

Wollongong Golf Club Limited

ABN: 20 000 740 983

Financial Statements

For the Year Ended 30 June 2023

Wollongong Golf Club Limited

ABN: 20 000 740 983

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For the Year Ended 30 June 2023

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President's Report

The 2023 year was the first full financial year since the amalgamation with City Diggers without any disruptions caused by COVID-19 which allowed us to achieve our budget expectations, establishing a strong baseline for continued growth and success for future years.

We had some exciting new additions to our club, starting with the successful launch of the Outdoor Kitchen and Kids Playground. These new amenities have brought us closer as a community. The Outdoor Kitchen has become a hub for social gatherings, where members come together to share stories, laughter, and delicious food. The Kids Playground has added an extra layer to our club, welcoming more families and making our club a truly family-friendly destination. We've also installed solar panels to the roof of the clubhouse to assist in offsetting our energy costs. Both the Kids Playground and the Solar panels were largely funded by a donation by a member benefactor. I'd like to express the board's gratitude for this magnanimous gesture.

In another significant move, we've engaged a highly respected course architect Michael Henderson from Holes in the Ground to draft a new course master plan. This plan will guide future boards, ensuring that our golfing facilities continue to suit our needs for generations to come. It's an investment we're all proud of, knowing it will shape the future of our club.

As we celebrate these successes, it's also a bittersweet moment as we bid farewell to Greg Kerr, who has been an instrumental part of our club for many years. We wish him well in his future endeavours. We welcome Aaron Keevers into his new role as the new Golf Operations Manager. His passion for golf and dedication to our club make us confident that our future is in excellent hands.

A special thank you goes to our hardworking Management, staff, and volunteers. Their dedication and tireless efforts have been the driving force behind our achievements, ensuring that our club remains a thriving and welcoming community.

I want to express my gratitude to the board members for their unwavering commitment throughout the past year. Their guidance and leadership have been instrumental in shaping the direction of our club.

Yours in Golf

Adam Giddings
President

Treasurer's Report

Thank you for the opportunity to present the Treasurer's Report for the financial year ended 30 June 2023.

I can report that it was finally a normal year without covid lockdowns and after the major flood event that occurred last year. As a result, we achieved a net profit of \$36,783. This is an improvement over 2022 where we incurred a \$707,069 Loss. This contributed to an earnings before interest and depreciation of \$2.018M compared to \$981K in 2022.

The Result enabled the Club to pay down our debt facility by \$801,607 and continue with the irrigation installation project and ensure all our assets are maintained and renewed where necessary and the improvements to the Tap Inn and outdoor areas during the year.

The Club achieved a gross revenue of \$14.6M. This was an increase of \$3.6M over 2022 and \$0.9M above budget for the year.

The breakdown of the total revenue across the divisions of the club are as follows,

	<u>2023</u>	<u>2022</u>
Accommodation	12%	11%
Food & Beverage	37%	33%
Membership	7%	9%
Golf	11%	13%
Gaming	28%	26%
Other	6%	9%

Naturally with the increase in income there is an associated increase in costs. Employee expenses went from \$4.61M to \$5.68M, an increase of \$1.08M and our cost of sales increased from \$1.80M to \$2.66M, an increase of \$860,000.

Looking forward, the club is committed to its strategic projects which include the course irrigation, accommodation project, cart shed and course masterplan. Our healthy performance will continue to enable these capital improvements to be undertaken for the benefit of our members.

Thank you to Erin Franklin, Chanel Oxley, and the team for their efforts throughout the year.

Murray Reid
Treasurer

Golf Operations Committee Report 2023

Another challenging year, however on reflection a successful one reviewing the achievements by your Committee, Management and Course Volunteers.

Firstly, I would like to thank the Golf Operations Committee and Management for their commitment and support through the year.

Golf

Inter-club competition season.

Our club supports 12 teams, which involve some 110 members who compete in the inter club competitive season, starting in January following the Captains Shout through to October. We also hosted ~20 Pennant team events on our course, so its a significant financial, scheduling and logistics undertaking. With the La Niña wet weather impact finally subsiding, its was great to get a full season completed.

My thanks go to the Captains, Coaches, Caddies and Players for their commitment throughout the season who, without their support we could not host this level of commitment to pennant competition.

Our Illawarra A1 team was successful in winning the Illawarra Regional Pennant for 2023, what a result. The team will now play against Royal Canberra Golf Club (ACT & Monaro region winner) , for bragging rights and the inter regional shield in September. Our B and A2 team had good results, playing through to their respective semi Finals.

We hosted the inaugural Captains Cup matchplay, fielding our best vs Links Shell Cove best, with the WGC team coming out on top and winning the coveted trophy. Next year this will be hosted by LSCove.

Events

March this year we share hosted with LSCove the NSW Senior Amateur. 5 WGC players made it to the cut with top finish to Col Bloomfield. The course was magnificently presented, assisting with ongoing visitations, stay & play packages etc and affirming our support for future events that will showcase Golf at WGC and associated hospitality offering.

We also launched the WGC Scratch matchplay Championships. Members requested more matchplay golf and this event will remain a key feature of our competition program going forward

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 Lady members for their proactive support, both socially and in their support of this category. Also Golfing Professional - Aaron Keevers for his dedication to delivery of the Golf Committee's vision. Our result at the end of 2023 year was 23%, which is a very positive result from our standing start of 17% only 4 years age.

Juniors in Golf

The Junior development program continues with many of this member category flowing through into our Pennant teams. While continuing their golfing journey at WGC some have also been selected to represent various Sydney golf clubs, in their pennant teams. Members should be proud of their investment in these juniors, as they are exceptional ambassadors for our club. We continue to support our junior development program initiative as it is seen as core to growing the game of golf and future membership. Thank you to our valuable sponsors who assist us in delivering a high quality and diverse developer program for our Juniors.

The first of our strategic plan objectives is to deliver a fully automated irrigation system, providing our maintenance team with the opportunity to provide improved turf quality through future El Niño dry cycles.

Coming off a 3 year wet La Niña cycle, we see the effect of this work with better maintained turf condition, transition cut lines fairway to rough and bunkers maintained to a higher standard where the irrigation has been completed. Your golf committee remain committed to completing this work through its next phases, as funding becomes available and our masterplan firms in design.

Our 2nd strategic objective is the addition of a Golf Cart & Storage facility. The committee has evaluated 3 site options, with further work being undertaken to develop a final position and cost estimate.

Our 3rd objective is the development of a Course Master Plan. Mike Henderson from "Holes in the Ground" was formally contracted in March 2023 and attended site for 3 days in May this year, with his next scheduled visit in August. It's refreshing to have a fresh set of eyes with a strong background in hands on course shaping and links course design.

Full asset site surveys have been completed, with engagement on drainage expertise to assist the masterplan sub-committee going forward.

The Course Master Plan Committee looks forward to Mike's next visit with a view to his draft course vision before Xmas.

Course Improvement Projects (CIP's)

Thank you to members who have volunteered their skills and time in supporting the delivery of many projects focused through this process to improve our course infrastructure and reduce ongoing repetitive maintenance.

Course improvement project flows through a review process with successful projects financially reported and available for member review on our Golfing Member portal.

Volunteer's focus on delivering the smaller projects, while our course Maintenance team on the larger construction projects.

Larger projects this year included completing paths behind the 5th green, transition from the 6th to 7th bridges and reshaping of redundant bunkers on the 5th & 11th holes.

Volunteers

Never taken for granted, this team turn up every week whatever the weather volunteering their time maintaining the appearance around our Clubhouse, Course and delivering professional Refereeing support. I would like to welcome and thank our new additions to the "Volly's" who started this year - love your work.

In Conclusion

Committee would like to thank Greg Kerr and wish him well in his next venture. Greg has lead our Golf management team for 9 years. Through some very exhaustive periods of intensity through covid Greg has remained at all times professional, responsive and supportive while providing leadership in developing a strong operational support team. Greg lived our Vision and Purpose and installed that ethos in those that worked with him.. Thanks Greg.

Wrapping up, your 2022-23 Golf Operations Committee & Management team are Ann Woods, Paul Fenton, Murray Reid, Greg Kerr, Ray Isarin, Leigh Hingston & myself.

Mark Finlay

Club Captain & Chair - Golf Operations Committee.

Clubhouse Operations Committee Report 2023

Introduction:

The Clubhouse Operations Committee plays a vital role in maintaining the financial health and success of the 19th and City Diggers Club aka the engine room of the Club. Our primary mission is to generate cash flow that supports our commitment to delivering exceptional golf and hospitality services to the local community. This report summarises the financial performance of Clubhouse Operations during the fiscal year 2022/2023 and highlights key achievements and challenges, as we emerge from the impact of the COVID-19 pandemic and overcome the weather events that effected the course early in 2023.

Financial Performance:

The fiscal year 2022/2023 marked a significant turnaround, as we recovered from the challenges posed by the COVID-19 pandemic. We are pleased to report a notable improvement in our financial performance compared to the previous year. This year, we achieved a Net Profit of \$36,783 for FY23 and an EBITDA of \$2,017,867, marking a remarkable return to profitability.

It is important to acknowledge that our ability to gauge year-on-year performance has been hindered since the fiscal year 2018/2019 when the Club underwent major renovations. Subsequent years were marred by bushfires, the initial and second waves of COVID-19, and significant rain events. These factors have made it challenging to establish consistent year-over-year benchmarks.

Accommodation Team:

The Accommodation Team, led by Michael, deserves commendation for their exceptional efforts in overcoming adversity. This year, they achieved a record in occupancy rates and Revenue per Available Room (RevPAR), underscoring their pivotal role in the Club's financial recovery.

Restaurant:

The Club's restaurant, under the capable stewardship of Chef Simon, has continued to thrive. This operation has allowed us to maintain control over the menu, food quality, and quantity, while also achieving synergies across our business. We are now witnessing the full potential of this operation across both venues.

Acknowledgment:

We extend our heartfelt appreciation to Chef Simon and his dedicated team for their unwavering commitment and professionalism in the face of challenges. Their dedication to maintaining high standards and their positive attitude have been instrumental in our success.

Closing Remarks:

In conclusion, we express our sincere gratitude to all our members and their guests for their steadfast support as we navigate the transition from the COVID-19 pandemic. The Clubhouse Operations Committee remains steadfast in its commitment to delivering exceptional services to our local community as we look forward to a more stable and prosperous future.

Sincerely,

Mathew Morgan, **Chair Clubhouse Committee**

2023 Report: Marketing and Membership Committee

Introduction

The Marketing and Membership Committee's primary function is to identify and develop opportunities to increase membership through member attraction, retention, and support, while also aligning with the strategic planning goals of the Club. In the year 2023, we continued to focus on growing and supporting both Social and Golf memberships. Individual Business Plan Targets and Actions were diligently implemented to achieve our objectives.

Membership Growth and Caps

During the year, we introduced caps on the two primary categories of golf membership, and we are pleased to report that both caps were reached, resulting in the establishment of waiting lists in these respective categories. As of the year-end, we proudly boasted a total of 1,063 golfing members across all categories and 7,954 Social members. Following our successful merger with City Diggers, all members now have the privilege of accessing and enjoying two exceptional Clubs.

Our target is to reach 1,100 golfing members and 10,000 social members, and we are highly confident that these goals will be realized in the next few years. For the upcoming year, we have implemented new caps on all three main golfing categories, and we are pleased to report that the uptake of golfing memberships has remained strong. Social membership numbers continue to grow steadily, and our aim is to accelerate this growth over the next 2-3 years to reach our target of 10,000. A special thanks to Chanel for her outstanding efforts with membership.

Enhancing Member Benefits

Our focus for the upcoming year will be to once again review and enhance member benefits to ensure that all members fully appreciate and value their membership at both Clubs.

Celebrating the 125th Anniversary

The year 2022 marked the 125th Anniversary of WGC, and we organized several special events to help members celebrate this milestone. Highlights included the 125th Dinner and the introduction of the unique 1897 Gin and Lager, both well received by the members of the club.

Marketing Success

The addition of a full-time Marketing professional, Nicole Walker, has had a profound impact on the success of Club events and member communication. Nicole's exceptional marketing skills and innovative ideas have resulted in the successful execution of various events. Her regular and informative emails have kept all members updated with the latest happenings in our Clubs. We extend our heartfelt thanks to Nicole for her tremendous contributions.

Increasing Female Golfing Members

Our commitment to increasing the percentage of female golfing members remains steadfast and is a primary Business Plan Target for the coming years. Aaron has played a pivotal role in this endeavour by establishing the Ladies Birdie Program and the Junior Pathway program. His efforts to encourage our Intermediate members are also commendable as we continue to pave the way for future golfing members at our Club.

Challenges and Appreciation

The year was not without its challenges, with COVID and persistent poor weather impacting Club activities. Despite these hurdles, our membership numbers remained excellent, and our marketing and events continued to excel under adverse conditions. We would like to express our sincere gratitude to Board members Mark Finlay, Paul Fenton, and Scott Parr for their invaluable time and contributions to the committee. Additionally, we extend our heartfelt thanks to senior club staff Leigh Hingston, Chanel Oxley, Aaron Keevers, and Nicole Walker for their unwavering support and contributions.

Conclusion

As we look ahead to the coming year, we anticipate a more normalized environment while maintaining the support of our strong and loyal membership base. We are confident in our ability to overcome challenges and achieve our growth and member satisfaction objectives in 2023. Together, we will continue to make our Clubs a vibrant and welcoming community for all members.

Geoff Jones

Chair, Market and Membership Committee

Women Members 2023 Annual Report

The 2023 Women Members Annual Report provides the Women Members Committee with the opportunity to outline the exciting events that are occurring for women members at Wollongong Golf Club. This year we have 49 new women playing members with a total of 243 members. The percentage of women playing members is now 23 percent.

The Match Committee planned an excellent golf events program for 2023 with record sponsorship for events, trophies and awards. In addition, Wollongong Golf Club provided invaluable support through Category 2 In-Kind Funding. The Women Members Committee sincerely thanks the Board of Wollongong Golf Club and each event sponsor for their generous sponsorship.

Our golfing year began with the 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 Lion Brewing was in early February followed by the Gloria Swift Trophy sponsored by Amanda Poidevin.

February and March saw the beginning of the Illawarra Pennants Competition with Gold, Silver and Bronze teams competing. Although not pennant winners, all teams did a fantastic job representing Wollongong Golf Club. The Gold team finished in fourth place, with the Silver and Bronze teams both finishing in seventh place.

On 2nd March, an event was held to recognise International Women's Day. It was the first time this day was held and our sincere thanks to McGrath Wollongong and Thirroul who were are sponsors. The day was a wonderful celebration and an opportunity to invite past women members to afternoon tea and the weekly presentation. The success of the day has ensured it will be a permanent fixture on our golf program.

Mid March saw everyone dressed in green for the Irish Team Event. Thanks to Cabling and Wireless, Chris Arthur and Kerry Whiteman for their sponsorship of this and two other events throughout the year.

In April the Women's 4BBB Championships were held sponsored by Lynne Townsend & Alison Webb. The Women's Club Championships followed in May and were sponsored by BLG Business Advisors. The third championship event was the Women's Foursomes Championship in June sponsored by Sue Pescud.

The six Monthly Medal rounds sponsored by a woman member culminates with the Women's Gold Medal Playoff in early October, sponsored by Lynne Townsend.

A very significant part of our yearly program are our three charity days with a long term sponsors RMB Lawyers for the Breast Cancer Day & Lymphoedema Charity Day, Julie Norris from Supernova Financial for the Legacy Charity Day and Angela Swindle for the Alzheimer's Carunya House Charity Day. The 2022 November Alzheimers Open Charity Day, the Breast Cancer Charity Day in March and the Legacy Open Charity Day in August raised a total of \$9,612.00 for the three charities. Thank you to our women members for their generous contributions and support that ensured successful events. Thanks to Kristina Ridley who coordinated decorating the function room for each of the charity days.

Other sponsored events throughout the year include the Sisterhood 3 Person Aggregate Stableford sponsored by Maureen Dignam, Sharon Prenter & Julie McGuffie,

Women's 4BBB sponsored by Cabling and Wireless, Chris Arthur and Kerry Whiteman Women's Canadian Foursomes and the Women's 2 Person Multiplier sponsored by Lion Brewing and the Las Vegas Ambrose sponsored by Cabling and Wireless, Chris Arthur & Kerrie Whiteman

In October 2022 Wollongong Golf Club was due to host the WGI three-day tournament. Unfortunately, the tournament was postponed due to continuous wet weather. The WGI tournament will be held on the 9th, 10th and 11th October. The Women's Committee and the club have been working very closely with the WGI Committee to ensure a very successful event at our club.

The events still to be held this year include the Alzheimers Carunya House Open Charity Day, Presentation Dinner and Christmas Party and Hams Day. Thank you to Colleen Bell, Barbara Armstrong, Amanda Povidevin, Sue Salmon and the Social Committee who generously sponsor Hams Day.

The acknowledgment of members birthdays is part of our weekly presentation. This year we recognised two members who turned 80. We are most fortunate to have Jill Taylor bake and decorate the special birthday cakes. Congratulations to all our 80's members who are such a valued part of our club. The support of the Social Committee provides the opportunity to celebrate these special occasions and I thank them for their support.

The introduction of Women's Golf Page on the club's website is an excellent record of what happens on and off the course each month. Thank you to Sue Salmon who has been both photographer and writer of the monthly reports assisted by Jo Vincent and Cheryl Dettmann.

In concluding my report I would like to thank Leigh Hingston and the Board and the staff of Wollongong Golf Club who support the Women Members Committee in very practical ways to make women's golfing membership enjoyable. I would like to especially thank Simon Everett, Reneigh Skeparoski, Nicole Walker and the function staff who have worked very closely with the Committee to assist with the coordination of events. Thanks to the front entrance staff who are always there to assist us.

Thanks also to Aaron Keevers, Golf Operations Manager and the staff of the Pro-shop who work in partnership with the Committee. We have seen many new staff members in the Proshop this year and they are working to support and assist the members with any concerns especially in the area of technology. Ray Israin, the Course Superintendent, grounds staff and the many volunteers who ensure the course is always looking and playing its best, need to be acknowledged also.

The Women Members Committee who volunteer their extensive time, certainly need thanking. Thank you to the Match Committee of Jan Hayes, Club Captain, Ann Woods Vice Captain and Amanda Poidevin for the fantastic job you all do. My grateful thanks goes to Vice President Sue Salmon for her enthusiasm and commitment to the role.

Mandy Fitzgerald has been our amazing Secretary and will be leaving the Committee this year. As well as farewellling Mandy from the Committee we also have Margot Reid leaving. Both these ladies have been long serving members who have done a wonderful job, always working in the best interest of all members. Thank you to both for a job well done and the personal contributions you have made.

The other Committee members are Cheryl Dettmann, Maureen Butler and Gloria Stewart who are constantly available to help. Thank you for the very generous commitment of your time and the amazing job each of you has done in the best interests of the women members and Wollongong Golf Club community.

Another very supportive group of ladies are the members of the Social Committee who also need to be thanked for their work. The Committee led by Jenny Cocks provides many extras for the women members.

A new initiative to recognise is the work being done by a group of volunteer women members on Mondays. Kristina Ridley and Julie McGuffie began working with the Club Captain Mark Finlay and the Course Superintendent Ray Israin with the aim of improving the course appearance. Over the past three months they have removed 8 large bins of rubbish from the waterways and have also recycled 3,400 bottles, collecting, returning and earning. Marie Jones and Veronica Vlandys have also been assisting. Thanks ladies for your valuable contribution both on and off the course.

Finally a very big thank you to all our wonderful members who have made our new members feel so welcome. I believe we can all feel proud of what collectively we have achieved over the last twelve months and the strong community we continue to build that is a very rich vibrant part of Wollongong Golf Club. Thank you for your support and we look forward to the coming months and the golf events that are sure to be an exciting finish to the year.

Fran James President

Women Members Committee

Chief Executive Officer - Report

I am thrilled to share with you the CEO Report, providing an overview of our club's full financial year performance. Your continued support and dedication have played a vital role in our achievements, and I am excited to highlight the key moments of the past year.

We celebrated 125 years of heritage with a dinner and Fundraiser which was a truly remarkable event, where we came together as a community to celebrate the incredible 125-year heritage of Wollongong Golf Club. It was an outstanding occasion, honouring our shared history and the accomplishments that have shaped our club. A special highlight of the evening was the unveiling of our digitised historical timeline, a significant milestone that preserves and shares the recorded achievements of our fellow golfers. This meaningful initiative would not have been possible without the unwavering dedication and support of our members, staff, and volunteers.

I want to express my heartfelt gratitude to each one of you who contributed to the success of the 125 Year Dinner and Fundraiser. Your generosity and commitment have enabled us to create a tangible representation of our club's history, ensuring that future generations can appreciate and draw inspiration from the remarkable achievements of our members.

The club delivered several strategic investments which have and will continue to pay off tremendously. One key area of investment that has been a resounding success is the introduction of a new kids play area. This addition has been a hit with families, attracting a new demographic of members to the club. We are delighted to see a significant increase in the number of children participating in our junior golf programs, fostering a vibrant and inclusive environment.

Furthermore, our commitment to sustainability and cost reduction has yielded positive outcomes. The installation of solar panels has allowed us to harness renewable energy, significantly reducing our energy costs while making a positive impact on the environment. Additionally, the upgrade of our irrigation system has not only improved water efficiency but will also result in better course conditions, enhancing the overall golfing experience for our members.

We thank those members who have contributed to these projects to make them possible.

The club's EBITDA has grown to a healthy 14.2% of total revenue. This key financial metric for clubs highlights our opportunity to invest in projects which generate new and incremental revenue to grow our club in a sensible and sustainable way, investigating our key strategic projects is a key focus of the club for the benefit of our community.

We hold a deep sense of responsibility towards our community, particularly in supporting and honouring our veterans through our collaboration with the Wollongong RSL sub-branch. Together, we work diligently to commemorate significant events like ANZAC Day and Remembrance Day, ensuring that these occasions are supported in a respectful way.

Additionally, our commitment to the community extends beyond veterans' support. Through the Club Grants program, we have made significant contributions to organizations such as Lifeline and Legacy, which play critical roles in helping those in emotional distress and supporting the families of veterans.

Furthermore, we extend our support to other local like-minded sporting organizations, including the Lions Cricket Club and University Wolves. By partnering with these groups, we strive to make a positive impact within our community, fostering a sense of togetherness beyond the boundaries of our club.

We also actively promote Women's golf and the junior program through in-kind support, aiming to foster diversity and inclusivity within the sport. The Junior program has been underpinned by Fenton and Associates who has subsidise the Junior program, focusing not only on developing golf skills but also on nurturing the overall well-being of our young members. A special thank you Greg Kerr, who's leadership with Golf participation and development has left a foundation for future leaders to build on.

I extend my heartfelt congratulations and gratitude to the entire team for their unwavering dedication and commitment to achieving these outstanding results. We are proud of our accomplishments and look forward to sustaining this positive momentum in the future.

Sincerely,

Leigh Hingston
Chief Executive Officer

Wollongong Golf Club

Wollongong Golf Club Limited

ABN: 20 000 740 983

Directors' Report

30 June 2023

The directors present their report for Wollongong Golf Club Limited ("the Club") for the financial year ended 30 June 2023.

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	12 years
Ann Woods	Vice-President	Solicitor	8 years
Murray Reid	Treasurer	Chartered Accountant	11 years
Mark Finlay	Captain	Retired Company Director	4 years
Geoff Jones	Director	Real Estate Agent	26 years
Paul Fenton	Director	Financial Advisor	11 years
Matthew Morgan	Director	Associate Director Emerging Corporate	8 years
Richard Young	Director	Retired Real Estate Agent	2 years
Scott Parr	Director	Human Resources Director	2 years

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

Review of operations

The result of the Club for the year amounted to a surplus of \$36,783 (2022: deficit of \$707,069).

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. These activities provide the relevant facilities and finances to assist the Club in achieving the following short term and long-term objectives.

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 2023

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 2023 the total amount that members of the Club are liable to contribute if the Club wound up is \$17,142 (2022: \$20,936).

Wollongong Golf Club Limited

ABN: 20 000 740 983

Directors' Report

30 June 2023

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	11
Ann Woods	11	8
Mark Finlay	11	9
Murray Reid	11	8
Paul Fenton	11	8
Geoff Jones	11	8
Matthew Morgan	11	10
Richard Young	11	7
Scott Parr	11	11

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.

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 2023 has been received and can be found on page 4 of the financial report.

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

Adam Giddings
President

Dated: 18 September 2023



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 2023, 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: 18 September 2023

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 2023

	Note	2023 \$	2022 \$
Revenue	4	14,189,453	10,189,087
Other income	4	393,092	765,654
		14,582,545	10,954,741
Employee benefits expense		(5,683,008)	(4,606,567)
Cost of sales		(2,663,558)	(1,803,151)
Depreciation and amortisation		(1,640,113)	(1,476,449)
Property costs		(1,569,078)	(1,427,229)
Member expenses		(784,966)	(676,473)
Poker machine tax		(558,270)	(316,945)
Finance charges		(340,971)	(211,205)
Other expenses		(1,305,798)	(1,143,791)
Result for the year		36,783	(707,069)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		36,783	(707,069)

The accompanying notes form part of these financial statements.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Balance Sheet

As at 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash at bank and on hand	7	1,697,715	1,281,041
Trade and other receivables	8	206,616	206,776
Inventories	9	239,334	245,395
Other assets		32,262	25,744
TOTAL CURRENT ASSETS		2,175,927	1,758,956
NON-CURRENT ASSETS			
Right-of-use assets	10	985,947	1,005,199
Intangible assets	11	1,059,025	1,068,020
Property, plant and equipment	12	22,358,045	22,984,969
Financial assets		750	750
TOTAL NON-CURRENT ASSETS		24,403,767	25,058,938
TOTAL ASSETS		26,579,694	26,817,894
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,780,088	1,577,847
Lease liabilities	10	365,827	253,145
Borrowings	14	480,000	480,000
Employee benefits	15	456,528	442,735
TOTAL CURRENT LIABILITIES		3,082,443	2,753,727
NON-CURRENT LIABILITIES			
Borrowings	14	4,726,074	5,206,074
Lease liabilities	10	613,452	723,605
Employee benefits	15	50,669	64,215
TOTAL NON-CURRENT LIABILITIES		5,390,195	5,993,894
TOTAL LIABILITIES		8,472,638	8,747,621
NET ASSETS		18,107,056	18,070,273

The accompanying notes form part of these financial statements.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Balance Sheet

As at 30 June 2023

	Note	2023 \$	2022 \$
EQUITY			
Retained earnings		9,099,390	9,062,607
Reserves	20	9,007,666	9,007,666
TOTAL EQUITY		18,107,056	18,070,273

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 2023

	Retained Earnings \$	Amalgamation Reserve \$	Total \$
Balance at 1 July 2022	9,062,607	9,007,666	18,070,273
Result for the year	36,783	-	36,783
Balance at 30 June 2023	9,099,390	9,007,666	18,107,056
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

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 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	16,022,835	11,884,434
Payments to suppliers and employees	(13,802,776)	(11,188,959)
Interest paid	(340,971)	(211,205)
Net cash provided/(used) by operating activities	<u>1,879,088</u>	<u>484,270</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(660,807)	(1,230,755)
Net cash provided/(used) by investing activities	<u>(660,807)</u>	<u>(1,230,755)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowing	1,000,000	2,391,000
Repayment of borrowings	(1,480,000)	(694,850)
Repayment of lease liabilities	(321,607)	(305,399)
Net cash provided/(used) by financing activities	<u>(801,607)</u>	<u>1,390,751</u>
Net increase/(decrease) in cash and cash equivalents held	416,674	644,266
Cash and cash equivalents at beginning of year	<u>1,281,041</u>	<u>636,775</u>
Cash and cash equivalents at end of financial year	7 <u><u>1,697,715</u></u>	<u><u>1,281,041</u></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 2023

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 Standard, 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) 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.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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.

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.

(b) Borrowing costs

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(c) 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.

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.

(d) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(e) 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.

(f) Leases

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

This involves an assessment of whether:

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

Lessee accounting

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

Right-of-use asset

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

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Leases

Lease liability

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

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

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

(g) 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.

(h) 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.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(h) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Buildings	2.5%
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.

(i) 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.

(i) Financial assets

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

Classification

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

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows.

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Financial instruments

(i) 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, cash and cash equivalents and financial assets 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 assets has increased significant 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 including forward looking information.

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

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(i) Financial instruments

(i) Financial assets

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

Trade receivables

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

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance 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.

(ii) Financial liabilities

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

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(j) 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.

(k) 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.

Short-term obligations

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

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(k) Employee benefits

Other long-term employee benefit obligations

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

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

(l) 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.

Entitlements to poker machines can be traded between Clubs and therefore have a value. Entitlements that were initially granted free of charge have not been recognised on the statement of financial position. The purchase price of additional entitlements and the fair value of entitlements subsequently acquired have been capitalised and disclosed as "Poker machine entitlements – at cost".

In accordance with Australian Accounting Standards, the poker machine entitlements are not amortised as they have an indefinite life, but rather tested for impairment annually.

There were no purchases, disposals, amortisation or impairment of intangible assets during the current or comparative year. Any losses are recognised in 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.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(l) Intangible Assets

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.

(m) Adoption of new and revised accounting standards

The Club has adopted all applicable standards which became effective for the first time during 30 June 2023. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

(n) Going concern

As at 30 June 2023 the Club had a deficiency in working capital (current liabilities exceed current assets) of \$906,517 (2022: \$959,621). Notwithstanding this, 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.

This basis is supported by the:

- positive operating cashflows generated during the year of \$1,879,088 (2022: \$484,270);
- surplus of \$36,783 recorded for the year (2022: deficit of \$707,069);
- Club's access to financing facilities of \$321,299 (2022: \$261,587) which had not been drawn upon as at balance date [refer note 14(a)];
- fact that included in current liabilities are employee provisions of \$456,528 (2022: \$442,735), which have been treated as a current liability, notwithstanding Directors do not expect them to be paid out during the coming 12 months; and
- detailed operating budgets for the coming financial year indicate that the Club will meet ongoing financial requirements and operate within its current financial facilities.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

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:

(a) *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.

(b) *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 2023

4 Revenue and Other Income

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
- Sale of goods	5,415,442	3,648,769
- Poker machine revenue	4,030,962	2,798,546
- Golf revenue and pro-shop revenue	1,638,027	1,392,255
- Accommodation income	1,696,918	1,187,827
- Member subscriptions	994,938	934,523
- Functions income	386,844	206,542
- TAB and KENO commission income	26,322	20,625
	<u>14,189,453</u>	<u>10,189,087</u>
<i>Other income</i>		
- Government COVID-19 stimulus income	34,440	402,013
- Other income	358,652	363,641
	<u>393,092</u>	<u>765,654</u>
	<u>14,582,545</u>	<u>10,954,741</u>

(a) 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	13,194,515	9,254,564
- Over time	994,938	934,523
	<u>14,189,453</u>	<u>10,189,087</u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

5 Result for the Year

	Note	2023 \$	2022 \$
Superannuation		467,839	363,350

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 at bank and on hand		<u>1,697,715</u>	<u>1,281,041</u>
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8 Trade and other receivables

Trade receivables		99,137	31,294
Provision for impairment	(a)	-	-
Other receivables		<u>107,479</u>	<u>175,482</u>
		<u>206,616</u>	<u>206,776</u>

(a) Impairment of receivables

The Club applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2023 has been assessed as being trivial and hence no provision considered necessary.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

9 Inventories

	2023	2022
	\$	\$
Finished goods at cost	<u>239,334</u>	<u>245,395</u>

10 Leases

(i) 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 \$11,780 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 \$49,980 (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, with no renewal of terms.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases

(ii) Right-of-use assets

	Land	Machinery and motor vehicles	Poker Machines	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at beginning of year	253,282	593,855	158,062	1,005,199
Additions during the year	-	153,352	170,784	324,136
Amortisation charge	(49,208)	(189,884)	(104,296)	(343,388)
Balance at end of year	204,074	557,323	224,550	985,947

(iii) Future lease payments

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities
	\$	\$	\$	\$
2023				
Lease liabilities	400,937	554,936	88,349	1,044,222
2022				
Lease liabilities	292,225	634,590	100,129	1,026,944

(iv) Lease liability reconciliation

	2023	2022
	\$	\$
Current	365,827	253,145
Non-current	613,452	732,605
Total	979,279	985,750

Hire purchase/lease liabilities are secured over the plant and equipment subject to the respective agreements. Arrangements have original term of five years.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

10 Leases

(v) 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.

(vi) 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:

	2023	2022
Note	\$	\$
Interest expense on lease liabilities	60,837	54,387
Depreciation of right-of-use assets	343,388	213,600
	<u>404,225</u>	<u>267,987</u>

(vii) Statement of Cash Flows

Total cash outflow for leases	<u>385,542</u>	<u>305,399</u>
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11 Intangible Assets

Computer software		
Cost	165,105	165,105
Accumulated depreciation	(146,080)	(137,085)
	<u>19,025</u>	<u>28,020</u>
Poker machine entitlements - at cost	2(l) <u>1,040,000</u>	1,040,000
	11(a) <u>1,059,025</u>	<u>1,068,020</u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Intangible Assets

(a) *Movements in carrying amounts of intangible assets*

	2023	2022
	\$	\$
Balance at the beginning of the year	1,068,020	1,073,020
Amortisation	<u>(8,995)</u>	<u>(5,000)</u>
Balance at the end of the year	<u>1,059,025</u>	<u>1,068,020</u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Property, plant and equipment

	2023	2022
	\$	\$
Land and buildings		
At cost	25,054,879	25,004,304
Accumulated depreciation	<u>(5,975,234)</u>	<u>(5,333,445)</u>
	<u>19,079,645</u>	<u>19,670,859</u>
Capital improvements		
At cost	58,850	39,310
Accumulated depreciation	<u>(27,987)</u>	<u>(25,156)</u>
	<u>30,863</u>	<u>14,154</u>
Furniture, fixtures and fittings		
At cost	6,929,484	6,981,721
Accumulated depreciation	<u>(5,880,984)</u>	<u>(5,970,621)</u>
	<u>1,048,500</u>	<u>1,011,100</u>
Plant, machinery and vehicles		
At cost	5,466,137	5,672,943
Accumulated depreciation	<u>(5,172,800)</u>	<u>(5,199,505)</u>
	<u>293,337</u>	<u>473,438</u>
Course development		
At cost	2,445,693	2,238,102
Accumulated depreciation	<u>(539,993)</u>	<u>(422,684)</u>
	<u>1,905,700</u>	<u>1,815,418</u>
Total property, plant and equipment	<u><u>22,358,045</u></u>	<u><u>22,984,969</u></u>

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

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	Capital improvements	Furniture, fixtures and fittings	Plant, machinery and vehicles	Course development	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023						
Opening balance	19,670,859	14,154	1,011,100	473,438	1,815,418	22,984,969
Additions	50,582	19,540	346,971	36,154	207,560	660,807
Depreciation expense	(641,796)	(2,831)	(309,571)	(216,255)	(117,278)	(1,287,731)
Balance at the end of the year	19,079,645	30,863	1,048,500	293,337	1,905,700	22,358,045

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

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

	2023	2022
Note	\$	\$
Trade payables	335,677	271,249
Contract liabilities - income in advance	772,738	813,666
Other payables	671,673	492,932
	<u>1,780,088</u>	<u>1,577,847</u>

14 Borrowings

Current

Bank loan - secured	14(b)	<u>480,000</u>	480,000
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Non-current

Bank loan - secured	14(b)	<u>4,726,074</u>	5,206,074
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Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

14 Borrowings

(a) *Facilities available*

	2023	2022
	\$	\$
Finance facilities available		
Leasing facility	400,000	400,000
Business loan	5,207,030	5,687,030
	<u>5,607,030</u>	<u>6,087,030</u>
Facilities not utilised at reporting date		
Leasing facility	320,343	260,631
Business loan	956	956
	<u>321,299</u>	<u>261,587</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 2023

15 Employee Benefits

	2023	2022
	\$	\$
<i>Current</i>		
Provision for annual leave	356,427	358,788
Provision for long service leave	100,101	83,947
	<u>456,528</u>	<u>442,735</u>
<i>Non-current</i>		
Provision for long service leave	<u>50,669</u>	<u>64,215</u>

16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Club was \$ 817,283 (2022: \$ 679,032).

17 Auditor's Remuneration

Remuneration of the auditor Daley Audit, for:

- auditing of financial statements	40,050	38,800
- other services*	6,000	24,000
	<u>46,050</u>	<u>62,800</u>

* Other services are for accounting and tax services

18 Fair Value Measurement

The Club does not hold any classes of assets or liabilities that are measured at fair value, after initial recognition in the statement of financial position.

19 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.

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

19 Related Parties Transactions

Key Management Personnel are provided with and/or reimbursed for the reasonable costs of meals, drinks and other expenses incurred in the course of undertaking the Club's business. These costs are not considered to be remuneration and have not been included in this disclosure.

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

Key Management Personnel often participate in golfing activities whereby they can receive prize monies and vouchers. These prizes are received under the normal terms and conditions applicable to all members participating in such activities and are not considered to be remuneration, and hence have not been included in this disclosure.

20 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.

21 Contingent liabilities and contingent assets

In the opinion of the Directors, the Club did not have any contingencies at 30 June 2023 (30 June 2022: Nil).

22 Commitments

Contractual commitments

	2023	2022
	\$	\$
Supply and installation of irrigation system at Wollongong Golf Course	-	137,826

Wollongong Golf Club Limited

ABN: 20 000 740 983

Notes to the Financial Statements

For the Year Ended 30 June 2023

23 Events Occurring After the Reporting Date

The financial report was authorised for issue on 18 September 2023 by the Directors.

A general meeting of members is to be held on 21 September 2023. For the purposes of seeking member endorsement that the site upon which the Club's City Diggers licensed premises is located (Church Street Property) not to be classified as Core Property of the Club (i.e., that the Church Street Property be Non-Core Property of the Club), provided, and further, that members will also approve the disposal of that property pursuant to certain agreements with the purchaser or its nominee (the Strategic Partner) for a price of no less than \$7,000,000 (plus GST if applicable) and will also incorporate arrangements for the:

- demolition of the existing club licensed premises on the Church Street Property;
- construction and fitting out of new club licensed premises on the Church Street Property;
- leasing back of the new club licensed premises to the Club by the Strategic Partner;
- construction and fitting out of a hotel above the proposed new club licensed premises (and basement car parking); and
- Club being granted the right to manage the hotel.

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

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 5 to 34, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2023 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: 18 September 2023



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 2023, 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 2023 and of its financial performance for the year ended; and
- (ii) complying with the Australian Accounting Standards - Simplified Disclosure Standard 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 any information that does not form part of the financial report, as defined in the Opinion section of this Independent Audit Report for the year ended 30 June 2023, 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 Standard 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.

The Directors are responsible for overseeing the Club's financial reporting process.



Independent Audit Report to the members of Wollongong Golf Club Limited

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.

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: 18 September 2023

Liability limited by a scheme approved under Professional Standards Legislation.