberships, 200 6 Day memberships and 200 Eagle memberships. The demand for membership remains high and all 700 memberships will be taken up with waiting lists then established.

The Ladies Birdie Pathway continues to drive new Lady golfing members with the aim to increase female golfing memberships above 25% of the total.

A new Youth category of membership, for Juniors who turn 18, was introduced to provide a pathway for them through to Full Membership.

“Welcome to the Club” continues for new members and is well received.

Reciprocal golfing rights continue to be updated and will provide great opportunities to our golfing members once travel returns to normal. Thanks to Mark Finlay for his great work here.

Events were severely disrupted during the year due to continually changing Covid restrictions. Consequently, Social memberships numbers which sat at 7917 at year end did not grow to projected Numbers. With recent Capital Works and easing Covid restrictions clubhouse usage and events should soon return to expected levels.

The committee continued to review our marketing strategies during the year and it become evident that the Club needed a specialist marketing person to drive promotions through the Budget allocated by the Board. The club has now successfully filled this role.

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***Marketing and Membership Committee Report (cont)...***

Our goals for the upcoming year ahead will be-Increasing Social Membership numbers

- reviewing and updating member benefits and
- focusing on best results from our Marketing and promotions budget

The year 2022 represents the 125th Anniversary of the establishment of The Wollongong Golf Club which is a truly significant milestone. A Committee has been formed to implement several social and golfing events to celebrate.

Thanks to Board members Paul Fenton, Mark Finlay and Scott Parr for their highly valued time and contributions to the committee. Access to senior club staff Chanel Oxley, Leigh Hingston, Aaron Keevers and Erin Franklin was again invaluable and greatly appreciated as was the ongoing support from our strong and loyal membership base.

We look forward to a great year ahead as the club continues to go from strength to strength.

Geoff Jones  
Chairperson

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### ***Chief Executive Officers Report***

We closed the year by closing two clubhouses again as NSW entered another 106 days of lockdown ending on the 11<sup>th</sup> October. Wollongong Golf Club traded under multiple versions of Covid-19 restrictions over the course of the year impacting on consumer sentiment for Hospitality offerings, in the interest of our community's safety.

We are grateful golf was classified as an essential activity allowing members to participate in the game while in lockdown. A special thank you to Greg Kerr and his team who remained in the proshop serving members in these challenging times. The club has remained engaged with its employees and members and is now open and serving.

With the above in mind, it is pleasing to present a net profit of \$270k (2020: \$364k loss) for the financial year. This is an exceptional result in a year of much uncertainty and internal change.

It seems a lifetime ago Wollongong Golf Club amalgamated with City Diggers Club; 'two clubs, one membership, one city'. The amalgamation reached formal completion on the 2<sup>nd</sup> November 2020, Wollongong Golf Club become responsible for the Governance of the amalgamated entity. I would like to acknowledge the work of the five incumbent directors who lead the club to amalgamation supported by management along with our new Directors Richard Young and Scott Parr, who have integrated and contribute at a strategic level to the amalgamated entity.

WGC has continued to maintain the City Diggers brand, offered employment to all employees, supported retirements as requested, offered membership to all City Diggers members, and will continue to support the club and its associations where possible via the Clubs Grants program. Wollongong Golf Club strives to remain a respected member of the local community and is proud of its contributions to Wollongong City Surf Life Saving, Legacy, Lifeline South Coast, Fishing Club, Bowls Club, along with several other organizations successful with their applications via the Category 1 funding round held in August this year. The next round of Clubs Grants will commence on the 1<sup>st</sup> December for interested community groups, you are encouraged to apply online.

The amalgamation has seen the net assets of Wollongong Golf Club grow to \$18.8m, an increase of over \$9m including a revaluation of the City Diggers land, buildings and equipment. This is an outstanding result and reflects the combined strength of the two clubs.

This year also saw the completion of the clubs FY20 strategic plan which triggered a new planning cycle, a new five-year horizon must be considered with a sense of optimism and pragmatism. The club and new Board came together to reflect on the past five years and consider our future collective priorities. Our Vision 'To be a strong, vibrant, member owned organisation is supported by our club's purpose which has not changed; to provide outstanding golf and hospitality services. The process established several key projects to be reviewed and delivered over the coming years, investing in member assets to improve the member experience.

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### ***Chief Executive Officers Report (cont)...***

The Board workshopped these projects and resolved only projects with 100% Board commitment would proceed in the next five years, the approved projects include;

Project 1: City Diggers Asset Share

Project 2: Golf Cart & Members Storage Facility

Project 3: Irrigation Upgrade Project

Project 4: Accommodation Upgrade

The expansion of the entertainment facilities at Wollongong Golf Club and the upgrade of the café/bar at City Diggers were delivered in the first quarter of FY22

The Club(s) said goodbye to several employees including Mark Jordan (38 years) Robbie Rodwell (31 years), Teresa Rodwell (33 years) Steve Berry (21 years) Kareen Jeremy (33 years) and Anthony Francis (27 years) Thank you for your contribution to the history of the City Diggers Club over these many years. The management team were responsible for the Governance of City Diggers throughout the amalgamation, they leave a legacy of mateship and respect.

Golf membership thrived in a tough time as a permitted activity throughout lockdowns and restrictions with the club introducing caps on membership to manage course access and utilisation. Thank you to those members who changed with us to meet the Government advice daily, we know it has not been easy and we thank you for following the rules to keep the club open for all members.

The Golf course continued to improve with new bunker sand and an increase in workforce numbers to support an improved product. Thank you to Ray Isarin and the course team for their efforts in a challenging year. The club continues to invest member funds raised via levies in full through projects including the establishment of an irrigation nursery, storage bays, cart paths on 1,5,6 and bunkers works.

The Irrigation upgrade project will recommence in the southern paddock in early 2022 as new machinery arrived in the year including a new spray rig, hybrid greens mower, bucket for tractor and workman. The club is also investing in a Pro Corer for efficiency and quality in coring greens, surrounds and tees, and a new rough mower all fulfilling a well-funded machinery replacement program.

Both clubhouses received an upgrade which commenced in June and was delivered by the 11<sup>th</sup> October, just in time for us all to reconnect in the facilities. Papette and the new gaming lounge at WGC are in operation now and have been well received by our members. Rodd Pearce and Simon Everett lead this team, their customer service professionalism is respected.

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***Chief Executive Officers Report (cont)...***

Thank you all for your continued support, please continue to enjoy your clubs' amenities.

Leigh Hingston  
Chief Executive Officer  
Wollongong Golf Club

# Wollongong Golf Club Limited

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## Directors' Report

30 June 2021

The directors present their report for Wollongong Golf Club Limited ("the Club") for the financial year ended 30 June 2021.

### Information on directors

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

<b>Name</b>	<b>Position</b>	<b>Qualifications, experience and responsibilities</b>	<b>Period of appointment</b>
Adam Giddings	President	Consultant	10 years
Ann Woods	Vice-President	Solicitor	6 years
Murray Reid	Treasurer	Chartered Accountant	9 years
Mark Finlay	Captain	Retired Company Director	2 years
Geoff Jones	Director	Real Estate Agent	24 years
Paul Fenton	Director	Financial Advisor	9 years
Matthew Morgan	Director	Senior Business Banking Manager	6 years
Richard Young	Director	Retired Real Estate Agent	Appointed 14/12/2020
Scott Parr	Director	Human Resources Director	Appointed 14/12/2020
Colin Bloomfield*	Director	Company Director	7 years

\* Resigned 31 October 2020

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

### Review of operations

The result of the Club for the year amounted to a surplus of \$270,614 (2020: deficit of \$363,996).

### Principal activities

The principal activities of the Club during the financial year were to maintain and conduct a golf club for the benefit of Club members and their friends, to promote the game of golf and to encourage social activities between members of the Club.

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

### Short term objectives

To provide outstanding golf and hospitality services.

# Wollongong Golf Club Limited

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## Directors' Report

30 June 2021

### Long-term objectives

Long-term objectives are to be recognised as regional Australia's strongest member owned golf organisation.

### Strategy for achieving the objectives

The Wollongong Golf Club's vision is: "to be a strong, vibrant member owned organization".

Our purpose is 'To provide outstanding golf and hospitality services'.

The strategic plan outlines the goals, measures and targets that the Club have identified as critical to their long term success across the various pillars of the business. In conjunction with the Wollongong Golf Club marketing, golf course and facility maintenance and improvement plans it forms the focus and direction for the Club's business activities through to the end of the 2026 financial year.

Key goals include:

- Our people set and maintain high standards;
- Our customers experience outstanding service;
- Product awareness is strong in our target markets;
- Build membership towards capacity;
- Increase revenue through higher patronage;
- We have the best golf facilities in the district;
- Maximise use of the golf course;
- We have excellent facilities that allow us to compete;
- We maximise utilisation of club facilities; and
- We are financially sound.

### Performance measures

Key Performance Indicators are approved by the Board and reported by the Chief Executive Officer to the Board on a monthly basis. The key performance indicators include financial and non-financial measures.

### Members' guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Club. At 30 June 2021 the total amount that members of the Club are liable to contribute if the Club wound up is \$18,896 (2020: \$9,516).

# Wollongong Golf Club Limited

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## Directors' Report

30 June 2021

### Meetings of directors

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

	Meetings of directors	
	<u>Number eligible to attend</u>	<u>Number attended</u>
Adam Giddings	12	11
Mark Finlay	12	12
Murray Reid	12	9
Paul Fenton	12	9
Geoff Jones	12	11
Ann Woods	12	11
Matthew Morgan	12	11
Richard Young	6	5
Scott Parr	6	5
Colin Bloomfield	4	4

### Likely developments

The Directors, in conjunction with management are continually seeking strategies to reduce overheads and improve trading. The Club will continue to review the profitability and operations. The Board has established a '2022 Strategic Direction' document, setting out its goals, measures and targets. Investment opportunities will be explored based on sound financial analysis and rationalisation.

### Indemnification and Insurance of Officers

During the year the Club paid insurance premiums in respect of a policy that indemnifies directors against any and all claims and legal costs arising from the discharge of their duties, except where the liability arises out of conduct involving a lack of good faith.

# Wollongong Golf Club Limited

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## Directors' Report

30 June 2021

### 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 2021 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:

Adam Giddings  
President

Murray Reid  
Treasurer

Wollongong

Dated: 20 September 2021



## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Wollongong Golf Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, 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.

Daley Audit

Michael Mundt  
Partner

Wollongong

Dated: 20 September 2021

### Wollongong

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ABN 43 152 844 291

Liability limited by a  
Scheme approved under  
Professional Standards  
Legislation.



# Wollongong Golf Club Limited

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	9,783,778	6,778,995
Other income	4	724,848	502,937
		<b>10,508,626</b>	7,281,932
Employee benefits expense		(4,139,965)	(2,989,138)
Cost of sales		(1,901,467)	(1,543,679)
Property costs		(1,236,687)	(1,007,556)
Depreciation and amortisation		(1,092,969)	(798,362)
Members expenses		(487,827)	(329,958)
Finance charges		(162,281)	(232,849)
Poker machine tax		(215,135)	-
Other expenses		(1,001,681)	(744,386)
<b>Result for the year</b>		<b>270,614</b>	<b>(363,996)</b>
Amalgamation of business	18	9,007,666	-
Other comprehensive income for the year		9,007,666	-
<b>Total comprehensive income for the year</b>		<b>9,278,280</b>	<b>(363,996)</b>

The accompanying notes form part of these financial statements.

# Wollongong Golf Club Limited

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## Balance Sheet

As at 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	636,775	676,875
Trade and other receivables	7	110,122	245,876
Inventories	8	186,008	110,826
Other assets		18,115	29,973
TOTAL CURRENT ASSETS		<u>951,020</u>	<u>1,063,550</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	22,898,271	15,560,117
Intangible assets	10	1,073,020	115,638
Right-of-use assets	9	512,809	431,176
Other financial assets		750	-
TOTAL NON-CURRENT ASSETS		<u>24,484,850</u>	<u>16,106,931</u>
TOTAL ASSETS		<u>25,435,870</u>	<u>17,170,481</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	12	1,770,029	1,905,838
Lease liabilities	9	115,803	68,871
Borrowings	13	395,640	260,790
Employee benefits	14	399,563	225,556
TOTAL CURRENT LIABILITIES		<u>2,681,035</u>	<u>2,461,055</u>
NON-CURRENT LIABILITIES			
Borrowings	13	3,594,284	4,784,210
Lease liabilities	9	346,564	367,617
Employee benefits	14	36,645	58,537
TOTAL NON-CURRENT LIABILITIES		<u>3,977,493</u>	<u>5,210,364</u>
TOTAL LIABILITIES		<u>6,658,528</u>	<u>7,671,419</u>
NET ASSETS		<u>18,777,342</u>	<u>9,499,062</u>
<b>EQUITY</b>			
Retained earnings		9,769,676	9,499,062
Reserves	17	9,007,666	-
TOTAL EQUITY		<u>18,777,342</u>	<u>9,499,062</u>

The accompanying notes form part of these financial statements.

# Wollongong Golf Club Limited

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## Statement of Changes in Equity

For the Year Ended 30 June 2021

	Retained Earnings \$	Amalgamation reserve \$	Total \$
<b>Balance at 1 July 2020</b>	<b>9,499,062</b>	-	<b>9,499,062</b>
Result for the year	<b>270,614</b>	-	<b>270,614</b>
Amalgamation	-	<b>9,007,666</b>	<b>9,007,666</b>
<b>Balance at 30 June 2021</b>	<b>9,769,676</b>	<b>9,007,666</b>	<b>18,777,342</b>
<b>Balance at 1 July 2019</b>	9,863,058	-	9,863,058
Result for the year	(363,996)	-	(363,996)
<b>Balance at 30 June 2020</b>	<b>9,499,062</b>	-	<b>9,499,062</b>

The accompanying notes form part of these financial statements.

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# Wollongong Golf Club Limited

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## Statement of Cash Flows

For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>11,649,958</b>	7,934,159
Payments to suppliers and employees	<b>(10,456,591)</b>	(6,876,677)
Interest paid	<b>(162,281)</b>	(232,849)
Net cash provided by operating activities	<b><u>1,031,086</u></b>	<u>824,633</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	<b>(582,621)</b>	(281,166)
Payment for intangible assets	-	(22,578)
Transfer of cash on amalgamation	<b>731,167</b>	-
Net cash provided by/(used by) investing activities	<b><u>148,546</u></b>	<u>(303,744)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	<b>(1,055,076)</b>	(135,000)
Repayment of lease liabilities	<b>(164,656)</b>	(75,519)
Net cash (used) by financing activities	<b><u>(1,219,732)</u></b>	<u>(210,519)</u>
Net (decrease)/increase in cash and cash equivalents held	<b>(40,100)</b>	310,370
Cash and cash equivalents at beginning of year	<b>676,875</b>	366,505
Cash and cash equivalents at end of financial year	6 <b><u>636,775</u></b>	<u>676,875</u>

The accompanying notes form part of these financial statements.

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# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial report covers Wollongong Golf Club Limited ("the Club") as an individual entity. The Club is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Wollongong Golf Club Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 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) Amalgamation

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the financial statements at the acquisition date.

At date of acquisition, the Club assess the fair value of all assets and liabilities. Gains from increase in fair value of property acquired has been recognised in other comprehensive income, consistent with the Club's policy for property, plant and equipment.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. Subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (b) Revenue and other income

##### **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; and
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.

The revenue recognition policies for the principal revenue streams of the Club are:

##### ***Sale of goods and poker machine income***

Revenue is recognised at the point the customer purchases the goods and services at the venue. Payment of the transaction price is due immediately at the time of purchase.

##### ***Commissions income***

Commissions income is recognised over the period in which the related services are rendered.

##### ***Membership subscriptions***

Membership services requires the subscription payment to be made upfront. A contract liability is recognised on receipt of the payment and recognised on a straight-line basis as revenue as the services are provided.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (b) Revenue and other income

##### *Government COVID-19 stimulus income*

Income received is recognised in the period in which they are incurred. This is generally consistent with when the Club becomes entitled to receive the income.

##### *Functions income*

Revenue from functions is recognised at the point the venue is used and purchases of goods at the venue. Payment of the transaction price is due immediately at the time of purchase.

##### *Accommodation income*

Accommodation income is recognised at the point the customer arrives and check-in is completed. Payment of the transaction price is due immediately at the time of check-in.

#### (c) Borrowing costs

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

#### (d) Income Tax

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

#### (e) 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 payables are stated inclusive of GST.

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

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 ATO is classified as operating cash flows.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (f) 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.

#### (g) 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.

#### Right-of-use asset

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.

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 or the useful life of the asset, on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (g) Leases

##### Lease liability

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.

#### (h) 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 is 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.

#### (i) Property, plant and equipment

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

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (i) Property, plant and equipment

##### *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.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5%
Capital improvements	20%
Plant, machinery and motor vehicles	8.3 - 20%
Furniture, Fixtures and Fittings	10 - 20%
Course development	4 - 10%

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

#### (j) Financial instruments

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

##### *Financial assets*

All recognised financial assets are subsequently measured in their entirety at amortised cost.

##### *Classification*

On initial recognition, the Club classifies its financial assets measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (j) Financial instruments

##### *Financial assets*

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Club's financial assets measured at amortised cost comprise trade and other receivables, other financial assets and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Club's historical experience and informed credit assessment and forward looking information.

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (j) Financial instruments

##### *Financial assets*

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in bad debt expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Club renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### *Financial liabilities*

The Club measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade and other payables, bank loans and lease liabilities.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (k) Impairment of non-financial assets

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

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

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

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

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

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

#### (l) Employee benefits

##### *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (l) Employee benefits

##### *Other long-term employee benefit obligations*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Club does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (m) Going concern

The financial report of the Club has been prepared on the going concern basis which assumes that assets will be realised and liabilities extinguished on normal terms and conditions. The Club recorded a surplus of \$270,614 for the year (2020: deficit of \$363,996). As at 30 June 2021 the Club had a deficiency in working capital (current liabilities exceed current assets) of \$1,730,015 (2020: \$1,397,505).

The Club has access to an financing facilities of \$1,194,286 (2020: \$394,752) which had not been drawn upon as at 30 June 2021 [refer note 13(b)]. Also, included in current liabilities are employee provisions of \$399,563 (2020: \$225,556), which are not expected to be paid during the coming 12 months – notwithstanding that the Club has no legal right to defer payment as so has been treated as a current liability.

Notably, the Club generated strong operating cashflows during the year of positive \$1,138,885 (2020: \$824,633) notwithstanding the limited operations of the Club during the COVID-19 pandemic where the Club's performance and financial position had been adversely impacted for these 2 years.

The directors have prepared detailed operating budgets for the year ending 30 June 2022 that indicate that the Club will meet ongoing financial requirements, operate within its current financial facilities and continue as a going concern. The directors are of the view that the operating budgets prepared support the going concern basis of preparation.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (n) Intangible Assets

##### *Poker machine licences*

Purchased poker machine licences are initially recognised at cost. They have an indefinite life and are carried at cost in accordance with the licence terms.

Poker machine licences are not amortised but are tested for impairment annually. Any losses are recognised to the profit and loss.

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

##### *Other intangible assets*

Other intangible assets that are acquired by the Club, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

##### *Amortisation*

Amortisation is calculated on the cost of the asset, less its residual value.

Amortisation is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current period for software is 2 - 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate.

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

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

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 3 Critical Accounting Estimates and Judgements

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.

The significant estimates and judgements made have been described below:

#### ***Key estimates - impairment of property, plant and equipment and intangibles***

The Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### ***Key estimates - useful lives of depreciable assets***

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment or intangible asset.

#### ***Key estimates - employee benefits***

As described in the accounting policies, long service leave 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.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 4 Revenue and Other Income

	2021	2020
	\$	\$
<b>Revenue from contracts with customers</b>		
- Sale of goods	3,714,684	2,928,654
- Poker machine revenue	2,146,748	495,242
- Golf revenue and pro-shop revenue	1,659,662	1,390,364
- Accommodation income	1,258,204	1,127,489
- Member subscriptions	785,305	692,746
- Functions income	190,009	131,959
- TAB and KENO commission income	29,166	12,541
	<u>9,783,778</u>	<u>6,778,995</u>
<b>Other income</b>		
- Government COVID-19 stimulus income	442,222	438,607
- Gain on disposal of assets	-	11,818
- Other income	282,626	52,512
	<u>724,848</u>	<u>502,937</u>
	<u>10,508,626</u>	<u>7,281,932</u>

### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated; the following table shows this breakdown:

#### Timing or revenue recognition

- At a point in time	8,998,473	6,086,249
- Over time	785,305	692,746
<b>Revenue from contracts with customers</b>	<u>9,783,778</u>	<u>6,778,995</u>

# Wollongong Golf Club Limited

ABN: 20 000 740 983

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 5 Result for the Year

	Note	2021 \$	2020 \$
Superannuation		298,695	217,951
Cost of goods sold		1,835,791	1,525,289

### 6 Cash and Cash Equivalents

Cash on hand		14,295	60,000
Bank balances		622,480	616,875
		<u>636,775</u>	<u>676,875</u>

### 7 Trade and other receivables

Trade receivables		61,741	31,400
Provision for impairment	(a)	-	-
		<u>61,741</u>	<u>31,400</u>
Other receivables		48,381	214,476
		<u>110,122</u>	<u>245,876</u>

#### (a) Impairment of receivables

The Club applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2021 has been assessed as being trivial and hence no provision considered necessary.

### 8 Inventories

Finished goods at cost		<u>186,008</u>	<u>110,826</u>
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# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 9 Leases

#### Club as a lessee

The Club has leases over a range of assets including land, machinery and motor vehicles. Information relating to the leases in place and associated balances and transactions are provided below.

#### *Terms and conditions of leases*

#### Land

The Club has entered into 2 leases for separate parcels of land.

The first being for a term of 20 years commencing in January 2016. Lease payments of \$26,500 per annum (excluding GST) are payable in advance.

The second lease commenced in December 2007 and is for a period of 25 years. The minimum lease payments are \$1 per annum. The Club has the option to renew the lease for a further term of 25 years. The land forms part of the Club's golf course and is essential in generating income for the Club.

#### Machinery and Motor Vehicles

The Club entered into a number of lease agreements for the lease of machinery, poker machines and motor vehicles. These generally are for a period of 4 years from date of commencement.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 9 Leases

#### Right-of-use assets

	Land	Machinery and motor vehicles	Poker Machines	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>				
Balance at beginning of year	310,737	120,439	-	431,176
Remeasurement of assets	(30,945)	88	-	(30,857)
Additions during the year	-	57,305	-	57,305
Assets acquired through amalgamation	-	-	164,087	164,087
Amortisation charge	(18,051)	(40,556)	(50,295)	(108,902)
<b>Balance at end of year</b>	<b>261,741</b>	<b>137,276</b>	<b>113,792</b>	<b>512,809</b>

#### Year ended 30 June 2020

Balance at beginning of year	-	-	-	-
Initial adoption of AASB 16 at 1 July 2019	330,785	107,522	-	438,307
Additions during the year	-	75,409	-	75,409
Amortisation charge	(20,048)	(62,492)	-	(82,540)
<b>Balance at end of year</b>	<b>310,737</b>	<b>120,439</b>	<b>-</b>	<b>431,176</b>

#### Lease liabilities

	2021	2020
	\$	\$
Current	115,803	68,871
Non-current	346,564	367,617
<b>Total</b>	<b>462,367</b>	<b>436,488</b>

# Wollongong Golf Club Limited

ABN: 20 000 740 983

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 9 Leases

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities
	\$	\$	\$	\$
<b>2021</b>				
Lease liabilities	<b>94,485</b>	<b>199,684</b>	<b>251,712</b>	<b>545,881</b>
<b>2020</b>				
Lease liabilities	78,267	188,784	273,833	540,884

#### Extension options

At commencement date and each subsequent reporting date, the Club assesses where it is reasonably certain that the extension options will be exercised.

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Club is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	<b>20,418</b>	14,988
Depreciation of right-of-use assets	<b>108,902</b>	82,540
	<b>129,320</b>	97,528

#### Statement of Cash Flows

Total cash outflow for leases	<b>164,656</b>	104,470
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# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 10 Intangible Assets

	Note	2021 \$	2020 \$
Computer software			
Cost		165,105	165,105
Accumulated depreciation		(132,085)	(109,467)
		<u>33,020</u>	<u>55,638</u>
Poker machine entitlements	2(n)	1,040,000	60,000
		<u>1,073,020</u>	<u>115,638</u>

#### *Movements in carrying amounts of intangible assets:*

##### **Computer software**

Balance at the beginning of the year		115,638	113,907
Transfer through amalgamation	18	980,000	-
Additions		-	22,578
Amortisation		(22,618)	(20,847)
<b>Closing value at 30 June 2021</b>		<u>1,073,020</u>	<u>115,638</u>

# Wollongong Golf Club Limited

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 11 Property, plant and equipment

	2021	2020
	\$	\$
Land and buildings		
At cost	24,297,904	17,086,859
Accumulated depreciation	<u>(4,719,427)</u>	<u>(4,207,038)</u>
	<u>19,578,477</u>	<u>12,879,821</u>
Capital improvements		
At cost	39,310	39,310
Accumulated depreciation	<u>(22,325)</u>	<u>(19,494)</u>
	<u>16,985</u>	<u>19,816</u>
Furniture, fixtures and fittings		
At cost	6,659,634	1,112,088
Accumulated depreciation	<u>(5,704,128)</u>	<u>(722,316)</u>
	<u>955,506</u>	<u>389,772</u>
Plant, machinery and vehicles		
At cost	5,449,694	2,183,295
Accumulated depreciation	<u>(4,855,617)</u>	<u>(1,704,451)</u>
	<u>594,077</u>	<u>478,844</u>
Course development		
At cost	2,087,125	2,041,571
Accumulated depreciation	<u>(333,899)</u>	<u>(249,707)</u>
	<u>1,753,226</u>	<u>1,791,864</u>
<b>Total property, plant and equipment</b>	<u><u>22,898,271</u></u>	<u><u>15,560,117</u></u>

# Wollongong Golf Club Limited

ABN: 20 000 740 983

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 11 Property, plant and equipment

#### (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 and buildings	Plant, machinery and vehicles	Furniture, fixtures and fittings	Capital improvements	Course development	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>						
Opening balance	12,879,821	478,844	389,772	19,816	1,791,864	15,560,117
Assets acquired upon amalgamation	7,119,565	257,022	455,549	-	-	7,832,136
Additions	113,360	138,898	340,473	-	45,554	638,285
Disposals	-	(148,215)	(22,602)	-	-	(170,817)
Depreciation expense	(534,269)	(132,472)	(207,686)	(2,831)	(84,192)	(961,450)
<b>Balance at the end of the year</b>	<b>19,578,477</b>	<b>594,077</b>	<b>955,506</b>	<b>16,985</b>	<b>1,753,226</b>	<b>22,898,271</b>

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 11 Property, plant and equipment

#### (b) Core and non-core property

As required under section 41J of the *Registered Clubs Act 1976*, the Club is required to specify the core property and non-core properties owned as at the end of the financial year. Core property includes the defined premises of the Club and any facilities provided for Club members and their guests. Accordingly, all land and building assets owned by the Club is defined as core property.

### 12 Trade and Other Payables

	2021	2020
	\$	\$
Trade payables	449,391	423,060
Contract liabilities - income in advance	858,844	808,863
Other payables	461,794	673,915
	<u>1,770,029</u>	<u>1,905,838</u>

### 13 Borrowings

#### CURRENT

Bank loan	<u>395,640</u>	260,790
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#### NON-CURRENT

Bank loan	<u>3,594,284</u>	4,784,210
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# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 13 Borrowings

#### (a) *Facilities available*

	2021	2020
	\$	\$
<b>Finance facilities available</b>		
Overdraft	300,000	300,000
Leasing facility	100,000	100,000
Business loan	4,784,210	5,045,000
	<u>5,184,210</u>	<u>5,445,000</u>
<b>Facilities not utilised at reporting date</b>		
Overdraft	300,000	294,752
Leasing facility	100,000	100,000
Business loan	794,286	-
	<u>1,194,286</u>	<u>394,752</u>

#### (b) *Security details*

The bank facilities are secured by the following:

- security interest and charge over all the of the present and future rights, property and undertakings of the Club;
- registered mortgage over the Club's property at Ross Street, Wollongong NSW 2500

Hire purchase/lease liabilities (refer to note 9) are secured over the plant and equipment subject to the respective agreements. Arrangements have original terms of between four and five years.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 14 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Provision for annual leave	289,835	195,050
Provision for long service leave	109,728	30,506
	<u>399,563</u>	<u>225,556</u>
NON-CURRENT		
Provision for long service leave	<u>36,645</u>	<u>58,537</u>

### 15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Club was \$ 737,100 (2020: \$ 528,245).

### 16 Related Parties Transactions

Related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

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

Immediate family members of key management personnel are employed by the Club on an arms-length basis, under formal employment agreements. Accordingly, no further disclosure of their remuneration is considered relevant or necessary.

In 2020, workplace and health services totalling \$5,000 were provided by an entity in which a director is a Principal (2021: \$NIL). No balances were outstanding at either reporting date.

### 17 Reserves

#### Amalgamation reserve

The amalgamation reserve represents the net fair value of all assets and liabilities transferred to the Company upon amalgamating with the Wollongong Ex-services Club Limited (refer note 18).

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 18 Amalgamation

On 1 November 2020, the Wollongong Ex-Services Club Limited (ABN: 39 001 003 854) transferred all its assets and liabilities to the Club, following the approval of the amalgamation by the members of both entities.

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Acquiree's carrying amount	Fair value
	\$	\$
<i>Assets and liabilities acquired:</i>		
Cash and cash equivalents	731,167	731,167
Trade and other receivables	13,612	13,612
Inventories	28,917	28,917
Other financial assets	750	750
Intangible assets	-	980,000
Property plant, equipment and right of use assets	6,506,218	7,996,223
Prepayments	110,676	110,676
Trade and other payables	(479,021)	(479,021)
Employee benefits	(374,658)	(374,658)
<b>Total net identifiable assets</b>	<b>6,537,661</b>	<b>9,007,666</b>

The fair value amounts represent the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction in the principal market at the acquisition date.

The valuation techniques used for intangible assets, property plant and equipment and right of use assets was consistent with *Note 2 - Summary of Significant Accounting Policies*.

There was no consideration paid or payable to the Wollongong Ex-Services Club Limited or its members in respect of the amalgamation. Instead, members of the Wollongong Ex-Services Club Limited were provided equal social membership rights in the Club on acquisition date. As both entities are not-for-profit organisations and members do not have rights to distribution of profits, the value of the Club's membership rights are deemed to be equivalent value of the fair value of net assets received on acquisition date. Hence, there was no goodwill or gain on amalgamation.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 19 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2021 (30 June 2020: Nil).

### 20 Commitments

#### Contractual commitments

Wollongong Golf Club Limited has placed an order for additional plant and equipment for \$628,297 (ex GST).

### 21 Events Occurring After the Reporting Date

The financial report was authorised for issue on 20 September 2021 by the Directors.

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Club is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Club.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has 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 subsequent financial periods.

### 22 Statutory Information

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

151 - 161 Corrimal Street, Wollongong NSW 2500.

# Wollongong Golf Club Limited

ABN: 20 000 740 983

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## Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 34, 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 30 June 2021 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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.

Adam Giddings  
President

Dated 20 September 2021



## Independent Audit Report to the members of Wollongong Golf Club Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Wollongong Golf Club Limited ("the Club"), which comprises the balance sheet as at 30 June 2021, 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 Club is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 30 June 2021 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 Club 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Wollongong

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Liability limited by a  
Scheme approved under  
Professional Standards  
Legislation.





## **Independent Audit Report to the members of Wollongong Golf Club Limited**

### **Information other than the Financial Report and Auditor's Report**

The directors are responsible for the other information. The other information comprises the Directors' report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

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

The directors of the Club 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 Club'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 Club 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.



## **Independent Audit Report to the members of Wollongong Golf Club Limited**

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

Daley Audit

Michael Mundt  
Partner

Wollongong

Dated: 20 September 2021

Liability limited by a scheme approved under Professional Standards Legislation.