
Rosnay Golf Club Limited

ABN: 36 000 507 764

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 June 2017**

Rosnay Golf Club Limited

ABN: 36 000 507 764

CONTENTS

Directors' Report
Directors' Declaration
Auditor's Independence Declaration
Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Notes to the Financial Reports
Independent Auditor's Report to the Members
Trading Statement
Detailed Profit & Loss Statement
Statement of Cash Flows

Directors' Report

Your directors present their report on the financial statements of Rosnay Golf Club Limited ('the company') for the year ended 30 June 2017.

INFORMATION ON DIRECTORS

The names of directors who held office at any time during, or since the end of, the year are set out below together with any information on each director's experience, qualification and special responsibilities are set out below:

<i>Name of Director</i>	<i>Position</i>	<i>Qualification</i>	<i>Years as Directors</i>	<i>Date Appointed</i>	<i>Date Resigned</i>
Chris Hagarty	Captain	Roofing Contractor	0.3	12/03/2017	
Bill Hoy	Director Vice President	Retired	0.7 current 7.7 previous	21/10/2016 12/03/2017	12/03/2017
Vanetha Lam	Captain Director	Retired	2.0	22/06/2015 12/03/2017	12/03/2017 30/06/2017
Adrian Seward	President	Manager	3.7	27/10/2013	
Michael Sipari	Vice President Director	Driver	4.7	31/10/2012 12/03/2017	12/03/2017
Matini Tuiono	Director	Driver	4.7	31/10/2012	
Paul J Williams	Director	Retired	0.3	12/03/2017	

MEETINGS OF DIRECTORS

During the financial year, meetings of directors were held and attended as follows:

<i>Director's Meeting Attendance</i>		
<i>Director</i>	<i>Held</i>	<i>Attended</i>
Chris Hagarty	4	3
Bill Hoy	9	8
Vanetha Lam	12	9
Adrian Seward	12	12
Michael Sipari	12	10
Matini Tuiono	12	10
Paul J Williams	4	3

COMPANY SECRETARY

Mr Marc Eisenhauer resigned as Secretary in February 2016 and no replacement has been made.

CORPORATE INFORMATION

The club is a 'not for profit' entity, registered as a company limited by guarantee. It does not issue shares to its members. Under its constitution it does not have the capacity to issue dividends to its members. Any surplus on winding up will be distributed to an organisation which has similar objects as dictated by the Constitution.

The club has varying classes of membership as set out below.

If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the company. At June 30, 2017 the number of members was 301 (2016:431).

DETAILS ON MEMBERS

Each class of membership in the company:

Class	Number	
	2017	2016
Life members	7	7
Full members	241	348
Social members	47	63
Junior members	6	13
Total	301	431

Whilst the number of members reduced by 130, 45 of these were because of correction to invalid data in the membership database.

Rosnay Golf Club Limited
ABN 36 000 507 764
Directors' Report

SHORT AND LONG TERM OBJECTIVES OF THE CLUB

The club's objectives are to focus on the development and delivery of premium club facilities and services to its members and guests.

STRATEGY FOR ACHIEVING THOSE OBJECTIVES

The strategy for achieving the objectives of the company during the financial year was to operate as a licensed club. No significant changes in the nature of these activities occurred during the year.

HOW THOSE ACTIVITIES ASSISTED IN ACHIEVING THE CLUB'S OBJECTIVES

The surplus of the club, after meeting the needs of the debt reduction program have been employed to improving club facilities.

HOW THE CLUB MEASURES ITS PERFORMANCE

The club measures its performance based on:

- a. The number of members and guests that the club has attracted in the year
- b. On the level of surplus generated by each of its key operating segments which enables the funds to be available for meeting the objectives.

OPERATING RESULTS:

The profit (loss) of the Company for the year after providing for income tax was \$(23,984) loss (2016: \$(10,317) loss.)

	2017	2016
Operating profit (loss) before depreciation and amortisation, gain on disposal and finance charges:	2,407	\$ 16,732
Less:		
Depreciation and amortisation expense	-21,036	-22,896
Finance charges	-5,355	-4,153
Operating (loss) before income tax expense	<u>-23,984</u>	<u>-10,317</u>

Operating profit (loss) before depreciation and amortisation, gain on disposal of fixed assets and finance charges decreased by \$14,325 (loss) (2016: \$92,973 profit).

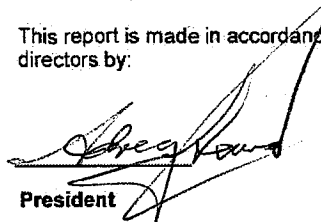
The significant factor affecting the performance was reduced trading in the area of bar trading.

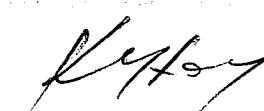
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this report on the following page.

RESOLUTION

This report is made in accordance with the resolution of Board of directors and is signed for and on behalf directors by:


President


Director

Signed and dated this 26th day of NOVEMBER 2017

Rosnay Golf Club Limited
ABN 36 000 507 764
Directors' Declaration

In accordance with a resolution of the directors of Rosnay Golf Club Limited, the directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the period ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for an behalf of the directors by:


.....
Director

Dated: 26/11/2017

Rosnay Golf Club Limited
ABN 36 000 507 764

Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001
To the Directors of Rosnay Golf Club Limited

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2017 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Name of Firm: M J Dunn & Co

Name of Partner: Michael J Dunn

Address: PO Box 4533 LAKE HAVEN NSW 2263

Signed: 

Michael J Dunn - M J Dunn & Co

Dated: 24 NOVEMBER 2017

Statement of Comprehensive Income

For the year ended 30 June 2017

	Note	This Year	Last Year
Revenue	2	239,703	326,372
Other income	2	522,625	276,876
Raw materials and consumables used		(86,407)	(101,463)
Employee benefits expenses	3	(152,516)	(197,025)
Depreciation and amortisation expenses	4	(21,036)	(22,896)
Bad and doubtful debts expenses	5	(277,727)	
Auditor's remuneration	6	(4,045)	(8,225)
Rental and lease expenses	7	(85,190)	(71,080)
Finance costs	8	(5,355)	(4,153)
Other expenses	9	(154,036)	(208,723)
Profit(Loss) for the year		<u>(23,984)</u>	<u>(10,317)</u>
Profit(Loss) attributable to members of the entity		<u>(23,984)</u>	<u>(10,317)</u>

Rosnay Golf Club Limited
 ABN 36 000 507 764
Statement of Financial Position
 As at 30 June 2017

	Note	This Year	Last Year
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	21,121	39,699
Trade and other receivables	11	36,632	7,892
Inventories	12	7,710	7,390
TOTAL CURRENT ASSETS		65,462	54,981
NON-CURRENT ASSETS			
Property, plant and equipment	13	2,147,616	1,078,125
TOTAL NON-CURRENT ASSETS		2,147,616	1,078,125
TOTAL ASSETS		2,213,079	1,133,105
LIABILITIES			
CURRENT LIABILITIES			
Bank overdrafts	14	91,828	50,200
Trade and other payables	15	170,335	159,560
TOTAL CURRENT LIABILITIES		262,163	209,760
NON-CURRENT LIABILITIES			
Provisions	16	8,059	16,503
TOTAL NON-CURRENT LIABILITIES		8,059	16,503
TOTAL LIABILITIES		270,221	226,264
NET ASSETS		1,942,857	906,842
EQUITY			
Reserves	17	1,353,439	293,439
Retained earnings	18	589,418	613,403
TOTAL EQUITY		1,942,857	906,842

The accompanying notes form part of these financial statements.

Rosnay Golf Club Limited

ABN 36 000 507 764

Statement of Changes in Equity

For the year ended 30 June 2017

	Note	Share Capital	Retained Earnings	Reserves	Total
Balance at 01-Jul-15		0	623,719	293,439	917,158
Net deficit for the period			-10,316		-10,316
Other comprehensive income for the period	17				
Total comprehensive income for the period attributable to members of the entity		0	-10,316	0	-10,316
Balance at 30-Jun-16		0	613,403	293,439	906,842
Balance at 01-Jul-16		0	613,403	293,439	906,842
Net deficit for the period			-23,984		-23,984
Revaluation of Land	17			1,060,000	1,060,000
Total comprehensive income for the period attributable to members of the entity		0	-23,984	1,060,000	1,036,016
Balance at 30-Jun-17		0	589,418	1,353,439	1,942,857

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial statements for the year ended 30 June 2017 were authorised in accordance with a resolution of the directors as required by the Corporations Act 2001. The financial report is presented in Australian dollars. The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The directors have determined that Rosnay Golf Club Limited is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards - reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit private sector entity that does not have public accountability. As such, the directors have early adopted AASB 2010-2 Amendments to Australian Accounting Standards Arising From Reduced Disclosure Requirements from 1 July 2010. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 2010-2 has had no impact on amounts recognized in the financial statements and related notes because it merely requires less disclosures for these general purpose financial statements, which have been prepared using Australian Accounting Standards - Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

The Basis of Accounting

The financial report has been prepared on an accruals basis and is based on historical costs. Cost is on the fair values of the consideration given in exchange for assets.

The financial accounts do not take into account changing money values or current valuations of non-current assets, except for the valuation of land and buildings.

The accounting policies have been consistently applied, unless otherwise stated. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

a) Going concern

The company's ability to continue as a going concern is dependent on its ability to generate future cash surpluses from operation. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable. The company has undrawn finance facilities available and has met the covenants on the loans and overdraft facilities during the year.

b) Property, Plant & Equipment

Property is stated at independent or director's valuation, less, where applicable, any accumulated amortisation, depreciation and accumulated provision for impairment.

Plant and equipment are brought to account at cost, less any accumulated depreciation or amortisation.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity, commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are amortised over shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**b) Property, Plant & Equipment (continued)**

The rates applied to the classes of assets are:

<i>Class</i>	<i>Method</i>	<i>Rate</i>
Poker machines	Straight Line	25%
Bar Equipment	Straight Line	10 - 13%
Keno Equipment	Straight Line	10%
Furniture & Fittings	Straight Line	10 - 25%
Plant and Equipment	Straight Line	10 - 40%
Kitchen Equipment	Straight Line	10 - 25%
Golf Equipment	Straight Line	10 - 25%
Buildings	Straight Line	2.50%

The gain or loss on disposal of all property, plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal and is included in the results in the year of disposal.

c) Impairment of Assets

At the end of each reporting date the company assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate a recoverable amount for an individual asset, a recoverable amount is determined for the cash-generating unit to which the asset belongs.

d) Inventories

Inventories are valued at the lower cost and net realisable value.

Cost is determined on the first in first out basis.

e) Employee Entitlements

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the end of the reporting period are recognised in respect of employees' services rendered up to the end of the reporting period and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for leave entitlements and accrual for wages and salaries are included as part of the payables.

Liabilities for long service leave are recognised as part of the provision and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period using the projected unit credit method.

f) Income Tax

The Income Tax Assessment Act provides that the company is liable for tax only on non-member income and income tax expense has been provided for as calculated by this special formula. Tax effect accounting has been adopted. Deferred Tax Assets available in the form of provisions for staff leave and long service leave have not been recognised as an asset in the accounts due to the relatively low and variable recovery of the tax benefits.

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality, Clubs are only liable for income derived from non-members and from outside entities.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Australian Government has amended the Income Tax Assessment Act 1997 following a decision handed down by the Full Federal Court in the case of Coleambally Irrigation Mutual Cooperative Limited v Commissioner of Taxation which found against the principle of mutuality. The principle of mutuality has historically been used to calculate the club's taxable income. The Government released Tax Laws Amendment (2005 Measure no 6) Bill 2005 to amend the income tax law to restore the long standing benefits of the mutuality principle to certain not-for-profit organizations. This Bill was passed by the Senate 1 March 2006 and received Royal Assent on 29 March 2006. The Australian Taxation Office has issued a Press Release which states that it has decided to take no review action on this issue that would affect the income tax liability of any not-for-profit organisation that has complied with the Tax Office's long-term practice for years prior to the law being changed. As a result of the legislation, no adjustment reflecting denial of the principle of mutuality has been brought into account for the year ended 30 June 2017 on the grounds that it is not believed necessary.

g) Goods and Services Tax (GST)

Revenues and expenses are recognized net of GST except where GST incurred on a purchase of goods and Services is not recoverable from the taxation authority, in which case the GST is recognized as part of the cost of acquisition of the asset or as part of the expense item.

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

Cash flows are included in the statement of cash flows 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 are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

h) Sales and Gaming Revenue

Sales revenue and revenue from gaming activities is recognized as income on a receipts basis.

i) Subscriptions from Members

Subscriptions are accounted for as Income in the period to which they relate. Subscriptions received in advance for future periods are brought to account as a current liability.

Subscriptions outstanding are not brought to account where recoverability is not assured.

"Rosnay dollars" acquired on membership renewal are initially accounted for as deferred income and recognized as income periodically as the benefits are received.

j) Member benefits from promotions and awards

Golf vouchers awarded to members and guests are initially recognized as expenses and a liability recorded in the financial records. When the voucher is redeemed, the liability is released on receipt of the invoice from the Golf shop.

k) Interest-Bearing Liabilities

All loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the loans and borrowings using the effective interest method. All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Notes to the Financial Statements

For the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Borrowing Costs

Borrowing costs incurred for the construction of a qualifying asset are capitalised during the period of time that it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed when incurred.

m) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and cash at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

n) Accounting estimates and Judgments

Critical Judgments

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

Management have made the following judgments when applying the Club's accounting policies:

Impairment

The Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Impairment of the buildings in excess of normal amortisation over the useful life is not considered necessary as the club valuation supports the value of the premises in excess of the value stated in the statement of financial position.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2: Revenue and Other Income

	Note	This Year	Last Year
REVENUE			
SALES REVENUE			
Bar		180,824	241,867
TOTAL SALES REVENUE		180,824	241,867
OTHER REVENUE			
Poker machines		41,484	67,821
Keno		12,415	12,239
TAB		4,980	4,445
TOTAL OTHER REVENUE		58,879	84,505
TOTAL REVENUE		239,703	326,372
OTHER INCOME			
Subscriptions		100,439	131,209
Golf trading		62,491	92,468
GST assistance payment		3,201	6,111
Other operating income		1,493	6,388
Interest received		1	4
(Repayment of) / Proceeds from borrowings (NET)		0	734
Total other revenue		0	39,962
Non operating income	2(a)	355,000	0
TOTAL OTHER INCOME		522,625	276,876

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2(a)**Non operating income \$355,000**

This is the full sale value of 4 poker machine entitlements made during the year as approved by the members.

Note 3: Employee Benefits Expenses

	This Year	Last Year
EMPLOYEE BENEFITS EXPENSES		
Provision for Long Service Leave	-5,663	0
Staff expenses	158,179	197,025
TOTAL	152,516	197,025

Note 4: Depreciation and Amortisation Expenses

	This Year	Last Year
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation - Land & Buildings	5,998	4,706
Depreciation - Plant & Equipment	11,204	13,764
Depreciation - Furniture & Fittings	437	526
Depreciation - Poker Machines	3,397	3,900
TOTAL	21,036	22,896

Notes to the Financial Statements

For the year ended 30 June 2017

Note 5: Bad and Doubtful Debts Expenses

	Note	This Year	Last Year
BAD AND DOUBTFUL DEBTS EXPENSES			
Provision for Doubtful Debts	5(a)	277,727	0
TOTAL		277,727	0

Note 5(a)

It is considered that the monies owed for the Sale of the Poker Machine entitlements by the procuring Agent may not be recovered in full in the immediate future.

Note 6: Auditor's Remuneration

	This Year	Last Year
REMUNERATION OF THE AUDITOR OF THE ENTITY:		
Remuneration of the auditor	4,045	8,225
TOTAL REMUNERATION OF THE AUDITOR	4,045	8,225

Notes to the Financial Statements

For the year ended 30 June 2017

Note 7: Rental and Lease Expenses

	Note	This Year	Last Year
RENTAL AND LEASE EXPENSES			
Premises	(7a)	85,190	71,080
TOTAL		85,190	71,080

Note 7(a) - Breakdown Premises

	\$
Cleaning	31,310
Lease - Car park	1,666
Lease - Deck	544
Pest control	220
R & M	10,757
R & M Bar	9,128
Rates	8,680
Rent	2,917
Security	3,237
Telephone	2,825
Utilities	13,906
	<u>85,190</u>

Note 8: Finance Costs

	This Year	Last Year
FINANCE COSTS		
Interest paid - borrowings	5,355	4,153
TOTAL	5,355	4,153

Notes to the Financial Statements

For the year ended 30 June 2017

Note 9: Other Expenses

	Note	This Year	Last Year
OTHER EXPENSES			
Administration Expenses		39,212	81,082
Bank Charges		2,402	220
Direct Costs		15,072	29,706
Insurances		24,629	20,106
Player Costs	9(b)	57,283	77,609
Cash shortages	9(a)	15,438	0
TOTAL		154,036	208,723

Note 9(a)**Cash shortages \$15,438**

Differences in actual Cash Reserves held to the physical count of all cash at 30th June 2017 revealed an overall shortage.

Note 9(b) – Breakdown Player Costs

	\$
Affiliation fees	8,380
Clubs NSW	2,507
Duck Friday	2,208
General costs	1,612
Printing & stationary	1,178
Prizes & vouchers	35,889
Rep Teams costs	3,977
Subscriptions & memberships	1,533
	<u>57,283</u>

Notes to the Financial Statements

For the year ended 30 June 2017

Note 10: Cash and Cash Equivalents

	This Year	Last Year
CURRENT		
Cash at bank and in hand	21,121	39,699
TOTAL CURRENT	<u>21,121</u>	<u>39,699</u>
TOTAL	<u>21,121</u>	<u>39,699</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS

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

	Note	This Year	Last Year
Cash and cash equivalents		21,121	39,699
Bank overdrafts	10(a) & 14	-91,828	-50,200
		<u>-70,707</u>	<u>-10,502</u>

Note 10 (a)

The company has an overdraft facility with Sydney Credit Union Limited of \$120,000 (2016: \$70,000).

The overdraft facility and loan with Sydney Credit Union Limited are secured by a first mortgage charge over Club premises at 3-5 Weymouth Avenue, Auburn NSW, plus registered equitable mortgage and floating charge over assets and undertakings of the club.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 11: Trade and Other Receivables

	This Year	Last Year
CURRENT		
Trade Debtors	305,977	0
Less Prov'n for Doubtful Debts	-277,727	0
Sundry Debtors & Prepayments	7,568	7,078
GST Adjustment	814	814
TOTAL CURRENT	<u>36,632</u>	<u>7,892</u>
TOTAL	<u><u>36,632</u></u>	<u><u>7,892</u></u>

Note 12: Inventories

	This Year	Last Year
CURRENT		
Trading Stock on Hand (at lower of Cost and Net Realisable Value)	7,710	7,390
TOTAL CURRENT	<u>7,710</u>	<u>7,390</u>
TOTAL	<u><u>7,710</u></u>	<u><u>7,390</u></u>

Notes to the Financial Statements

For the year ended 30 June 2017

Note 13: Property, Plant and Equipment

	Note	This Year	Last Year
Freehold Land			
Land - at Fair Value	13(a)	1,500,000	440,000
TOTAL FREEHOLD LAND		1,500,000	440,000
Club House - at deemed cost			
At cost		557,725	557,725
TOTAL		557,725	557,725
Renovations - at cost			
At cost		217,240	188,257
Less Accumulated Depreciation (L&B)		-184,097	-178,099
TOTAL		33,142	10,157
Plant and Equipment			
At cost		254,803	253,258
Less Accumulated Depreciation (P&E)		-204,148	-192,943
TOTAL		50,655	60,314
Furniture and Fittings			
At cost		172,701	172,701
Less Accumulated Depreciation (F&F)		-171,749	-171,311
TOTAL		952	1,389

Notes to the Financial Statements

For the year ended 30 June 2017

Note 13: Property, Plant and Equipment (continued)

	This Year	Last Year
Poker Machines		
At cost	116,069	116,068
Less Accumulated Depreciation (PM)	-110,927	-107,530
TOTAL	5,141	8,538
TOTAL PROPERTY, PLANT AND EQUIPMENT	2,147,616	1,078,124

Movement in asset balances during the year were

2017		Land & Buildings	Poker Machines	Plant & Equipment	Furniture & Fittings	Total
	Note					
Opening balance		1,007,883	8,538	60,314	1,389	1,078,125
Adjustment						0
Adjusted Opening balance		1,007,883	8,538	60,314	1,389	1,078,125
Purchases in the Year		28,982		1,545		30,528
Land revaluation 2017	13(a)	1,060,000				1,060,000
Disposal of Assets						0
Depreciation & amortisation charges		-5,998	-3,397	-11,204	-437	-21,036
Balance at the End of Year		2,090,867	5,141	50,655	951	2,147,616

Notes to the Financial Statements

For the year ended 30 June 2017

2016	Land & Buildings	Poker Machines	Plant & Equipment	Furniture & Fittings	Total
Opening balance	1,012,589	3,489	50,655	441	1,067,174
Adjustment			-883	883	0
Adjusted Opening balance	1,012,589	3,489	49,772	4,324	1,067,174
Purchases in the Year		8,950	24,306	591	33,847
Disposal of Assets					0
Depreciation & amortisation charges	-4,706	-3,900	-13,764	-526	-22,896
Balance at the End of Year	1,007,883	8,539	60,314	1,389	1,078,125

Note 13(a) Revaluation of Land

An independent valuation was made during the year of the Club land area only at Weymouth Avenue. The value provided by this report is \$1,500,000

Note 14: Bank Overdrafts

	This Year	Last Year
CURRENT		
Bank Overdraft	91,828	50,200
TOTAL CURRENT	91,828	50,200
TOTAL	91,828	50,200

Note 15: Trade and Other Payables

Notes to the Financial Statements

For the year ended 30 June 2017

	This Year	Last Year
CURRENT		
Trade Creditors	69,498	78,729
Sundry Creditors & Accruals	50,065	23,529
Member subscriptions in advance	50,771	57,302
TOTAL CURRENT	170,335	159,560
TOTAL	170,335	159,560

Note 16: Provisions

PROVISIONS	This Year		Last Year		
NON-CURRENT					
Provision for Long Service Leave	8,059		13,721		
Provision for Annual Leave	0		2,782		
Total non-current provisions	8,059		16,503		
TOTAL PROVISIONS	8,059		16,503		
ANALYSIS OF PROVISIONS	Employee Benefits	Warranties	Dividends	Other	Total
Opening balance at 01-Jul-16	16,503	0	0	0	16,503
Amounts used	-8,445	0	0	0	-8,445
Closing balance at 30-Jun-17	8,059	0	0	0	8,059

Provision for employee benefits

Notes to the Financial Statements

For the year ended 30 June 2017

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 17: Reserves

	Note	This Year	Last Year
RESERVES			
ASSET REALISATION RESERVE			
Opening balance		293,439	293,439
Realised profits on sales of assets	13	0	0
Revaluation of Land		1,060,000	0
Movement in asset realisation reserve		<u>1,060,000</u>	<u>0</u>
The asset realisation reserve records realised gains on sales of non-current assets.			
TOTAL RESERVES		<u>1,353,439</u>	<u>293,439</u>

Notes to the Financial Statements

For the year ended 30 June 2017

Note 18: Retained Earnings

	This Year	Last Year
Retained earnings (accumulated losses) at the beginning of the financial year	613,403	623,720
Net profit attributable to members of the entity	-23,984	-10,317
Retained earnings (accumulated losses) at the end of the financial year	589,418	613,403

Note 19: Standby Borrowing Facilities

The club has the following borrowing facilities with its bankers:

	Gross	Current Borrowing	Net Available
2017			
Bank Overdraft	120,000	91,828	28,172
TOTAL	120,000	91,828	28,172
2016			
Bank Overdraft	70,000	50,200	19,800
TOTAL	70,000	50,200	19,800

Note 20: Members' Guarantee

The company is limited by guarantee. If the company wound up, the constitution states that each member is to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2017 the number of members total 301 (2016: 431).

Notes to the Financial Statements

For the year ended 30 June 2017

Note 21: Capital and Leasing Commitments

Operating lease commitments

The company leases the Car Park (\$1,538 p.a.) and Decking Area (\$1,873 p.a.) from the Auburn Council under non-cancellable operating lease agreements expiring on the 31 August 2018, and 31 August 2027, respectively and leases, a photocopier at (\$1,703 p.a.) which expires on 21/12/2020.

	This Year	Last Year
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	5,114	5,224
Later than one year but not later than five years	11,750	12,429
Later than five years	9,365	12,810
	<u>26,229</u>	<u>30,463</u>

Note 22: Events Occurring After the Balance Sheet Date

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

Note 23: Capital Requirements

As a company limited by guarantee, the subscribed capital is not available. There are no regulatory requirements to maintain a minimum level of capital. The club does not have a capital management plan.

All capital requirements are met through the annual membership subscriptions which form part of the net revenue of the club, and the profits generated by the club operations.

Note 24: Company Details

The club's registered office and principal place of business is at :

Rosnay Golf Club
5 Weymouth Avenue
AUBURN NSW 2144

M. J. DUNN & CO

A.B.N. 28 123 829 046

CERTIFIED PRACTISING ACCOUNTANT



M J DUNN & CO
IS A CPA PRACTICE

Office Address:

9 Paperbark Street

HAMLIN TERRACE NSW 2259

Postal Address:

P O Box 4533

LAKE HAVEN NSW 2263

Telephone: 02 8814 9055

Email: mike@mjdunn.com.au

Director: Michael J Dunn

CPA, Dip. Taxation

F.T.I.A.

INDEPENDENT AUDITOR'S REPORT

To the members of **Rosnay Golf Club Limited**

Auditor's Opinion

I have audited the accompanying financial report of **Rosnay Golf Club Limited** (the "Company") which comprises the statement of financial position as at **30 June 2017**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors declaration of the Company.

In my opinion, the accompanying financial report of **Rosnay Golf Club Limited**, is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended: and
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of **Rosnay Golf Club Limited**, would be in the same terms if provided to the Directors as at the date of this auditor's report.

Emphasis on Matter - Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, I draw attention to the following matter. As discussed in Note 1, the financial statements have been prepared on the basis that the Club will continue as a going concern. We note that the Club's ability to continue as a going concern and therefore its ability to realise its assets and extinguish its liabilities in the normal course of business is dependent upon the Club's ability to increase revenue and develop strategies to reduce expenditure and better manage Club expenditure.

Other Information

Management is responsible for other information. The other information comprises the information included in the Directors' report, but does not include the financial report and my Auditor's report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the Audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is material misstatement of this other information, I am required to report the fact.

Directors' Responsibility for the Financial Report

The Directors of the **Rosnay Golf Club Limited** are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirement and the *Corporations Act 2001*.

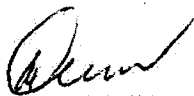
This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility for the Audit of the Financial Report

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.



.....
Michael Dunn
Certified Practising Accountant

Date: 24 NOVEMBER 2017

M J DUNN & Co
9 Paperbark Street
HAMLYN TERRACE NSW 2259

Audit No. 4195

Rosnay Golf Club Limited

ABN 36 000 507 764

Trading Statement

For the year ended 30 June 2017

	This Year	This Year	Last Year
SALES			
Bar	<u>180,824</u>		<u>241,867</u>
TOTAL SALES		180,824	241,867
COST OF GOODS SOLD			
Cost of Goods Sold	<u>86,407</u>		<u>101,463</u>
TOTAL COST OF GOODS SOLD		<u>(86,407)</u>	<u>(101,463)</u>
GROSS PROFIT		94,417	140,404

Rosnay Golf Club Limited
 ABN 36 000 507 764
Detailed Profit and Loss Statement

For the year ended 30 June 2017

	This Year	Last Year
ORDINARY INCOME		
Gross Profit on Trading B/Fwd	94,417	140,404
Poker machines	41,484	67,821
Keno	12,415	12,239
TAB	4,980	4,445
Subscriptions	100,439	131,209
Golf trading	62,491	92,468
GST assistance payment	3,201	6,111
Other operating income	1,493	6,388
Interest received	1	4
(Repayment of) / Proceeds from borrowings (NET)		734
Total other revenue		39,962
Non operating income	355,000	0
TOTAL ORDINARY INCOME	675,921	501,785
TOTAL INCOME	675,921	501,785
OVERHEAD EXPENSES		
Administration Expenses	39,212	81,082
Audit Fees	4,045	8,225
Interest paid - borrowings	5,355	4,153
Bank Charges	2,402	220
Depreciation - Land & Buildings	5,998	4,706
Depreciation - Plant & Equipment	11,204	13,764
Depreciation - Furniture & Fittings	437	526
Depreciation - Poker Machines	3,397	3,900
Direct Costs	15,072	29,706
Insurances	24,629	20,106
Premises	85,190	71,080
Player Costs	57,283	77,609
Provision for Doubtful Debts	277,727	0
Provision for Long Service Leave	(5,663)	0
Staff expenses	158,179	197,025
Cash shortages	15,438	0
TOTAL OVERHEAD EXPENSES	(699,905)	(512,102)
NET LOSS	(23,984)	(10,317)

The accompanying notes form part of these financial statements.

Rosnay Golf Club Limited
 ABN 36 000 507 764
Statement of Cash Flows
 For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash Flow From Operating Activities			
Receipts from customers (inclusive of GST)		494,802	670,863
Payments to suppliers & employees (inclusive of GST)		-519,126	-633,872
Interest received		1	4
Finance costs		-5,355	-4,153
Net cash provided by / (used in) operating activities		-29,678	32,842
Cash Flow from Investing Activities			
Payments for property, plant and equipment		-30,528	-33,847
Net cash provided by investing activities		-30,528	-33,847
Cash Flow From Financing Activities			
(Repayment of) / Proceeds from borrowings (NET)		41,628	734
Net cash (used in) / provided by financing activities		41,628	734
Net increase (decrease) in cash and cash equivalents held		-18,578	-271
Cash and cash equivalents at the beginning of the financial year		39,699	39,970
Cash and cash equivalents at the end of the financial year	10	21,121	39,699

The above statement of cash flows should be read in conjunction with the accompanying notes.