

Wollongong Golf Club Limited

ABN: 20 000 740 983

Financial Statements

For the Year Ended 30 June 2022

Wollongong Golf Club Limited

ABN: 20 000 740 983

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For the Year Ended 30 June 2022

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President's Report

As flagged in my report last year we had significant effect on our operations and financial results due to the lengthy lockdown at the commencement of the reporting year. Soft recovery and extended rainy periods have meant a less favourable outcome than anticipated, this despite the efforts of Management and staff. The first quarter results of this financial year are showing a return to more normal operations and hopefully will eventuate in a better outcome.

The schedule for our 125-year anniversary celebrations are mostly completed at the time of writing and I would like to express my sincere thanks to the 125 Year committee members for their outstanding efforts in rolling out a highly successful program of events and initiatives.

We continue to deliver on course enhancements with a significant portion of the course irrigation completed across the winter months despite some serious weather interruptions. This project will continue over the next year or so until completion. Minor course improvements will also continue as previously.

Throughout the last few years, we have been investigating engaging a course architect to review and modernise our course master plan. The selection process attracted some of Australia's most renowned providers and the club is in the process of finalising a contract. Principle to this process was finding a partner that would work alongside the club for the duration of works from scoping and consultation, through refinement and finally implementation. A formal announcement will be forthcoming once negotiations have been concluded.

We also been the recipient of a generous donation from a benefactor, with the aim for revenue generating our family attraction project. This donation has enabled the installation of solar panels to the clubhouse roof, thereby significantly reducing our energy costs. Another funded project is an enclosed kid-safe playground area, located to the north of the clubhouse which will attract more families to enjoy our wonderful facilities. We hope to have works completed before summer this year.

Many thanks to members for their understanding during the significant interruptions due to lockdown and foul weather periods. Thanks also to our volunteers, many sponsors, our staff and management. Your contribution allows us to operate successfully. My heartfelt thanks to fellow board members for their tireless work throughout the past year.

Yours in Golf

Adam Giddings
President

Chief Executive Officer's Report

As the club celebrates 125 years of history there is a lot to be proud of, as a member owned organization the club is well placed after a difficult financial year. We have celebrated our heritage including the milestone of 125 years of golf in Wollongong through member engagement nights, new products, and communication. The 125-year celebration dinner was well attended as we continue to honour members past and present in the form of golf, gin and 1897 larger, a top seller in our product lines! The club is also releasing a digital legacy project on the anniversary of our club's heritage as we conclude the year and celebrate the festival of golf on the 19th December 2022.

The first half of the year was impacted by clubhouse closures and travel restrictions imposed by our government which makes for difficult reading in this year's report. The clubhouses were closed for the first quarter and in this time the business lost (\$400k) As a contrast FY23 Q1 results have yielded a \$145k net profits result (\$597k in EBITDA) While accommodation and golf helped stop the bleeding it was not enough to regulate the financial impact of closures. In the second half of the year Wollongong experienced two natural disasters which impacted on access to our core product while hospitality slowly returned to favourable trading conditions.

Despite these external factors, the club maintained its focus on strategic investment and delivered the city diggers asset share project, a key benefit of the amalgamation in 2020. As a result of this investment (>\$800k) the club continues to grow allowing for more support and investment in community activities for members and the Wollongong community. The club was proud to support the following organizations throughout the year including Lifeline, Legacy, Wollongong RSL subbranch, the fishing club, the bowls club, Wollongong Surf Club. The club also continues to invest in member engagement with the captains shout, Presidents dinner and club champs day all back on following a few years without these experiences. The Club also supports the Women's committee in their fundraising efforts for breast cancer, Alzheimer's and legacy. In total the club supported through in kind and direct commitments over \$30k for the financial year

The club also invested in irrigation delivering 25% of the total irrigation project (\$260k), this was delayed because of the weather however the club remains committed to delivering this project over the next three years while avoiding any impact on playing time for members. Thank you to the Golf Operations Team lead by Greg and Ray, their work under extraordinary circumstances over the year kept the course payable where possible as they balanced the needs of investment with member access and enjoyment.

These projects and member experiences are delivered and supported by the Wollongong Golf Club team who strive to provide outstanding golf and hospitality services. The club took the position to maintain its people and culture by supporting and maintaining the team throughout the period of restrictions. This enabled the clubs to open quickly and with service where others had yet to regain their full operations. The club has been proactive in creating a workplace of choice in our sector by investing in training and development. The club currently has 30 people engaged in varied levels of the Australian skill framework including certificates in hospitality, diplomas, and business degrees. The club prides itself on investing in its people as we build future leaders through our programs of training and development. We are passionate about our industry and how we can continue to deliver outstanding experiences to our members.

As we move into the new financial year, we are investing in a Kids Play area currently under construction. The area will include new hospitality offerings throughout the summer as we look to provide more reasons to visit the club with your family and friends.

Thank you for supporting your clubs as we continue to work ensuring they are the best place to spend time in the Illawarra!

Leigh Hingston
Chief Executive Officer

Wollongong Golf Club

Treasurer's Report

Thank you for the opportunity of presenting my Treasurers' Report for the financial year ended 30 June 2022.

The year was a combination of COVID lockdowns and continuous rain events. However, our management team managed both events exceptionally well and our thanks should go to them. Our total revenue for the year was \$10,954,741. This was up 4.2% on the previous year. The breakdown of this income across the departments was as follows

Accommodation	11%
Food & Beverage	33%
Membership	8%
Golf	13%
Gaming	26%
Other	9%

The rain over the 10 months to June resulted in a decrease in golf income of \$211,000 but this was offset by an increase in gaming revenue and Accommodation revenue.

While our golf revenue was down, I would be remiss if I did not congratulate the golf operations team headed up by Greg and his staff in the pro shop and Ray and his staff on the course for being able to present the course in a playable condition over the year. Many other courses could not manage this. Well done team.

The result for the year was a net loss of \$707,069. However, our earnings before depreciation and interest was a surplus of \$980,585.

This cash surplus was used to pay down our loan and to invest in the club and course. A number of additional items of machinery were purchased for the golf operations. Solar panels were installed on the roof of the club to reduce our electricity costs and stage 1 of the course irrigation project was completed.

Moving forward I am happy to report that the first quarter results have exceeded budget with total revenue for the quarter up 7% on budget and our earnings before depreciation and interest up 40%. The club has budgeted for a total revenue for the 2023 year of \$13,000,000 and we are on track to achieve this.

Thanks to my fellow Board members, the management team and all the staff for the achievements in the last 12 months and I believe making the Club the best club in the Illawarra

Marketing and Membership

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

The 2 general categories of membership are Social and Golf, and during the year the committee's focus was to grow and support both these areas of membership. Individual Business Plan Targets and Actions were put in place to achieve our goals. CAPS were placed on the 2 main categories of golf and these CAPS were both reached during the year, which then lead to the establishment of waiting lists in these respective categories. At year end we had a total of 980 total golfing members in all categories and 9305 Social members. After the successful merger with City Diggers all members have the benefit of accessing and enjoying 2 great Clubs.

Our aim is to grow to 1000 golfing members and 10,000 social members and we are confident this will be achieved in the next few years. New CAPS have been placed on all 3 main golfing categories for the upcoming year and the take up for golfing memberships has continued to remain strong. Social membership numbers continue to grow steadily but we would like to accelerate this growth over the next 2 -3 years to reach our goal of 10,000. Thanks here to Chanel for her great efforts with membership.

The Committees focus for the upcoming year will be to again, review and improve member benefits to ensure all members appreciate and value their membership at both Clubs.

The 2022 year represented the 125th Anniversary of WGC and a number of great things have been planned to help members celebrate. Highlights have already included the 125th Dinner and introduction of the unique 1897 Gin and Lager with more to come before years end.

The employment of a full time Marketing person in Nicole Walker, has ensured the success of Club events and also that all members are consistently informed and updated as to what is happening in our Clubs. Nicole's outstanding marketing skills and innovative ideas saw some great events conducted. Her regular and informative emails ensured all members were updated with news of what was happening in their Clubs. Thanks Nicole you have made a huge impact and difference.

The focus on increasing the % of ladies as golfing members continues and is a main Business Plan Target for the coming years. Thanks to Aaron for his achievements here establishing the Ladies Birdie Program and also with his Junior Pathway program. His encouragement to our Intermediate members is also noted in maintaining the pathway for future golfing members at our Club.

COVID and persistent poor weather both had an impact on the Club during the year but in spite of this, membership numbers were excellent and marketing and events excelled in difficult conditions.

Thanks again to Board members Mark Finlay, Paul Fenton and Scott Parr for their highly valued time and contributions to the committee. Again, access to senior club staff Leigh Hingston, Chanel Oxley, Aaron Keevers and Nicole Walker was invaluable and greatly appreciated.

We look forward to a more normalised but great year ahead with the support of our strong and very loyal membership base.

Golf Operations Committee Report 2022

Another challenging year, but a successful one on reflection in the achievements by your committee, management and course volunteers.

Inter-club competition season

The 2022 inter-club competitions yet again had to play through various scheduling changes this year. With the La Niña wet weather impacts on most courses, getting the season completed was another challenging year for team Captains and players. I was fortunate to attend various grade matches and am proud to see the WGC pride and team spirit prevail, win, lose or draw.

At one moment in time, if not for a few tight games our A2 & A1 Illawarra teams could have won through to play head to head in the finals. Unfortunately this was not to be, with our A2 team going through to the finals going down to the Links Shell Cove.

Our Masters team, with some added new faces continued their winning form for the second time taking out the Illawarra regional title and are building capability, bring on 2023 and a NSW title win!

Our Ladies Gold and Silver teams, to their dismay did not get a start. With significant rainfall and the unfortunate lack of available courses, the season was cancelled. We have an enthusiastic Ladies group ready to compete and to show their match play skills... So fingers crossed for 2023.

My thanks go to the 2021-22 Captains, Coaches/Caddies and players for their commitment throughout the season. We are building momentum.... And have a focused group of team Captain's leading the charge.

Women in Golf

Our objective of 25% female membership by 2025 journey continues, with our birdie social golf membership providing a pathway through to golfing membership. I would again like to thank our Lady members for their proactive support both socially and in their support of this category. Also Golfing Professional - Aaron Keevers for his dedication and coaching to delivery of this vision.

Juniors

The Junior development program continues with an outstanding young group of girls & boys. Their presence around the course, positive attitude and dedication to our club and the game of golf is exceptional. Its fantastic to see some taking the opportunity and progressing through to regional, state & national competitions.

Their success and values draw more players to enter the junior development program which is the regional leader.

Jack Kessell, Arron Keevers and Greg Kerr are enthusiastically driving the Junior developmental program and we see this as an ongoing mission of what WGC does to grow the game of golf and club membership.

Without our sponsors we would not be able to deliver this program and our thanks go out to them for their ongoing support and commitment.

Course

The first of our 2026 strategic plan goals are to deliver a fully irrigated irrigation system, providing us with future protection through the dry cycle.

The full course engineering & design was completed in 2019/20 with the main line and green only irrigation to the 11th, 13th & 15th through the winter of 2021.

This year the 1st phase has been completed, with full irrigation to all tee, fairway and green complexes of the 11,12,13,15 & 16th, with the main line and control cables installed through to the maintenance compound in preparation for the spring growing season.

With a financial investment of \$260,000 to date, further implementation of the Irrigation Plan will remain our strategic priority, as funds become available.

Some of the benefits not readily visible to members by this investment is the ability to implement directional spray irrigation and chemical application, resulting in reduced water consumption which will become more important when the full course system is completed. Improved turf quality will come over time, together with increased fairway cut lines utilizing those newly irrigated areas. Full details on the irrigations system are available for viewing on your golfing member access portal.

Our 2nd strategic objective is the addition of a Golf Cart & Storage facility. Site options have been developed, capacity & construction designs and coatings are yet to be completed.

Our 3rd objective is the development of a Course Improvement plan. The last work was done circa 10 years ago, with many elements of a master plan addressed at that time.

Moving forward integrating this work into a full course master plan which includes drainage, flora & fauna, turf management and course routing elements requires the engagement of an experienced course architect. Following a formal tender process conducted through early 2022, Mike Henderson from "Holes in the Ground" has been engaged to work with us through the planning and execution of future course improvement works.

We have a strong pipeline of course improvement maintenance project work identified, documented and available for member review of the CIP register in the golfing member portal.

Volunteer lead projects this year have been busy delivering on course improvement projects, funded through the member course levy. Larger project are the removal of decommissioned water tank and pump station at the 12th Tee, building of a bulk material storage bay at the maintenance compound, new path and sand bin complex at the 1st tee /putting green.

Thanks to members who have assisted us volunteering their skills and resources and your donations to this work.

In conclusion, committee would like to formally express our thanks to Greg Kerr and his team and for the proactive approach delivering a member direct communication approach through the various COVID followed by ongoing rain restrictions. Member support through direct communication was excellent and the team lifted to a new level through this period. Thank you.

Wrapping up, your 2021-22 Golf Operations Committee & Management team are Ann Woods, Paul Fenton, Murray Reid, Greg Kerr, Ray Isarin, Leigh Hingston & myself.

Mark Finlay
Club Captain & Chair of Golf Operations Committee

Women Members Annual Report

On behalf of the Women Members Committee, it is my pleasure to report on the participation of our women members at Wollongong Golf Club in 2022.

After very difficult years in 2020 and 2021, this year has brought with it the continuation of COVID and inclement weather which has resulted in constant disruptions.

The 2022 Program of Events saw a full calendar planned of both individual and team events for the women members. Commencing the year was the annual Women Members Social Day organised and run by the Social Committee and sponsored by Debbie Dunreath-Cooper and Mark Roufeil. The Women's Opening Day sponsored by Wollongong Golf Club followed. This event marked the beginning of the 125th year celebrations of the club for the women members.

Events in February included the Gloria Swift Trophy Single Stableford Event sponsored by Amanda Poidevin and the 4BBB Championships sponsored by Lynne Townsend and Alison Webb.

February and March were to be the beginning of the Illawarra Pennants Competition. Unfortunately, because of the weather conditions the season was abandoned with only one round played. Gold, Silver and Bronze Pennants teams have been entered in the 2023 Women Golf Illawarra Pennants Competition and the players are looking forward to representing Wollongong Golf Club.

March through to June saw many of our planned golfing competitions postponed again due to the weather. The Health Awareness Day, an initiative of the Women's Committee was held in early May and had over eighty members in attendance. Thank you to Janine Bothe who presented a Box of Life: Self Care and First Aid Principles for Golfers.

On the 1st June, the 'High Tee', Afternoon Tea organised by the Social Committee was another very enjoyable and successful social afternoon. Over eighty women attended and thoroughly enjoying the food, wine and company.

A highlight each year is our support of local charities in our Illawarra community. Our first Charity Day for 2022 was the Breast Cancer and Lymphoedema Open Charity Day sponsored by RMB Lawyers. The event was planned for March and was finally held on 7th July. Unfortunately, there was no golf due to weather conditions but in the true spirit of our golf community the women members raised \$5,349.00 and enjoyed a wonderful day.

Our second Charity Day held at the end of August was the Women's Legacy Open Charity Day sponsored by Julie Norris of Better Business Accounting. Again, thanks to the wonderful generosity and support by our women members \$2,500 was raised for Legacy.

The Alzheimer's Carunya House Open Charity Day sponsored by Angela Swindle for the tenth year was held on Thursday 3rd November. One hundred players attended and with the support of the women members \$2,067 was raised for the charity.

Women members have the opportunity to join the Veterans Women's Golf Association (VWGA) on turning fifty. Six Veterans Competitions are held along with a Veterans Women's Golf Day hosted at Wollongong. Veteran members also compete in the VWGA Country Championships and for the Mabel McKenzie Brooch with results announced in December. In 2021 Lisa Jones was the winner of the Mabel McKenzie Brooch with the best nett score in the state of 61. This was the first occasion that a member of Wollongong Golf Club won this prestigious award.

An excellent example of adapting to the challenging weather was the introduction of a nine-hole competition to provide another opportunity for players to enjoy their golf. The Match Committee worked very hard throughout the year to make the necessary changes and have managed to rearrange events to include sponsored events such as the Sisterhood 3 Person Aggregate Stableford sponsored by Maureen Dignam, Sharon Prenter and Julie McGuffie. Still to be played in November are the Foursomes Championship sponsored by Sue Barker Physiotherapy Wollongong, the Las Vegas Ambrose the third event sponsored by Chris Arthur and Kerrie Whiteman from Cabling and Wireless and the Club Championship sponsored by BLG Business Advisors and Lion Brewing. Again, the constant rain and course conditions meant the Gold Medal Playoff was postponed and will be played at the end of November.

The Women's Golf Illawarra (WGI) three-day tournament that was to be held at Wollongong in October was deferred to October 2023. The Women's Committee is looking forward to working very closely with the WGI Committee to ensure a very successful event next year.

In December we look forward to acknowledging our winners at the Presentation Dinner and Christmas Party followed by the Women's Closing Day. Thank you to Colleen Bell, Barbara Armstrong, Amanda Povidivin, Sue Salmon and the Social Committee who generously sponsor this day. We are most fortunate to have so many generous sponsors supporting women's golf. This allows the Women's Committee to run an excellent golfing program in a wonderful spirit of competition and friendship.

In 2022 the Women's Committee secured Category 2 InKind Funding from Wollongong Golf Club which has supported Charity functions this year. The Committee has included a monthly report on Women's Golf on the Wollongong Golf Club members website. The roles of Committee members have also been reviewed and updated this year.

Throughout the year acknowledgment of members birthdays forms part of our weekly presentation. Special birthdays are celebrated with beautiful cakes baked and decorated by our member Jill Taylor. This year we recognised a 90th birthday and several members who turned 80. The opportunity to gather, congratulate and celebrate is a very important component of our club.

In concluding my report, I would like to thank Leigh Hingston and the Board and staff of Wollongong Golf Club who assist the Women's Committee in all our endeavours to make golfing membership fun. Our thanks to Greg Kerr and the staff of the Pro-shop who work in partnership with the Committee to provide practical assistance and support for our weekly golf competitions. Congratulations to our Course Superintendent Ray Isarin, his grounds staff and the many volunteers who ensure the course is always looking and playing its best, despite the weather conditions.

Thanks, must also go to the President of the Social Committee Jenny Cocks and the Committee members for their tireless work providing the many extras enjoyed as part of our golf community. The women members who are so generous in their support of charity events, the Committee, each other and the wider community.

The Women Members Committee

Finally, my sincere thanks go to the Women Members Committee members of Jan Hayes Club Captain, Ann Woods Vice Captain, Sue Salmon Vice President, Amanda Poidevin Events Co - Ordinator, Mandy Fitzgerald Secretary, Margot Reid, Maureen Butler, Cheryl Dettmann House Committee and Gloria Stewart Veterans' Delegate. I thank them for the very generous commitment of their time and the amazing job each of them has done in the best interests of the women members and Wollongong Golf Club community.

As the year draws to a conclusion, we can celebrate what has been achieved and we look forward to what the 2023 golfing year brings.

Fran James
President

Clubhouse Operations Committee Report Financial Year 2021/2022

The Clubhouse Operations is the engine room that generates the cash flow that helps to deliver the Club's purpose, which is to provide outstanding golf and hospitality services to the local community. This ultimately is achieved through the support, patronage and promotion of the 19th and City Diggers Club by our Members.

The period of Financial Year 2021/22 was a year of challenges in the Clubhouse with the year starting under the second COVID lock down resulting in FY22Q1 – Net Loss of (\$404,308) vs FY23Q1 when the combined income from clubhouse operations of the 19th and City Diggers was a Net profit \$144,727. It's hard to compare year on year results, which has been the case every year since 2018/19 when Club was undergoing major renovations, the years that followed included Bush Fires, COVID 1, COVID 2 and significant rain events.

Even with the bad, Michael and the accommodation team recorded a record in occupancy and RevPAR since reopening from the lockdown. Their success underpins the financial performance of our Club.

The Government provided support of \$220,000 which was used in the delivery of training and development plan, increasing the service and capabilities of the team. \$30,000 in external training providers has also been reinvested and many hours of internal training undertaken.

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

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

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

Matthew Morgan
Chair - Clubhouse Operations Committee

Wollongong Golf Club Limited

ABN: 20 000 740 983

Directors' Report

30 June 2022

The directors present their report for Wollongong Golf Club Limited ("the Club") for the financial year ended 30 June 2022.

Information on directors

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

Name	Position	Qualifications, experience and responsibilities	Period of appointment
Adam Giddings	President	Consultant	11 years
Ann Woods	Vice-President	Solicitor	7 years
Murray Reid	Treasurer	Chartered Accountant	10 years
Mark Finlay	Captain	Retired Company Director	3 years
Geoff Jones	Director	Real Estate Agent	25 years
Paul Fenton	Director	Financial Advisor	10 years
Matthew Morgan	Director	Associate Director Emerging Corporate	7 years
Richard Young	Director	Retired Real Estate Agent	1 year
Scott Parr	Director	Human Resources Director	1 year

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

Review of operations

The result of the Club for the year amounted to a deficit of \$707,069 (2021: surplus of \$270,614).

Principal activities

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

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

Short term objectives

To provide outstanding golf and hospitality services.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Directors' Report

30 June 2022

Long-term objectives

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

Strategy for achieving the objectives

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

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

Key goals include:

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

Performance measures

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

Members' guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Club. At 30 June 2022 the total amount that members of the Club are liable to contribute if the Club wound up is \$20,936 (2021: \$18,896).

Wollongong Golf Club Limited

ABN: 20 000 740 983

Directors' Report

30 June 2022

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Meetings of directors	
	<u>Number eligible to attend</u>	<u>Number attended</u>
Adam Giddings	11	8
Ann Woods	11	9
Mark Finlay	11	11
Murray Reid	11	9
Paul Fenton	11	8
Geoff Jones	11	9
Matthew Morgan	11	11
Richard Young	11	8
Scott Parr	11	10

Likely developments

The Directors, in conjunction with management are continually seeking strategies to reduce overheads and improve trading. The Club will continue to review the profitability and operations. The Board has established a "FY2026 Strategic Direction" document, setting out its goals, measures and targets. Investment opportunities will be explored based on sound financial analysis and rationalisation.

Indemnification and Insurance of Officers

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Directors' Report

30 June 2022

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 5 of the financial report.

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

Adam Giddings
President

Dated: 17 October 2022



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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

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

Daley Audit

Michael Mundt
Partner

Wollongong

Dated: 17 October 2022

Wollongong

PO Box 333
Wollongong NSW 2520

☎ 02 4229 6477

✉ wollongong@daley.com.au

Bowral

PO Box 1032
Bowral NSW 2576

☎ 02 4862 1082

✉ bowral@daley.com.au

Sydney

PO Box 903
Sydney NSW 2001

☎ 02 8236 8177

✉ sydney@daley.com.au

🌐 daley.com.au

ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.



Wollongong Golf Club Limited

ABN: 20 000 740 983

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	10,189,087	9,783,778
Other income	4	765,654	724,848
		10,954,741	10,508,626
Employee benefits expense		(4,606,567)	(4,139,965)
Cost of sales		(1,803,151)	(1,901,467)
Depreciation and amortisation		(1,476,449)	(1,092,969)
Property costs		(1,427,229)	(1,236,687)
Member expenses		(676,473)	(487,827)
Poker machine tax		(316,945)	(215,135)
Finance charges		(211,205)	(162,281)
Other expenses		(1,143,791)	(1,001,681)
Result for the year		(707,069)	270,614
Amalgamation of business	20	-	9,007,666
Other comprehensive income for the year		-	9,007,666
Total comprehensive income for the year		(707,069)	9,278,280

The accompanying notes form part of these financial statements.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Balance Sheet

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,281,041	636,775
Trade and other receivables	8	206,776	110,122
Inventories	9	245,395	186,008
Other assets		25,744	18,115
TOTAL CURRENT ASSETS		1,758,956	951,020
NON-CURRENT ASSETS			
Right-of-use assets	10	1,005,199	512,809
Intangible assets	11	1,068,020	1,073,020
Property, plant and equipment	12	22,984,969	22,898,271
Financial assets		750	750
TOTAL NON-CURRENT ASSETS		25,058,938	24,484,850
TOTAL ASSETS		26,817,894	25,435,870
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,577,847	1,770,029
Lease liabilities	10	253,145	115,803
Borrowings	14	480,000	395,640
Employee benefits	15	442,735	399,563
TOTAL CURRENT LIABILITIES		2,753,727	2,681,035
NON-CURRENT LIABILITIES			
Borrowings	14	5,206,074	3,594,284
Lease liabilities	10	723,605	346,564
Employee benefits	15	64,215	36,645
TOTAL NON-CURRENT LIABILITIES		5,993,894	3,977,493
TOTAL LIABILITIES		8,747,621	6,658,528
NET ASSETS		18,070,273	18,777,342

The accompanying notes form part of these financial statements.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Balance Sheet

As at 30 June 2022

	Note	2022 \$	2021 \$
EQUITY			
Retained earnings		9,062,607	9,769,676
Reserves	19	9,007,666	9,007,666
TOTAL EQUITY		18,070,273	18,777,342

The accompanying notes form part of these financial statements.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Statement of Changes in Equity

For the Year Ended 30 June 2022

	Retained Earnings \$	Amalgamation reserve \$	Total \$
Balance at 1 July 2021	9,769,676	9,007,666	18,777,342
Result for the year	(707,069)	-	(707,069)
Balance at 30 June 2022	9,062,607	9,007,666	18,070,273
Balance at 1 July 2020	9,499,062	-	9,499,062
Result for the year	270,614	-	270,614
Amalgamation	-	9,007,666	9,007,666
Balance at 30 June 2021	9,769,676	9,007,666	18,777,342

The accompanying notes form part of these financial statements.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Statement of Cash Flows

For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	11,884,434	11,649,958
Payments to suppliers and employees	(11,188,959)	(10,456,591)
Interest paid	(211,205)	(162,281)
Net cash provided/(used) by operating activities	<u>484,270</u>	<u>1,031,086</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(1,230,755)	(582,621)
Transfer of cash on amalgamation	-	731,167
Net cash provided/(used) by investing activities	<u>(1,230,755)</u>	<u>148,546</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowing	2,391,000	-
Repayment of borrowings	(694,850)	(1,055,076)
Repayment of lease liabilities	(305,399)	(164,656)
Net cash provided/(used) by financing activities	<u>1,390,751</u>	<u>(1,219,732)</u>
Net increase/(decrease) in cash and cash equivalents held	644,266	(40,100)
Cash and cash equivalents at beginning of year	636,775	676,875
Cash and cash equivalents at end of financial year	7 <u>1,281,041</u>	<u>636,775</u>

The accompanying notes form part of these financial statements.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

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

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

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

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

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

2 Summary of Significant Accounting Policies

(a) Amalgamation

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

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

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

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

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

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

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

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

Sale of goods and poker machine income

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

Commissions income

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

Membership subscriptions

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Government COVID-19 stimulus income

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

Functions income

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

Accommodation income

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

(c) Borrowing costs

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

(d) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(d) Income Tax

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(e) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Leases

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

This involves an assessment of whether:

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Leases

Lessee accounting

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

Right-of-use asset

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

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

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

Lease liability

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

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

(h) Inventories

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(i) Property, plant and equipment

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

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

Depreciation

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

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

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

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

(j) Financial instruments

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

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

Financial assets

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Financial instruments

Financial assets

Classification

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

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Impairment of financial assets

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

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Financial instruments

Financial assets

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

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

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Financial liabilities

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Financial instruments

Financial liabilities

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

(k) Impairment of non-financial assets

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

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

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

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

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

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

(l) Employee benefits

Defined benefit contributions

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(l) Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

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

(m) Going concern

The financial report of the Club has been prepared on the going concern basis which assumes that assets will be realised and liabilities extinguished on normal terms and conditions. The Club recorded a deficit of \$707,069 for the year (2021: surplus of \$270,614). As at 30 June 2022 the Club had a deficiency in working capital (current liabilities exceed current assets) of \$959,621 (2021: \$1,730,015).

The Club has access to an financing facilities of \$261,587 (2021: \$1,194,286) which had not been drawn upon as at 30 June 2022 [refer note 14(a)]. Also, included in current liabilities are employee provisions of \$442,735 (2021: \$399,563), which are not expected to be paid during the coming 12 months – notwithstanding that the Club has no legal right to defer payment and so has been treated as a current liability.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(m) Going concern

Notably, the Club generated positive operating cashflows during the year of \$484,270 (2021: \$1,031,086) notwithstanding the limited operations of the Club during the COVID-19 pandemic where the Club's performance and financial position had been adversely impacted.

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

(n) Intangible Assets

Poker machine licences

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

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

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

Other intangible assets

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

Amortisation

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

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(o) New and amended standards adopted by the Club

The Club has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2021:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities

The Club adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the Club previously complied with Australian Accounting Standards – Reduced Disclosure Requirements in preparing its financial statements.

The other amendments listed above also did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3 Critical Accounting Estimates and Judgements

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

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

The significant estimates and judgements made have been described below:

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

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

Key estimates - useful lives of depreciable assets

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Revenue and Other Income

	2022	2021
	\$	\$
Revenue from contracts with customers		
- Sale of goods	3,648,769	3,714,684
- Poker machine revenue	2,798,546	2,146,748
- Golf revenue and pro-shop revenue	1,392,255	1,659,662
- Accommodation income	1,187,827	1,258,204
- Member subscriptions	934,523	785,305
- Functions income	206,542	190,009
- TAB and KENO commission income	20,625	29,166
	<u>10,189,087</u>	<u>9,783,778</u>
Other income		
- Government COVID-19 stimulus income	419,513	442,222
- Other income	346,141	282,626
	<u>765,654</u>	<u>724,848</u>
	<u>10,954,741</u>	<u>10,508,626</u>

Disaggregation of revenue from contracts with customers

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

Timing or revenue recognition

- At a point in time	9,254,564	8,998,473
- Over time	934,523	785,305
	<u>10,189,087</u>	<u>9,783,778</u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Result for the Year

	Note	2022 \$	2021 \$
Superannuation		363,350	298,695
Cost of goods sold		1,721,015	1,835,791

6 Income Tax Expense

(a) Reconciliation of income tax to accounting profit

The prima facie tax (benefits)/payable on profit from ordinary activities before income tax has been completely offset by the tax effect of mutuality adjustments, timing difference and losses.

(b) Tax losses

Given the quantum of the carried forward tax losses and the mutuality principle (whereby net income generated from members is non-taxable) the Club is not likely to generate taxable income in the foreseeable future and hence they have not been recognised in the balance sheet as assets, notwithstanding that these losses can be carried forward indefinitely.

7 Cash and Cash Equivalents

Cash on hand		389,980	14,295
Bank balances		891,061	622,480
		<u>1,281,041</u>	<u>636,775</u>

8 Trade and other receivables

Trade receivables		31,294	61,741
Provision for impairment	(a)	-	-
		<u>31,294</u>	<u>61,741</u>
Other receivables		175,482	48,381
		<u>206,776</u>	<u>110,122</u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Trade and other receivables

(a) Impairment of receivables

The Club applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2022 has been assessed as being trivial and hence no provision considered necessary.

9 Inventories

Finished goods at cost	<u>245,395</u>	<u>186,008</u>
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Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Leases

Club as a lessee

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

Terms and conditions of leases

Land

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

The first being for a term of 20 years commencing in January 2016. Lease payments of \$11,784 per annum (excluding GST) are payable in advance.

The second lease commenced in December 2007 and is for a period of 25 years. The minimum lease payments are \$48,984 (excluding GST) per annum. The Club has the option to renew the lease for a further term of 25 years. The land forms part of the Club's golf course and is essential in generating income for the Club.

Machinery, Motor Vehicles and Poker Machines

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

Right-of-use assets

	Land	Machinery and motor vehicles	Poker Machines	Total
	\$	\$	\$	\$
Year ended 30 June 2022				
Balance at beginning of year	261,741	137,276	113,792	512,809
Leases expired and transferred to property, plant and equipment	-	-	(113,792)	(113,792)
Remeasurement of assets	40,749	-	-	40,749
Additions during the year	-	551,880	227,153	779,033
Amortisation charge	(49,208)	(95,301)	(69,091)	(213,600)
Balance at end of year	253,282	593,855	158,062	1,005,199

Wollongong Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Leases

Lease liabilities

	2022	2021
	\$	\$
Current	253,145	115,803
Non-current	723,605	346,564
Total	976,750	462,367

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities
	\$	\$	\$	\$
2022				
Lease liabilities	292,225	634,590	100,129	1,026,944
2021				
Lease liabilities	94,485	199,684	251,712	545,881

Extension options

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

Statement of Profit or Loss and Other Comprehensive Income

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

Interest expense on lease liabilities	54,387	20,418
Depreciation of right-of-use assets	213,600	108,902
	267,987	129,320

Statement of Cash Flows

Total cash outflow for leases	305,399	164,656
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Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

11 Intangible Assets

	Note	2022 \$	2021 \$
Computer software			
Cost		165,105	165,105
Accumulated depreciation		(137,085)	(132,085)
		<u>28,020</u>	<u>33,020</u>
Poker machine entitlements	2(n)	1,040,000	1,040,000
		<u>1,068,020</u>	<u>1,073,020</u>

Movements in carrying amounts of intangible assets:

Balance at the beginning of the year		1,073,020	115,638
Transfer through amalgamation	20	-	980,000
Amortisation		(5,000)	(22,618)
Closing value at 30 June 2022		<u>1,068,020</u>	<u>1,073,020</u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Property, plant and equipment

	2022	2021
	\$	\$
Land and buildings		
At cost	25,004,304	24,297,904
Accumulated depreciation	<u>(5,333,445)</u>	<u>(4,719,427)</u>
	<u>19,670,859</u>	<u>19,578,477</u>
Capital improvements		
At cost	39,310	39,310
Accumulated depreciation	<u>(25,156)</u>	<u>(22,325)</u>
	<u>14,154</u>	<u>16,985</u>
Furniture, fixtures and fittings		
At cost	6,981,721	6,659,634
Accumulated depreciation	<u>(5,970,621)</u>	<u>(5,704,128)</u>
	<u>1,011,100</u>	<u>955,506</u>
Plant, machinery and vehicles		
At cost	5,672,943	5,449,694
Accumulated depreciation	<u>(5,199,505)</u>	<u>(4,855,617)</u>
	<u>473,438</u>	<u>594,077</u>
Course development		
At cost	2,238,102	2,087,125
Accumulated depreciation	<u>(422,684)</u>	<u>(333,899)</u>
	<u>1,815,418</u>	<u>1,753,226</u>
Total property, plant and equipment	<u><u>22,984,969</u></u>	<u><u>22,898,271</u></u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Property, plant and equipment

(a) Movements in Carrying Amounts

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

	Land and buildings	Plant, machinery and vehicles	Furniture, fixtures and fittings	Capital improvements	Course development	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2022						
Opening balance	19,578,477	594,077	955,506	16,985	1,753,226	22,898,271
Transfers from right-of-use assets	-	113,792	-	-	-	113,792
Additions	706,400	44,367	329,010	-	150,978	1,230,755
Depreciation expense	(614,018)	(278,798)	(273,416)	(2,831)	(88,786)	(1,257,849)
Balance at the end of the year	19,670,859	473,438	1,011,100	14,154	1,815,418	22,984,969

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Property, plant and equipment

(b) Core and non-core property

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

13 Trade and Other Payables

	2022	2021
Note	\$	\$
Trade payables	271,249	449,391
Contract liabilities - income in advance	813,666	858,844
Other payables	492,932	461,794
	<u>1,577,847</u>	<u>1,770,029</u>

14 Borrowings

CURRENT

Bank loan - secured	14(b)	<u>480,000</u>	395,640
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NON-CURRENT

Bank loan - secured	14(b)	<u>5,206,074</u>	<u>3,594,284</u>
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Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

14 Borrowings

(a) *Facilities available*

	2022	2021
	\$	\$
Finance facilities available		
Overdraft	-	300,000
Leasing facility	400,000	100,000
Business loan	5,687,030	4,784,210
	<u>6,087,030</u>	<u>5,184,210</u>
Facilities not utilised at reporting date		
Overdraft	-	300,000
Leasing facility	260,631	100,000
Business loan	956	794,286
	<u>261,587</u>	<u>1,194,286</u>

(b) *Security details*

The bank facilities are secured by the following:

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

Hire purchase/lease liabilities (refer to note 10) are secured over the plant and equipment subject to the respective agreements. Arrangements have original terms of between four and five years.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

15 Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Provision for annual leave	358,788	289,835
Provision for long service leave	83,947	109,728
	<u>442,735</u>	<u>399,563</u>
NON-CURRENT		
Provision for long service leave	64,215	36,645
	<u>64,215</u>	<u>36,645</u>

16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Club was \$ 679,032 (2021: \$ 737,100).

17 Auditor Remuneration

Remuneration of the auditor Daley Audit, for:

- auditing of financial statements	38,800	38,950
- other services*	24,000	36,240
	<u>62,800</u>	<u>75,190</u>

* Other services are for accounting and tax services

18 Related Parties Transactions

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

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

19 Reserves

Amalgamation reserve

The amalgamation reserve represents the net fair value of all assets and liabilities transferred to the Company upon amalgamating with the Wollongong Ex-services Club Limited (refer note 20).

20 Amalgamation

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

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

	Acquiree's carrying amount	Fair value
	\$	\$
<i>Assets and liabilities acquired:</i>		
Cash and cash equivalents	731,167	731,167
Trade and other receivables	13,612	13,612
Inventories	28,917	28,917
Other financial assets	750	750
Intangible assets	-	980,000
Property, plant, equipment and right of use assets	6,506,218	7,996,223
Prepayments	110,676	110,676
Trade and other payables	(479,021)	(479,021)
Employee benefits	(374,658)	(374,568)
Total net identifiable assets	6,537,661	9,007,756

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2022

20 Amalgamation

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

21 Contingencies

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2022 (30 June 2021: Nil).

22 Commitments

Contractual commitments

	2022	2021
	\$	\$
Supply and installation of irrigation system at Wollongong Golf Course	137,826	-
Additional plant and equipment	-	628,297

23 Events Occurring After the Reporting Date

The financial report was authorised for issue on 17 October 2022 by the Directors.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial periods.

24 Statutory Information

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

151 - 161 Corrimal Street
Wollongong NSW 2500

Wollongong Golf Club Limited

ABN: 20 000 740 983

Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 6 to 35, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standards - Simplified Disclosure Standards; and
 - b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Adam Giddings
President

Dated: 17 October 2022



Independent Audit Report to the members of Wollongong Golf Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wollongong Golf Club Limited ("the Club"), which comprises the balance sheet as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Club's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with the Australian Accounting Standards - Simplified Disclosure Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Wollongong

PO Box 333
Wollongong NSW 2520

☎ 02 4229 6477

✉ wollongong@daley.com.au

Bowral

PO Box 1032
Bowral NSW 2576

☎ 02 4862 1082

✉ bowral@daley.com.au

Sydney

PO Box 903
Sydney NSW 2001

☎ 02 8236 8177

✉ sydney@daley.com.au

🌐 daley.com.au

ABN 43 152 844 291

Liability limited by a
Scheme approved under
Professional Standards
Legislation.





Independent Audit Report to the members of Wollongong Golf Club Limited

Information other than the Financial Report and Auditor's Report

The directors are responsible for the other information. The other information comprises the Director's report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance

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 - Simplified Disclosure 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 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 the 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 this financial report.



Independent Audit Report to the members of Wollongong Golf Club Limited

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

Daley Audit

Michael Mundt
Partner

Wollongong

Dated: 17 October 2022

Liability limited by a scheme approved under Professional Standards Legislation.