

Merewether Golf Club



Annual Report 2018

President
Captain
Treasurer
Directors

Phil Merrigan
Aaron Spalding
Graeme Downing
Oona Sullivan
Anthony d'Arcy
Bruce Arnott
Will Stubbs

Secretary Manager

Michelle Heritage

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of **MEREWETHER GOLF CLUB LIMITED** will be held on **Tuesday 13th November, 2018** commencing at the hour of **6.30pm** at the premises of the Club.

BUSINESS

The business of the Annual General Meeting will be as follows:

Apologies.

To confirm the minutes of the previous Annual General Meeting and the minutes of any general meeting that require confirmation.

To receive and consider the Directors' report, Financial report and Auditor's report. These reports are available on the Club's website and are also available from the Club on request.

To consider the Ordinary Resolution set out below.

To declare the results of the election of the Board.

General Business.

If members have any questions in relation to the financial report then, to ensure the questions are answered at the Annual General Meeting, members are requested to provide written notice of the questions to the Secretary Manager no later than 5pm on 30th October, 2018.

ORDINARY RESOLUTION

That:

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

The reasonable costs of directors attending seminars, lectures and other educational activities as determined by the Board as being necessary for the benefit of the Club

The reasonable cost of meals and beverages for each director after a Board or committee meeting on the day of that meeting when such meeting coincides with a normal meal time.

The members hereby approve designated car spaces being made available for directors.

The members hereby approve each director being permitted to access timesheets (to enter one (1) group of four (4) persons) prior to the timesheets being made available to members.

The members acknowledge that the benefits in paragraphs (a), (b) and (c) are not available for members generally but are only for those who are directors of the Club

Notice of Annual General Meeting

Notes to Members on Ordinary Resolution

The Ordinary Resolution is to have the members in general meeting approve various benefits for directors.

Included in the Ordinary Resolution is the reasonable cost of:

directors attending functions and events as representatives of the Club;

meals and beverages after a Board or committee meeting on the day of that meeting when such meeting coincides with a normal meal time;

car parking for directors;

each director being permitted to access timesheets (to enter one (1) group of four (4) persons) prior to the timesheets made available to members.

Procedural Matters

To be passed, the Ordinary Resolution must receive votes in its favour from a majority (50%+1) of those members who, being eligible to do so, vote in person on the Ordinary Resolution at the meeting.

The Registered Clubs Act provides that:

members who are employees of the Club are not entitled to vote; and

proxy voting is prohibited.

ELECTION OF DIRECTORS

Nominations for Election to the Club's Board open on Friday 12th October, 2018.

Nominations close at 5pm on Tuesday 30th October, 2018.

Positions up for election in the following groups:

Group 1 – Ordinary Director # A – election for a one (1) year term (currently held by, Will Stubbs)

Group 2 – Ordinary Director # B – election for a two (2) year term (currently held by, Oona Sullivan)

Group 3 – President, Ordinary Director # C and Ordinary Director #D – election for a three (3) year term (currently held by, respectively, Phil Merrigan, Anthony d'Arcy and Bruce Arnott)

Notice of Annual General Meeting

If required, the election of the Board will be conducted at the Club on the following days and at the following times:

Wednesday 7 th November, 2018	– 11.00am to 3.00pm
Thursday 8 th November, 2018	– 10.00am to 1.00pm and 4.00pm to 6.00pm
Friday 9 th November, 2018	– 11.00.am to 3.00pm
Saturday 10 th November, 2018	– 10.00am to 1.00pm and 4.00pm to 6.00pm

By direction of the Board



Michelle Heritage,
Secretary Manager

Dated: 16th October, 2018

Memberships

Class of Membership	As at 31st July 2017	As at 31st July 2018
7 Day	327	311
7 Day Senior	14	25
7 Day Veteran	16	14
6 Day	169	117
6 Day Senior	9	9
6 Day Veteran	12	11
Sunday	3	2
Junior	20	22
Youth	58	21
Life	12	11
Young Adult	69	54
Flexi Golfer	105	250
Social Golfer	19	33
2-Day Beginner	8	-
Total Playing Memberships	841	880
Social	385	222
Total Memberships	1,226	1,102

President's Report

Dear Members,

Thank you for the opportunity to represent our club as President.

The Board

Firstly, I need to thank the Board. This is an excellent team, and I appreciate the diverse range of experience and opinions they bring to the table. This year in particular there has been numerous discussions requiring critical decisions on the long-term future and survival of our club. It is pleasing to note that it is a rare event that decisions are not made unanimously.

I mentioned at our Members Development/Information Meeting that the Board Members have provided many hours of their valued time. This gifted time is well above what would be considered reasonable. I'm taking this opportunity to thank my fellow Board Members and their families, for the outstanding commitment and passion they hold for our club.

Management, Administration and Bar

Michelle and her team (Carra and Charlotte) are making great progress in the office towards establishing new processes and working structures that are both professional and functional. This has been demonstrated in our Auditors Report whereby each year since taking office, our administration processes have shown remarkable improvements. Thank you Michelle.

Functions have increased and Friday nights in particular have seen dramatic improvement in numbers. Our raffles and 2 for 1 schnitzel on Friday are proving popular. These nights have been coupled with beer and wine tasting, live music, magician and animal petting. If you are looking to go out for dinner on a Friday night remember to give your club a thought.

Michelle's introduction of Erina to oversee our bar operations has confirmed our thoughts that many "traditional holes" existed in our bar operations from poor stock control and sadly in some cases poor staff attitudes. These old issues and faults are quickly being rectified by Erina and Michelle.

All these steps are part of combined and concerted effort to recognise problem areas that require a permanent solution and we are starting to see the results. Although an improvement on last year, the hard work has not yet resulted in making a profit. This is covered in our Treasurer's Report.

President's Report

Seniors Living Development

The last 12 months has seen our proposed Senior's Living Development and new clubhouse progress further. We held a Member's Information Meeting that laid out the processes we took for choosing the successful developer. We demonstrated the minimum financial package we will receive over the 99-year lease. Our chosen developer, ThirdAge supplied our Members a glimpse of what our future will look like. We followed this with a General Meeting whereby our Members voted overwhelmingly to proceed. Since then we have held a Neighbour's Information Meeting to inform them of the development. Our aim will be to keep our Members and Neighbours informed of progress as we continue down this exciting path. With the "Yes" vote for the Development, we were able to demonstrate some exciting benefits for our Members that will keep golf strong at our club for many years to come.

Pro-Am and Sponsors

Our 2018 Greater Bank Pro-Am was another outstanding success. The annual event, the biggest on our calendar, is always in two parts, the Dinner the night before, followed the next day by the golf. This year the Dinner was a sell out and I would like to thank all the Members that supported the Dinner. It was especially pleasing to see the Merewether Women's Social Golf Club and the Vets take a table. Mark Hughes from the Mark Hughes Foundation and Murray Hartin the bush poet were our guest speakers and provided both heart-warming stories and much laughter. Overall it was a fabulous night. All profits generated on the night went to the Mark Hughes Foundation. Our Pro-Am golf day was another booked out event heavily supported by our Members. I would like to thank Greater Bank for their wonderful support and the confidence they have shown in our club and we look forward to another successful Pro-Am in 2019.

2019 will also be a celebration of 25 years of the Merewether Pro-Am. We will be starting work soon on next year's event with the aim to make it something special.

A thank you to all our Hole Sponsors, many of which have been involved with Pro -Am since its inception 24 years ago Without you this great event would not exist.

Our Sponsorship levels have increased with ThirdAge also committing to Sponsor all our pennant Teams, our Club Championships and the Merewether Cup each year. Thank you ThirdAge.

President's Report

Course

A special thanks to Rod West. Rod this year has achieved 30 years of service as our Course Superintendent a remarkable feat. Well done Rod!

Rod and his crew again performed exceptionally well under extreme weather conditions particularly during our driest summer on record. A summer when once again we had to purchase a considerable amount of water.

The course we played on during the Pro-Am was sensational. Everyone from visitors, professional golfers and our own Members commented on the first-rate condition of our course. Members I am sure, understand that to maintain our course all year in what we call our "Pro-Am Condition" would require a lot of money. Plus, a very large contingent of weekly volunteers and favourable weather conditions. Our aim for the future with weather conditions aside, is to maintain our course in this condition all year.

Pro-Shop

To our Pro-Shop, thank you Peter Johnston and all his team for another great effort in 2018. This year Peter has achieved 25 years as our Professional. Peter's team of Adam, Paul and Sue, (including Col on Saturdays) I would argue to be the best Pro-Shop of any golf club in Australia.

Volunteers and Sub Committees

Thank you to our many volunteers that assist throughout the year both on the course and in the clubhouse. We need you, so your efforts never go unappreciated. If you are a member and you wish to support the club by volunteering in any way please see one of our smiling faces in the office.

Thank you also to those Members that gave their time to our Sub Committees, and to the Development Committee.

Congratulations to all our champions, pennant teams and tournament winners throughout 2018.

A big welcome to our new playing and social members.

Growing our Membership is critical to our survival, if you know of someone that is considering a change of club, looking to take golf up for the first time or coming back to the sport after a period away, mention our great club to them. Being a financial member of MGC before the 31st December 2018 has major benefits like never before seen at our club.

Happy golfing and enjoy your club.

Phil Merrigan
President

Captain's Report

Dear Members,

As expected, this year has had a specific focus on the Residential Development to ensure the long-term viability of the club. The program of works the Board has taken on includes not just the residential building and the new clubhouse but also the temporary facilities, relocating the greens staff and cart sheds as well as developing a draft design for the course. This is a significant amount of work for full time employees, let alone voluntary staff and I remain in awe of the work that the Board puts in every day.

The course Draft Design is on the website for comment and we will be proceeding to the Course Masterplan design by the end of the month. As mentioned in the recent newsletter, members are welcome to provide comment on the Draft Design. All ideas that may augment the course will be collated and forwarded to course architect (James Wilcher) for consideration.

The Course Masterplan, when complete, will provide direction for current and future Boards for course works to be undertaken. This will include concepts such as;

- Dam construction and placement
- Shape and size of greens and bunker complexes
- Hole realignment to counter damage to local housing
- Preferred materials for course (grass types, bunker facing etc)

The development of the course will be taking place in a number of stages. This will include the initial works required prior to the commencement of the residential development. The second stage will involve utilising the fill from the development to alleviate cross slopes on some of the holes as well as evening out some of the approaches. Subsequent stages will be rolled out based on funding, growing (and rainfall) seasons and access to contractors that specialise in the works required. Recognising that the Course Masterplan represents a significant amount of work it is anticipated that the various stages will be engaged over a ten year period. This will ensure that members are not adversely impacted and the course retains full playability throughout.

Captain's Report

The introduction of the Perpetuity Model for members that are financial at the end of the calendar year represents another momentous opportunity for our members. As we are offering members to lock in their annual membership fees for the rest of their life it is important that members consider what membership category they wish to play under in the future. Should a member foresee that they would want to play as a 7 Day member sometime in the future it may well be worth considering taking up that option now to ensure your rates are preserved at today's rates rather than transferring to the higher rate in the future. Taking into consideration the increased subscription fees the Board is projecting after the new clubhouse and course developments take place it makes great financial sense to consider upgrading now!

Apart from my thanks and gratitude to all of the Pro-Shop staff and our Course staff for their assistance throughout the year, a special shot out to Rod West for his 30th year at Merewether and Peter Johnston for his 25th year – significant milestones for both! Special thanks also to Oona for her assistance in general match duties, it would be a big struggle without her support and 'digging in' when needed.

Regards,
Aaron Spalding
Club Captain

Secretary Manager's Report

The buzz in the clubhouse during the year from our members and our neighbours has been welcoming. It confirms that MGC is the friendly club.

The club has a wonderful array of Sponsors who support our golfing community. This year the club welcomed Greater Bank as our major sponsor for the Pro Am. The Pro Am dinner and the Pro AM golf was a great success and I thank the efforts of the organising committee for that success. The Pro Am golf was supported by a full field with the likes of Nathan Green, Nick Flanagan to name but two. Rod West and his team delivered a great course allowing Troy Moses to achieve his winning score of 5 under par. I would like to thank the efforts of our tireless Professional Peter Johnston and his team. Peter is an integral part of our golfing community. I would like to congratulate Peter Johnston on achieving 25 years as the Golfing Professional with MGC, and Rod West, our Course Superintendent for 30 years of service with MGC. Well done to both of you and we look forward to many more fun years with the club.

A recent introduction of the monthly two for one schnitzel nights supported by entertainment is delivering a fully booked Friday night clubhouse. A very welcome outcome. The efforts of a Functions Co-ordinator and a Bar Supervisor is attracting a wider clientele. The introduction of craft beer is welcoming younger golfers into our club house on a regular basis. These events appear to have a big following from our neighbours and the community. Our Social Committee has held regular golf and dinner events, supported by our members. These events have utilised a night on the club's calendar which otherwise would have seen the club less utilised.

The year has seen the clubhouse used for over 100 dance classes, 74 food related events, 200 meetings, and over 120 golfing events. Our focus is to grow this number and we are targeting a "Hi neighbour" program, so our locals know what is happening at MGC each week.

It's been a busy year, and I wish to thank my team for all their hard efforts in driving our goals. Our focus for the coming year will be on delivering the strategic direction set by the Board, increasing events in the clubhouse and better communication with our members, sponsors and neighbours.

Please don't be a stranger and come and make yourself known to the team at MGC and enjoy all our friendly club has to offer.

Michelle Heritage

Treasurer's Report

A summary of our financial performance (excluding impact in prior year relating to receipt of land sale funds) shows an overall loss of approximately \$212,000 vs. prior year of an overall loss of approximately \$349,000.

From a "cash only" perspective (i.e. excluding depreciation), we lost this year approximately \$55,000 vs. prior year of \$186,000.

The results indicate we made significant improvement, but we continue to lose money and the results reinforce the need for the club to embrace the recently approved development opportunity.

Whilst the new development is an extremely exciting opportunity for our club, Michelle and her team recognise that we must maintain a very efficient business and strive for better financial results. This will be most critical over the next few years as development-related issues may place some stress on our cash position, in particular until we receive some of the payments planned under our agreement with ThirdAge.

We have a reduced cash position, impacted by the operating loss (before depreciation and accruals), capital expenditure (\$38,000), development expenditure (\$11,000), prepayments (\$55,000), hire purchase repayments (\$91,000) offset by increased subscriptions received in advance (\$37,000).

We continue to buck the industry trends with greater than 7.5% increase in golfing revenue.

For our bar and functions, during the year we have made changes to effect cost reductions & improve efficiency, as well as increasing prices of bar items (whilst still maintaining a very competitive pricing structure).

Bar (and clubhouse) revenues are up but our overall bar & function returns (after related expenses) require further work (for both costs and prices).

As always, our operation costs continue to rise although this year we benefited from not having some of the one-off costs incurred in the prior year.

Broadly, we have made significant progress in addressing substantial gaps in our operating systems and procedures that has improved our cost management, given the Board greater confidence in our results and contributed to our overall financial performance.

The recently completed Audit reports confirmed these significant improvements, and it is appropriate to acknowledge the excellent work done by Michelle and her team. We continue to press Rod West, and his team, to deliver a good quality golf course however Rod has also embraced our strong focus on efficient use of our funds.

Treasurer's Report

In recent months we have streamlined the organisational structure of our club such that Michelle now has full responsibility for all club operations, including the Course. We anticipate this will further support our control of operating costs.

Within the organisational changes, Rod West will continue to liaise closely with our Club Captain with regard to Course maintenance and design matters.

As I reported last year, we will continue to monitor closely all expenses but not implement a "cut at all costs" approach.

I would like to thank Nick Nancarrow and the Cutcher & Neale team for their guidance during the year as well as their auditing work this year.

Dani Bowe, formerly of JSA Financial, now provides our accounting support. Dani's work includes our end-of-month reporting. Dani developed an excellent understanding of our business during her time with JSA and I thank her for her great support.

Bruce Arnott's broad but detailed knowledge around the more complex financial matters is of enormous benefit to club as well as the Board and myself. Bruce's experience has also been invaluable as we've refined our business strategy and financial planning leading to formal recommendation to members regarding the club's development plans.

Thank you also to our growing number of valuable sponsors for their support of the club.

Finally, thank you to our many volunteers, in particular those who assist in running the raffles on Friday nights.

Women Member's Report

As of 11 October 2018, we have 168 women members at Merewether Golf Club across all levels of playing membership. This is only a slight decrease in playing members since October 2017. Our competition numbers however are still strong with around 70 players taking to the course each Wednesday and an average of 25 players competing each Saturday. The Friday chook run competition is still well attended and many of our ladies are also playing in the Merewether Vets competition each Tuesday. The Merewether Women's Social Golf Club also continues to be a good starting point for those new to golf and we are still finding that a few of their members decide to take up membership when they are looking for more golf.

The 2018 Women's Committee also worked hard to encourage new members and retain our existing members and I would like to acknowledge their efforts. The committee consisted of myself as President, Bev Power as Vice President, Susan Jeffrey as Captain; Megan Callaghan as Vice Captain. Camille Hickey was our Secretary with Margaret Pearson as the Assistant Secretary. Lyn Heagney was our Treasurer. She was assisted by Rosanna Rossi. Kay Stephenson and Helen Rooke shared the Handicap Manager's responsibilities and Nina Stewart was the Competition Secretary. Terrie Bennett, Cath Tickle and Karen Turnbull were committee members. I would like to congratulate the committee on a great job.

I would also like to acknowledge this year's retiring committee members Kay Stephenson and Bev Power. These ladies have done it all over the 20 odd years that they have been on the Women's Committee and their contribution will be missed.

Along with the Committee many members have provided their time. Doreen Edwards and Dorothy Clarke, our Patronesses, have given advice when consulted, Marilyn and Rosemary and the gardening group keep our first tee in tip top shape and many of you have jumped in when needed during the year. It's wonderful to see people volunteering to get things done.

It has also been another good year of golf. We fielded four pennant teams in the NHDLGA competition. Three midweek teams and one weekend. Our Division 1 team once again performed well finishing second to the winners, Newcastle. The players were Stacie Mc Donald, Dom Kelly, Holly Ibbotson, Sue Wilson, Sue Jeffrey, Oona Sullivan, Carol Knox, Di Hadden, Kathy Feighan, Julie Johnston, Megan Callaghan and Kim Abercrombie. Our Division 2 A team finished middle of the competition and the Division 2 B team fought hard but unfortunately finished last. These results will see our first team stay in Division 1 and we will have one team in Division 2 and one team in Division 3 next year. I wish them good luck for the 2019 season.

Women Member's Report

Individually our players also had some great results in 2018. Congratulations to the following players:

Club Champion 2018—	Stacie McDonald
Division 2 Champion—	Kris Downing
Division 3 Champion—	Anita Ibbotson
Foursomes Champions—	Susan Wilson and Holly Ibbotson
Saturday Women's Champion—	still to be played
Saturday Women's Foursomes Champions -	Pam Winborne and Catherine Hobbs
Mixed Foursomes Champions—	still to be played
Clarke Cup—	Susan Wilson
Amy Smith Salver—	Margaret Pearson
Doreen Edwards Plate—	Anne Maslowicz
Egerton Cup—	Jenny Dan
Mid Week Singles Knockout Div 1—	Kathy Feighan
Mid Week Singles Knockout Div 2—	not played in 2018
Weekend Singles Knockout—	Carol Knox
4Ball Knockout—	Debbie Gadd and Jenny Dan

The Novatax Monthly Medals were also well contested in 2018 with the following players winning a monthly medal during the year: Rosanna Rossi, Kathy Feighan, Trish Trevethan, Anika Goninan, Megan Callaghan, Cheryl Free, Carolyn Laycock-Bracken, and Di Skelly

The Weekend JSA Monthly Cup winners were: Robyn Watson, Anne Maslowicz, Margaret Pearson, Karen Turnbull, Brenda Twiss, Vicki Willis, Senone Stephenson, Oona Sullivan, Wendy Wilkinson, Kathy Feighan and Stacie McDonald.

My thanks to all our sponsors for their generous support in 2018. Third Age, Habitat, Beyond Podiatry, Markeys Insurance Brokers, Liquor Stax, Fernance Family Holdings, italktravel, Newcomen Commercial Services, Novatax, The JSA Group, Easy Living Footwear and Healing Wave The Junction were our major sponsors this year. Most of our Wednesdays and special trophies are also sponsored by club members which is fantastic and much appreciated.

Women Member's Report

On behalf of our members I would like to thank Peter Johnston and his staff for the ongoing help and patience in ensuring our competitions run smoothly each week and Rod West and the greens staff for keeping the course in great condition.

My thanks also to Michelle Heritage, our Secretary Manager, and the office staff, Carra and Charlotte, for your help with the organisation of our events and for dealing with issues for us when they arise.

I would like to thank Phil Merrigan and the Board for their continued support of womens golf at Merewether Golf Club. The plans for the new clubhouse development look great and when it comes to fruition it should provide us with the stability that the club will need to take us into the future. I wish the Board good luck in their endeavours.

On behalf of the Women's Committee I would also like to thank all the members of MGC who have provided support to the committee in 2018. May you and your families a happy and healthy 2019.

Karen Cook

Women's President

Merewether Women's Social Golf Club Report

Each year the Merewether Women's Social Golf (MWSG) Club introduces between 10 and 15 women to the sport of golf in a friendly and relaxed way as part of an 8-hole competition. The MWSG Club also endeavors to help players develop golf skills and knowledge of the game so that they can participate confidently in a range of golfing opportunities and build a strong golfing social network within the Merewether Golf Club.

At the beginning of each year new players are provided the opportunity to participate in a comprehensive program of clinics and an introductory team game. Ongoing mentoring support is also offered to ensure that those new to golf feel comfortable about joining in each week and are able to receive guidance whilst developing their skills.

In 2018, the MWSG Club comprises just over 120 registered members. Each week, on average, between 60 and 70 players compete on Tuesday mornings over 8 holes. Whilst new players are welcomed, each year we farewell a number of our more experienced players who choose to take up other golfing opportunities within the club, including the Women's 18 hole competition, Vets competition and the Friday Ladies' Chook Run.

The MWSG Club is run by an elected committee and is supported by a social committee. During 2018, the MWSG Club Committee consulted with the existing members on the name of the club. A vote was taken half way through the year with the vast majority voting in favour of returning to the club's original name: 'Merewether Minors'. This will come into effect from the beginning of 2019.

The MWSG Club Committee co-ordinates an annual calendar of events: a mix of stroke, stableford, putting competitions, team games and social activities. Each week's competition is followed by a social, informal get together. Championships are also held across three grades, and winners presented with trophies and prizes following the AGM at the end of the year. The MWSG Club holds regular formal luncheons, which are also very well attended and provide an opportunity to hold raffles and raise funds.

Each year two (2) away games are organized by the MWSG Club Committee, one self-drive and a bus trip. In 2018 both these away games were held at the Nelson Bay Golf Club, where members have enjoyed playing for the past 11 years. 44 golfers signed up for this year's bus trip and played a drop out ambrose competition, enjoyed lunch at the Nelson Bay Golf Club and golf quizzes on the bus!

Merewether Women's Social Golf Club Report

This year was the club's 20-year anniversary since the inception of the 'Merewether Minors'. A combined 'Welcome and 20th Birthday Luncheon' was held in March to celebrate the event. It was wonderful to have many past players and past committee members attend on the day.

2018 has been a very successful year for the MWSG Club and we look forward to 2019.

Jenny Davies

President

Merewether Veteran Golfer's Report

The Merewether Veterans Group has enjoyed a very productive year during 2018. We have gained some new members but unfortunately we have lost some members during the year. Vale to our lost members. At present we have 133 male members and 88 female members. This a healthy membership for the Merewether Veterans Group.

This year we have been able to play the front 9 holes once a month and this is due to great co-operation between the Minors Group and Veterans Group sharing the course on Tuesdays. We would like to thank the Minors Group for working along with us to facilitate this opportunity.

It has been a very busy year for the Board and I am sure we all appreciate the great effort they have put in to achieve the progress towards securing a new course and clubhouse for the Merewether members. The Pro-shop had a challenge after Peter's accident and we congratulate them on the way they stepped up and isn't it great to have Peter fully recovered and back on the job. The Ground crews have done a fantastic job despite all the adverse weather we have had this year. The Office, House and Kitchen staff, have been most obliging attending to the members' needs. Thank you to one and all.

We have continued to have our Barbeque days on a regular basis which is great way of enjoying our golfing friends after the game up in the Clubhouse. The average number of players is being maintained each week when weather permits. We have gained two new members to the Committee this year, namely Sue Horton and John Hudson. Thank you for coming on board Sue and John.

This year we have had so many more Veterans travelling and attending various Tournaments not only NSW but QLD and VIC. There are many good stories about their trips and it can be thoroughly recommended by all who have travelled as there are Veteran groups at most Clubs these days. We will have the 2019 booklets soon so planning for travel can get underway for 2019.

We wish the Merewether Club and Board every success with the challenge in the year ahead and extend our appreciation to all concerned for their continued dedication.



MEREWETHER GOLF CLUB LIMITED
ABN 47 000 978 003

Financial Report
For the Year Ended
31 July 2018

CONTENTS

Directors' Report.....	1
Auditor's Independence Declaration.....	4
Independent Audit Report.....	5
Directors' Declaration.....	7
Statement of Profit or Loss and Other Comprehensive Income.....	8
Statement of Financial Position.....	9
Statement of Changes in Equity.....	10
Statement of Cash Flows.....	11
Notes to the Financial Statements.....	12
Compilation Report.....	23
Detailed Statement of Profit or Loss and Other Comprehensive Income.....	24

Merewether Golf Club Limited

ABN 47 000 978 003

Directors' Report

31 July 2018

Your Directors present their report on Merewether Golf Club Limited for the financial year ended 31 July 2018.

Directors

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

Name	Position	Years Service
Phil Merrigan	President	2.76
Aaron Spalding	Captain	2.32
Graeme Downing	Treasurer	2.32
Oona Sullivan	Director	2.32
Anthony d'Arcy	Director	2.32
Bruce Arnott	Director	1.30
William Stubbs	Director	Appointed 19/08/2018
Matthew Lister	-	Appointed 01/09/2017 Resigned 27/06/2018

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

Club secretary

The following person held the position of Club Secretary at the end of the financial year:

Michelle Heritage who is also the Secretary Manager of the Club has been the Club Secretary since June 2017.

Principal activities

The principal activity of Merewether Golf Club Limited during the financial year was the conduct of a Licensed Club and promotion of sport and golfing activities.

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

Operating results

The loss of the Club after providing for income tax amounted to \$212,123 (2017: profit of \$1,114,527). Included in the 2017 result was a profit from the sale of land of \$1,463,532.

Review of operations

Profit from bar trading amounted to \$44,071 and gross profit percentage of 59% was obtained from sales of \$447,322.

Net gaming revenue amounted to \$26,456 and compares with \$31,022 in 2017.

Merewether Golf Club Limited

ABN 47 000 978 003

Directors' Report

31 July 2018

Review of operations

Golf and membership income amounted to \$1,253,195 and compares with \$1,164,068 in 2017.

Meetings of directors

During the financial year, 13 meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Phil Merrigan	13	11
Aaron Spalding	13	10
Graeme Downing	13	11
Oona Sullivan	13	12
Anthony d'Arcy	13	10
Bruce Arnott	13	7
Will Stubbs (appointed 19/08/2018)	-	-
Matt Lister (appointed 01/09/2017, resigned 27/06/2018)	10	6

Members guarantee

Merewether Golf Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the Club, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2, subject to the provisions of the Club's constitution.

At 31 July 2018 the collective liability of members was \$2,170 (2017: \$1,894).

Significant changes in state of affairs

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

After balance date events

With the exception of those matters disclosed in note 17, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

Environmental issues

The Club's operations are subject to environmental regulations under the laws of the Commonwealth and State of Australia. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Merewether Golf Club Limited

ABN 47 000 978 003

Directors' Report

31 July 2018

Short and long term objectives

The Club has established short and long term objectives as outlined in the Club's business plan which is reviewed on an annual basis. These objectives are both financial and non financial and are aimed towards providing a comfortable and secure environment to its members that continues to meet their needs. These objectives are measured through both financial and non financial key performance indicators that have been determined relevant to the Club industry. No information is included on the likely developments in the operations of the club and the expected results of those operations.

Auditors independence declaration

The lead auditors independence declaration for the year ended 31 July 2018 has been received and can be found on page 4 of the financial report.

Disclosure of Core and Non Core Property

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 31 July 2018:

Address	Current Usage	Classification
King Street, Adamstown	Club Premises	Core
King Street, Adamstown	Golf Course	Core

Indemnification and insurance of officers

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

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

Director:

Director:

Dated 28 September 2018

Merewether Golf Club Limited

ABN 47 000 978 003

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

I declare that, to the best of my knowledge and belief, during the year ended 31 July 2018, 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.

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

21 September 2018

Merewether Golf Club Limited

ABN 47 000 978 003

Independent Audit Report to the Members of Merewether Golf Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Merewether Golf Club Limited (the Club), which comprises the statement of financial position as at 31 July 2018, 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 31 July 2018 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Club, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report was limited to the Directors Report.

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.

Merewether Golf Club Limited

ABN 47 000 978 003

Independent Audit Report to the Members of Merewether Golf Club Limited

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 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 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our auditor's report.

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

29 September 2018

Merewether Golf Club Limited

ABN 47 000 978 003

Directors' Declaration

The Directors of the Club declare that:

1. The financial statements and notes, as set out on pages 8 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 31 July 2018 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.

Director 

Director 

Dated 28 September 2018

Merewether Golf Club Limited

ABN 47 000 978 003

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 July 2018

	Note	2018 \$	2017 \$
Bar sales		447,322	390,000
Less: Bar cost of goods sold		(181,968)	(158,499)
Gross profit		265,354	231,501
Poker machine net clearances		26,456	31,022
Gaming commissions		14,128	19,018
Golf subscriptions and fees	2	1,253,195	1,164,068
Other revenue from ordinary activities	2	208,029	209,937
Other revenue from non-operating activities	2	-	1,463,532
Borrowing cost expense		(16,402)	(25,846)
Bar trading expense		(221,283)	(221,570)
Poker machine trading expense		(7,028)	(5,928)
Gaming commission expense		(24,524)	(23,093)
Golf expense		(801,100)	(795,736)
Occupancy expense		(339,896)	(279,543)
Club promotion and entertainment expense		(90,341)	(137,276)
Depreciation of property plant and equipment		(157,305)	(163,003)
Administrative expense		(321,406)	(352,556)
Profit / (loss) before income tax		(212,123)	1,114,527
Income tax expense		-	-
Profit / (loss) after income tax		(212,123)	1,114,527
Other comprehensive income		-	-
Total comprehensive income / (loss)		(212,123)	1,114,527

The accompanying notes form part of these financial statements.

Merewether Golf Club Limited

ABN 47 000 978 003

Statement of Financial Position

As At 31 July 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	923,461	1,140,122
Trade and other receivables	6	17,020	28,304
Inventories	7	26,595	25,437
Other assets	8	85,883	34,070
TOTAL CURRENT ASSETS		<u>1,052,959</u>	<u>1,227,933</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,613,313	1,721,200
Intangible assets	10	62,500	62,500
TOTAL NON-CURRENT ASSETS		<u>1,675,813</u>	<u>1,783,700</u>
TOTAL ASSETS		<u>2,728,772</u>	<u>3,011,633</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	287,484	312,561
Short-term borrowings	12	107,077	106,993
Short-term provisions	13	91,685	79,414
Other liabilities	14	161,921	125,068
TOTAL CURRENT LIABILITIES		<u>648,167</u>	<u>624,036</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	12	69,678	160,902
Long-term provisions	13	11,121	14,766
TOTAL NON-CURRENT LIABILITIES		<u>80,799</u>	<u>175,668</u>
TOTAL LIABILITIES		<u>728,966</u>	<u>799,704</u>
NET ASSETS		<u>1,999,806</u>	<u>2,211,929</u>
EQUITY			
Retained Earnings		<u>1,999,806</u>	<u>2,211,929</u>
TOTAL EQUITY		<u>1,999,806</u>	<u>2,211,929</u>

The accompanying notes form part of these financial statements.

Merewether Golf Club Limited

ABN 47 000 978 003

Statement of Changes in Equity For the Year Ended 31 July 2018

2018

	Retained Earnings
	\$
Balance at 1 August 2017	2,211,929
Profit / (loss) attributable to members	<u>(212,123)</u>
Balance at 31 July 2018	<u>1,999,806</u>

2017

	Retained Earnings
	\$
Balance at 1 August 2016	1,097,402
Profit / (loss) attributable to members	<u>1,114,527</u>
Balance at 31 July 2017	<u>2,211,929</u>

The accompanying notes form part of these financial statements.

Merewether Golf Club Limited

ABN 47 000 978 003

Statement of Cash Flows

For the Year Ended 31 July 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,126,129	2,120,975
Payments to suppliers and employees		(2,196,350)	(2,307,370)
Interest paid		(16,402)	(25,846)
Interest received		10,520	5,378
Net cash provided by / (used in) operating activities		<u>(76,103)</u>	<u>(206,863)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(49,418)	(99,495)
Proceeds from sale of assets classified as held for sale		-	1,473,341
Net cash used by investing activities		<u>(49,418)</u>	<u>1,373,846</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		21,500	-
Repayment of borrowings		(112,640)	(352,314)
Net cash provided by / (used in) financing activities		<u>(91,140)</u>	<u>(352,314)</u>
Net increase / (decrease) in cash and cash equivalents held		(216,661)	814,669
Cash and cash equivalents at beginning of year		1,140,122	325,453
Cash and cash equivalents at end of financial year	5	<u>923,461</u>	<u>1,140,122</u>

The accompanying notes form part of these financial statements.

Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements

For the Year Ended 31 July 2018

1 Summary of Significant Accounting Policies

(a) Basis of preparation

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

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Income tax

The Club is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997. This exemption is subject to the provisions that the legislation does not change and that the objects and activities of the Club do not alter in future years.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Property, plant and equipment

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

Property

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

Plant and equipment

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the Club commencing from the time the asset is held ready for use.

Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements For the Year Ended 31 July 2018

1 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	4% - 33%
Buildings	2% - 5%
Waterfund Assets	4% - 20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(e) Impairment of non-financial assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(f) Employee benefits

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

The Club does not contribute to a defined benefits scheme and therefore has no liability at balance date.

Contributions are made by the Club to employee superannuation funds and are charged to expenses when incurred.

(g) Cash and cash equivalents

Cash and cash equivalents may include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months, and bank overdrafts.

Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements For the Year Ended 31 July 2018

1 Summary of Significant Accounting Policies

(h) Poker Machine Rebate

The Club received a rebate to compensate the loss of poker machine income due to the introduction of GST. The period which the rebate relates to is from 1 June 2017 to 31 May 2018.

(i) Revenue and other income

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

Revenue from the sale of goods is recognised at the point of delivery.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Gaming machine revenue is recognised at the point of sale and represents the difference between the amounts earned through gaming wagers less the payouts from those wagers. Liabilities are recognised for accumulated payouts for progressive jackpots.

Revenue from membership subscriptions is recognised on a straight line basis over the period of the membership.

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

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(k) Leases

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

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

Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements

For the Year Ended 31 July 2018

1 Summary of Significant Accounting Policies

(k) Leases

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Club will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

(l) Comparative figures

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

(m) Trade and other receivables

All trade debtors are recognised at the amount receivable, as they are due for settlement no more than 14 days from the date of recognition.

Recoverability of trade debtors is reviewed on an ongoing basis. Debts which are known to be unrecoverable are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(n) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements

For the Year Ended 31 July 2018

1 Summary of Significant Accounting Policies

(o) Financial instruments

(i) Loans and receivables

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

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

(ii) Financial liabilities

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Club assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. Impairment losses are recognised through an allowance account for loans and receivables in the statement of profit or loss and other comprehensive income.

(p) Critical accounting estimates and judgments

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

Key estimates - impairment

The Club assesses impairment at the end of the reporting year 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.

(q) Authorisation of Financial Statements

The financial statements were authorised for issue on 28 September 2018 by the Directors.

Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements

For the Year Ended 31 July 2018

2 Revenue

Revenue from continuing operations

	2018 \$	2017 \$
Operating activities		
- Revenue - bar, poker machines, gaming commissions	487,906	440,040
- Revenue - membership subscriptions	475,974	457,418
- Revenue - golf fees	777,221	706,650
	<u>1,253,195</u>	<u>1,164,068</u>
	<u>1,741,101</u>	<u>1,604,108</u>
Other revenue from ordinary activities		
- Interest received	10,520	5,378
- Rebate for GST on poker machine duty	2,536	2,709
- Commissions received	4,801	5,191
- Donations and sponsorship	43,664	36,894
- Waterfund Levy	58,608	60,112
- Insurance recoveries	-	5,451
- Other income	87,900	94,202
	<u>208,029</u>	<u>209,937</u>
Other revenue from non-operating activities		
- Profit from sale of assets classified as held for sale	-	1,463,532
Total Revenue	<u><u>1,949,130</u></u>	<u><u>3,277,577</u></u>

3 Result for the Year

(a) Significant items - Revenue and other income

Profit from sale of assets classified as held for sale	-	1,463,532
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4 Interests of Key Management Personnel

Key management personnel compensation	<u><u>84,374</u></u>	<u><u>118,718</u></u>
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Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements For the Year Ended 31 July 2018

5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	165,524	1,140,122
Short-term bank deposits	757,937	-
	<u>923,461</u>	<u>1,140,122</u>

6 Trade and Other Receivables

CURRENT

Trade receivables	14,926	24,703
Other receivables	2,094	3,601
	<u>17,020</u>	<u>28,304</u>

7 Inventories

CURRENT

At cost:

Trading stock	13,036	14,172
Course stock	13,559	11,265
	<u>26,595</u>	<u>25,437</u>

8 Other Assets

CURRENT

Prepayments	85,883	34,070
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9 Property, Plant and Equipment

LAND AND BUILDINGS

Freehold land

At cost	71,674	71,674
Total Freehold land	<u>71,674</u>	<u>71,674</u>

Buildings

At cost	1,100,487	1,098,778
Accumulated depreciation	(630,885)	(598,149)
Total Buildings	<u>469,602</u>	<u>500,629</u>

PLANT AND EQUIPMENT

Capital works in progress

At cost	37,496	26,473
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Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements For the Year Ended 31 July 2018

9 Property, Plant and Equipment

	2018 \$	2017 \$
Plant and equipment		
At cost	2,357,921	2,321,236
Accumulated depreciation	(1,640,816)	(1,531,812)
Total plant and equipment	717,105	789,424
Waterfund assets		
At cost	598,689	598,689
Accumulated depreciation	(281,253)	(265,689)
Total waterfund assets	317,436	333,000
Total property, plant and equipment	1,613,313	1,721,200

(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:

	Capital Works in Progress \$	Land \$	Buildings \$	Plant and Equipment \$	Waterfund Assets \$	Total \$
2018						
Balance at the beginning of year	26,473	71,674	500,629	789,424	333,000	1,721,200
Additions	11,023	-	1,231	37,164	-	49,418
Disposals - written down value	-	-	-	-	-	-
Depreciation expense	-	-	(32,258)	(109,483)	(15,564)	(157,305)
Balance at 31 July 2018	37,496	71,674	469,602	717,105	317,436	1,613,313

(b) Core & non-core property

As required by the Registered Clubs Act 1976 all Clubs are required to specify core and non-core property of the club. As at 31 July 2018 the entire balance shown above in Land and Buildings is core property. For further disclosure of core and non-core property refer to page 3 of the directors report.

Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements For the Year Ended 31 July 2018

10 Intangible Assets

	2018	2017
	\$	\$
Poker machine licences - at cost	62,500	62,500

The recoverable amount of poker machine entitlements is based on fair value less costs to sell. The methodology used to determine fair value less costs to sell is the observable market price per unit as at reporting date.

Poker machine entitlements have been assessed as having an indefinite useful life. An indefinite useful life is supported by the absence of an expiry date. Factors that were important in determining this indefinite useful life include current government policy, current market conditions and current economic conditions.

The Directors' assessment of the market value of the poker machine entitlements as at 31 July 2018 was approximately \$15,000 to \$20,000 per entitlement.

11 Trade and Other Payables

CURRENT

Unsecured liabilities

Trade payables	178,555	146,368
Other payables and accrued expenses	75,831	127,291
Fees received in advance	33,098	38,902
	287,484	312,561

12 Borrowings

CURRENT

Secured liabilities:

Finance lease	48,263	61,945
Chattel mortgage	36,676	27,409
Hire purchase	22,138	17,639
Total current borrowings	107,077	106,993

NON CURRENT

Secured liabilities:

Finance lease	56,858	103,284
Chattel mortgage	12,820	35,480
Hire purchase	-	22,138
Total non-current borrowings	69,678	160,902

Total borrowings	176,755	267,895
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Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements

For the Year Ended 31 July 2018

12 Borrowings

(a) Total current and non-current secured liabilities:

	2018	2017
	\$	\$
Finance lease	105,121	165,229
Chattel mortgage	49,496	62,889
Hire purchase	22,138	39,777
	<u>176,755</u>	<u>267,895</u>

(b) Security

The finance lease, chattel mortgage and hire purchase agreements are secured by the assets purchased.

(c) The carrying amounts of non-current assets pledged as security are:

Plant and equipment	<u>292,261</u>	<u>330,132</u>
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13 Provisions

CURRENT

Employee benefits	<u>91,685</u>	<u>79,414</u>
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NON-CURRENT

Employee benefits	<u>11,121</u>	<u>14,766</u>
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Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual leave and long service leave for employees. Long service leave has been calculated based on present values.

14 Other Liabilities

CURRENT

Subscriptions in advance	<u>161,921</u>	<u>125,068</u>
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Merewether Golf Club Limited

ABN 47 000 978 003

Notes to the Financial Statements

For the Year Ended 31 July 2018

15 Capital and Leasing Commitments

(a) Finance Lease, Chattel Mortgage and Hire Purchase Commitments

	2018	2017
	\$	\$
Minimum lease payments:		
- not later than one year	117,205	126,180
- later than one year	73,413	168,333
Minimum lease payments	190,618	294,513
Less: finance charges	(13,863)	(26,618)
Present value of minimum lease payments	176,755	267,895

The Club has taken out finance leases for greens equipment and the solar power system, commercial hire purchase agreements for a motor vehicle and greens equipment and a chattel mortgage for the elevator and greens equipment. The finance agreements have varying expiration dates.

(b) Operating lease commitments

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

Payable - minimum lease payments:

- no later than 1 year	23,532	23,532
- between 1 year and 5 years	28,316	51,848
	51,848	75,380

Operating leases have been taken out for greens equipment with varying expiry dates.

16 Related Parties

The Club's main related parties are as follows:

(a) Key Management Personnel of the Club

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Club, directly or indirectly, including any Director (whether executive or otherwise) of the Club, is considered key management personnel. Refer to Note 4.

17 Events Occurring After the Reporting Date

The Club held a general meeting on 27 September 2018. At this meeting, the members of the Club approved the reclassification of a section of the current golf course as non-core property. The reclassification to non-core property was in conjunction with a second resolution that was passed on the same day, that enables the Club to dispose of this parcel of land by way of a long-term lease that is proposed for the development of the site.

Merewether Golf Club Limited

ABN 47 000 978 003

Compilation Report

31 July 2018

Scope

We have compiled the accompanying special purpose financial statements of Merewether Golf Club Limited, which comprise the detailed statement of profit or loss and other comprehensive income. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance of the Club that satisfies the information needs of the Directors.

The Responsibility of the Directors

The Directors of Merewether Golf Club Limited are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of the information provided by the Directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled for the benefit of the Directors. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



N. Nancarrow CA
Director

NEWCASTLE

21 September 2018

23

Merewether Golf Club Limited

ABN 47 000 978 003

Detailed Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 July 2018

	2018 \$	2017 \$
SUMMARY STATEMENT		
INCOME		
PROFIT/(LOSS) BAR TRADING	44,071	9,931
PROFIT/(LOSS) POKER MACHINE TRADING	19,428	25,094
PROFIT/(LOSS) KENO TRADING	4,088	6,422
PROFIT/(LOSS) TAB TRADING	(14,484)	(10,497)
OTHER INCOME	1,402,616	2,777,425
TOTAL	<u>1,455,719</u>	<u>2,808,375</u>
LESS: EXPENSES		
OPERATING EXPENSES	<u>1,549,796</u>	<u>1,558,145</u>
TOTAL EXPENSES	<u>1,549,796</u>	<u>1,558,145</u>
OPERATING PROFIT	<u>(94,077)</u>	<u>1,250,230</u>
DEDUCT NON CASH CHARGES:		
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	-	-
DEPRECIATION	141,742	146,923
INTEREST	16,402	25,846
	<u>158,144</u>	<u>172,769</u>
PROFIT/(LOSS) NORMAL ACTIVITIES	<u>(252,221)</u>	<u>1,077,461</u>
WATERFUND		
LEVIES RECEIVED	<u>58,608</u>	<u>60,112</u>
TOTAL WATERFUND INCOME	<u>60,112</u>	<u>60,112</u>
EXPENSES		
MAINTENANCE & OPERATING COSTS	2,947	6,966
DEPRECIATION OF WATERFUND ASSETS	15,563	16,080
TOTAL WATERFUND EXPENSES	<u>18,510</u>	<u>23,046</u>
PROFIT/(LOSS) WATERFUND	<u>40,098</u>	<u>37,066</u>
PROFIT/(LOSS)	<u>(212,123)</u>	<u>1,114,527</u>
INCOME TAX EXPENSE / (BENEFIT)	-	-
PROFIT/(LOSS) AFTER INCOME TAX	<u>(212,123)</u>	<u>1,114,527</u>

Merewether Golf Club Limited

ABN 47 000 978 003

Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 July 2018

	2018 \$	2017 \$
BAR TRADING ACCOUNT		
GROSS BAR SALES	447,322	390,000
TOTAL	447,322	390,000
LESS: COST OF GOODS SOLD		
BAR PURCHASES	181,968	158,499
TOTAL COST OF GOODS SOLD	181,968	158,499
GROSS PROFIT/(LOSS)	265,354	231,501
GROSS PROFIT % SALES	59.3%	59.4%
<i>LESS EXPENSES</i>		
BAR WAGES	162,577	169,746
BAR SUPERANNUATION	13,315	14,707
BAR REQUISITES & WASTAGE	45,391	37,117
TOTAL	221,283	221,570
BAR TRADING NET PROFIT	44,071	9,931
% SALES	9.9%	2.5%
POKER MACHINES TRADING ACCOUNT		
POKER MACHINE NET RECEIPTS	26,456	31,022
TOTAL	26,456	31,022
LESS EXPENSES		
REPAIRS & MAINTENANCE	7,028	5,928
TOTAL	7,028	5,928
POKER MACHINE TRADING PROFIT/(LOSS)	19,428	25,094

Merewether Golf Club Limited

ABN 47 000 978 003

Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 July 2018

	2018 \$	2017 \$
KENO TRADING ACCOUNT		
KENO INCOME	5,610	7,172
TOTAL	<u>5,610</u>	<u>7,172</u>
LESS: EXPENSES		
KENO EXPENSES	1,522	750
TOTAL EXPENSES	<u>1,522</u>	<u>750</u>
KENO TRADING PROFIT/(LOSS)	<u>4,088</u>	<u>6,422</u>
TAB TRADING ACCOUNT		
TAB COMMISSION	8,518	11,846
TOTAL	<u>8,518</u>	<u>11,846</u>
LESS: TAB EXPENSES		
TAB EXPENSES	23,002	22,343
TOTAL EXPENSES	<u>23,002</u>	<u>22,343</u>
TAB TRADING PROFIT/(LOSS)	<u>(14,484)</u>	<u>(10,497)</u>

Merewether Golf Club Limited

ABN 47 000 978 003

Detailed Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 July 2018

	2018 \$	2017 \$
OTHER INCOME		
GOLF AND MEMBERSHIP INCOME		
COMPETITION FEES	78,311	83,154
LEVIES	65,594	59,543
MEMBER GREEN FEES	311,354	264,461
MEMBER SUBSCRIPTIONS	475,974	457,418
OTHER GOLF INCOME	34,537	15,399
PRO-AM INCOME	25,903	36,057
VISITORS GREEN FEES	261,522	248,036
TOTAL	1,253,195	1,164,068
COMMISSIONS RECEIVED	4,801	5,191
FUEL TAX CREDITS	4,937	5,373
INSURANCE RECOVERY	-	5,451
INTEREST RECEIVED	10,520	5,378
OTHER	25,555	727
POKER MACHINE GST REBATE	2,536	2,709
PROFIT - LAND SALE	-	1,463,532
PROFIT FROM FUNCTIONS	7,754	18,423
PROMOTIONS	17,251	22,585
ROOM HIRE AND EVENTS	32,403	47,094
SPONSORSHIP & DONATIONS	43,664	36,894
TOTAL	1,402,616	2,777,425
LESS: EXPENSES		
CLUB PROMOTION & ENTERTAINMENT EXPENSES		
ADVERTISING	1,562	11,561
CLUB EVENTS	3,936	14,602
FOX SPORTS	6,435	5,740
MEMBER PAY BY POINTS	49,994	41,771
NET CATERING (INCOME) / EXPENSE	2,951	25,216
PROMOTIONS - EXPENSE	25,463	38,386
	90,341	137,276

Merewether Golf Club Limited

ABN 47 000 978 003

Detailed Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 July 2018

	2018 \$	2017 \$
OCCUPANCY EXPENSES		
AMENITIES & FUNCTIONS	10,274	2,738
CLEANING & LAUNDRY SUPPLIES	16,379	21,212
CLEANING SUPERANNUATION	4,078	3,477
CONTRACT MECHANIC	-	15,824
ELECTRICITY & GAS	56,053	26,733
LEASE CHARGES	28,047	17,601
MAJOR REPAIRS & MAINTENANCE	5,915	8,532
OH&S ENVIRONMENT & CLUBHOUSE	17,988	12,067
PATHWAYS	10,993	-
PLANT MAINTENANCE	34,822	35,247
RATES	28,427	38,976
RATES - ADDITIONAL WATER PURCHASE	58,447	29,053
REPAIRS & MAINTENANCE NORMAL	16,513	23,875
SECURITY	9,038	7,687
WAGES CLEANING	42,922	36,521
	<u>339,896</u>	<u>279,543</u>

GOLF EXPENSES

AFFILIATION FEES	47,348	34,007
COMPETITION PRIZES & TROPHIES	64,120	60,732
EQUIPMENT & TOOLS	5,827	3,709
GOLF BALL DAMAGE	10,321	6,088
GRASS - SEEDS - FERTILISERS	84,752	83,633
JUNIOR DEVELOPMENT	6,254	1,422
MAINTENANCE OF COURSE	25,018	23,117
OTHER GOLF EXPENSES	10,333	4,307
PLANTS-MULCH-BEAUTIFICATION	-	1,015
POWER & FUEL	28,692	43,447
PRO-AM EXPENSES	19,342	31,038
PROFESSIONAL FEES	71,982	55,892
SAND & SOILS	8,979	11,524
SUPERANNUATION - COURSE	32,987	33,628
TREE MANAGEMENT	5,455	53,241
WAGES - COURSE STAFF	376,743	341,970
	<u>798,153</u>	<u>788,770</u>

Merewether Golf Club Limited

ABN 47 000 978 003

Detailed Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 July 2018

	2018 \$	2017 \$
ADMINISTRATIVE EXPENSES		
ACCOUNTING FEES	5,231	33,052
ANNUAL LEAVE PROVISION	8,200	(32,507)
AUDIT FEES	9,330	10,450
BANK CHARGES	9,813	6,857
COMPUTER EXPENSES	10,788	6,037
CONSULTING FEES	2,200	1,059
DIRECTORS EXPENSES	-	955
LONG SERVICE LEAVE PROVISION	379	(10,214)
MOTOR VEHICLE EXPENSE	2,051	-
ONLINE BOOKING	9,651	4,926
PAYROLL TAX	1,047	-
PRINTING, POSTAGE & STATIONERY	4,535	7,165
PROPERTY INSURANCE	47,046	51,700
SALARIES - ADMIN	154,219	198,747
STAFF AMENITIES	1,789	-
STAFF TRAINING	171	6,987
STAFF UNIFORMS	834	1,038
SUBSCRIPTIONS & DONATIONS	3,040	5,812
SUNDRY EXPENSES	7,449	21,999
SUPERANNUATION - ADMIN	16,470	14,069
TELEPHONE & FAX EXPENSES	9,864	10,280
WORKERS COMPENSATION INSURANCE	17,299	14,144
	<u>321,406</u>	<u>352,556</u>
 TOTAL EXPENSES	 <u>1,549,796</u>	 <u>1,558,145</u>