

Suite 2 / 6 Bunberra Street  
Bomaderry 2541  
02 44215866

Shop 8 / 1 Kirkham Street  
Moss Vale 2577  
02 48612811

**HIGHLANDS GOLF CLUB LIMITED**  
**ABN 49 001 050 442**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**HIGHLANDS GOLF CLUB LIMITED**

**ABN 49 001 050 442**

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**HIGHLANDS GOLF CLUB LTD  
ABN 49 001 050 442**

**DIRECTORS' REPORT**

Your directors present their report on Highlands Golf Club Ltd for the year ended 30 June 2020.

**DIRECTORS**

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

Colin Armstrong  
Eileen Baker  
Peter Beaumont (Resigned 28 August 2019)  
Ellen Goodwin (Resigned 29 July 2019)  
Gary Malyon (Appointed 27 November 2019)  
Lane McCarthey (Appointed 30 October 2019)  
Sean O'Brien  
Michael Sewell

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

**COMPANY SECRETARY**

The names of the company secretary at any time during or since the end of the year are:

Sean O'Brien

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the financial year was the encouragement of golf and the operations of a licenced Club. No significant change in the nature of these activities occurred during the year.

**OPERATING RESULTS**

The operating profit for the financial year was \$61,927 (2019 loss of \$ 39,868). No provision for income tax is required. The operating profit before depreciation was \$205,142 (2019 profit of \$ 31,618).

**REVIEW OF OPERATIONS**

A review of operations shows that total income has decreased by \$54,110. Total expenses have decreased by \$155,905. Catering operations are now operated by an external contractor. Other income has slightly increased while expenses have been monitored.

Further details of the Club's operations are provided elsewhere in this report in the various Directors and Management Reports.

**FUTURE DEVELOPMENTS**

The company does not anticipate any significant changes to its operations during the next succeeding financial year.

**SIGNIFICANT CHANGES TO STATE OF AFFAIRS**

There has been no significant change in the state of affairs of the company during the financial year.

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**DIRECTORS' REPORT**

**AFTER BALANCE DATE EVENTS**

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

**INFORMATION ON DIRECTORS**

		<b>Meetings</b>	
		<b>Eligible to attend</b>	<b>Number attended</b>
<b>Sean O'Brien</b> Qualifications Experience Special responsibilities Other responsibilities	Company Director 3 years President Greens Chair, Match Committee	10	10
<b>Peter Beaumont</b> Qualifications Experience Special responsibilities Other responsibilities	Company Director 36 years. Past President (resigned 29 August 2019) Chairman of the Greens Committee Finance Committee	2	-
<b>Lane McCarthy</b> Qualifications Experience Special responsibilities Other responsibilities	1 year (Appointed 30 October 2019) House Committee, Match Committee	8	4
<b>Gary Malyon</b> Qualifications Experience Special responsibilities Other responsibilities	1 year (Appointed 27 November 2019) House Committee, Greens Committee	7	7
<b>Michael Sewell</b> Qualifications Experience Special responsibilities Other responsibilities	Retired 3 years Treasurer House Committee	10	9
<b>Colin Armstrong</b> Qualifications Experience Special responsibilities Other responsibilities	2 years Club Captain Match Chair, Greens Committee	10	9
<b>Ellen Goodwin</b> Qualifications Experience Special responsibilities Other responsibilities	1 year (resigned 29 July 2019) House Chair (to 29 July 2019)	1	-
<b>Luciano Liberale</b> Qualifications Experience Special responsibilities Other responsibilities	Retired 2 years House Committee, Greens Committee	10	6
<b>Eileen Baker</b> Qualifications Experience Special responsibilities Other responsibilities	Retired 2 years Vice President Ladies President, House Committee	10	10

During the financial year, 10 meetings of the Board of Directors were held. Attendances were as reported above.

**HIGHLANDS GOLF CLUB LTD  
ABN 49 001 050 442**

**DIRECTORS' REPORT**

**MEMBERS' GUARANTEE**

The company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was (2019: 585).

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 has been received and has been included in the financial report.

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

Sean O'Brien  
Director

Michael Sewell  
Director

Dated at Mittagong this 18<sup>th</sup> day of September 2020

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue from sales of goods	2	220,974	315,060
Poker machine revenue	2	174,505	210,525
Other revenue from ordinary activities	2	759,991	683,431
Interest received		177	741
<b>Total revenue</b>		<b>1,155,647</b>	<b>1,209,757</b>
Purchases of consumables and goods	3(a)	(93,612)	(125,685)
Employee expenses		(294,974)	(299,732)
Finance costs	3(a)	(14,110)	(2,775)
Course upkeep & maintenance expenses		(84,001)	(57,225)
Electricity & gas expense		(47,115)	(56,388)
Marketing expenses		(2,127)	(2,696)
Members promotional expenses		(2,018)	(4,439)
Rental expenses (including lease of land)	3(a)	(15,256)	(121,479)
Repairs & maintenance (excluding course)		(25,691)	(20,742)
Other expenses from ordinary activities		(371,601)	(486,978)
<b>Profit/(Loss) before depreciation and income tax</b>		<b>205,142</b>	<b>31,618</b>
Depreciation and amortisation expenses	3(a)	(143,215)	(71,486)
Income tax expense	1(c)	-	-
<b>(Loss) attributable to members</b>		<b>61,927</b>	<b>(39,868)</b>

**STATEMENT OF CHANGE IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Retained Profit</b>
Balance 1 July 2018	<b>239,743</b>
Profit (Loss) attributable to members	(39,868)
<b>Balance at 30 June 2019</b>	<b>199,875</b>
Adjustment for change in accounting policies	(9,035)
Profit attributable to members	61,927
<b>Balance at 30 June 2020</b>	<b>252,767</b>

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	264,492	206,511
Inventories	7	14,562	13,511
Other current assets	8	9,541	13,442
Trade and other receivables	9	15,000	40
<b>TOTAL CURRENT ASSETS</b>		<b>303,595</b>	<b>233,504</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	699,567	114,191
Intangibles	11	49,213	49,213
<b>TOTAL NON-CURRENT ASSETS</b>		<b>748,780</b>	<b>163,404</b>
<b>TOTAL ASSETS</b>		<b>1,052,375</b>	<b>396,908</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	56,213	80,517
Short-term provisions	13	50,369	43,870
Other current liabilities	14	96,376	72,646
Borrowings	15	111,760	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>314,718</b>	<b>197,033</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	13	-	-
Borrowings	15	484,890	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>484,890</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>799,608</b>	<b>197,033</b>
<b>NET ASSETS</b>		<b>252,767</b>	<b>199,875</b>
<b>EQUITY</b>			
Retained profits		252,767	199,875
<b>TOTAL EQUITY</b>		<b>252,767</b>	<b>199,875</b>

This report must be read in conjunction with the accompanying notes and audit report

**HIGHLANDS GOLF CLUB LTD**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customer		1,268,223	1,228,313
Payments to suppliers and employees		(1,055,333)	(1,281,847)
Interest received		177	741
Interest paid		-	(2,775)
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	15(b)	213,067	(55,568)
		<hr/>	<hr/>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of poker machine entitlements		-	70,000
Proceeds from sale of plant and equipment		-	-
Purchase of property, plant and equipment		(32,592)	(8,686)
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(32,592)	61,314
		<hr/>	<hr/>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(122,494)	-
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		(122,494)	-
		<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents held		57,981	5,746
Cash and cash equivalents at beginning of financial year		206,511	200,765
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year	15(a)	264,492	206,511
		<hr/> <hr/>	<hr/> <hr/>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**Note 1: Summary of Significant Accounting Policies**

**(a) Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporation Act 2001.

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

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

**(b) Going Concern**

The financial statements have been prepared on a going concern basis. This basis is applied on the expectation that the company will not experience a significant decline in its trading performance from the previous financial year and that it will receive support from its bank for short term funding requirements.

The club recorded a profit before depreciation and income tax of \$ 205,142 (2019 profit \$ 31,618) during the year ended 30 June 2020 with positive cash flows from operating activities of \$ 213,067 (2019: negative \$ 55,568).

The club made a net profit of \$ 61,927 for the year ended 30 June 2020 (2019: Loss \$39,868) the directors believe that the going concern basis is appropriate given:

- The club has a budget that forecasts positive earnings and cashflows

After considering the above, the Directors consider that the Club will be able to continue to fulfil its obligations as and when they fall due for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and accordingly, that the Club's financial statements should be prepared on a going concern basis.

Accordingly, no adjustment has been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

**(c) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from the sale of goods is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

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

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**(d) Income Tax**

The company is considered to be exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997, being a non-profit organisation, which was established for the promotion and encouragement of the game of golf. Accordingly, no provision for income tax has been made in the financial statements.

**(e) Cash and cash equivalents**

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

**(f) 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 are net of any rebates and discounts received.

**(g) Property, Plant & Equipment**

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

**Leasehold Improvements**

The land on which the clubhouse is built is owned by the Wingecarribee Shire Council. The Company's license (lease) agreement with the Wingecarribee Shire Council is for a period of twenty-one years expiring on 31 December 2018. The lease with Council is still under re-negotiation. There are no provisions in the agreement for the company to be compensated for the value of the building in the event that the lease is not renewed at the expiration of the lease. For this reason, the clubhouse building will be depreciated over the unexpired period of the lease.

Golf course improvements are capitalised in the accounts of the company and amortised over the unexpired period of the lease. All improvements prior to 31 December 1996 have been fully amortised and have no carrying value in the books of the company. A lease was granted for a lease term of 21 years commencing 1 January 1998. All leasehold improvements subsequent to 1 January 1998 have been capitalised in the accounts and will be amortised over the unexpired period of the lease.

**Plant & Equipment**

Plant and equipment are measured on a cost basis.

Plant and equipment that have contributed at no cost, or nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

**Lease Right of Use (ROU) Assets**

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for the same as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the Highlands Golf Club Ltd has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

**Depreciation**

The depreciable amount of all property, plant and equipment, except for freehold land, is depreciated on a straight line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation/amortisation rates used for each class of asset are as follows:

	Depreciation Rate
Property, plant and equipment	3 - 50%
Buildings	2.5 - 13.55%
Leasehold improvements	4.9 - 80%
Leased assets	N/A

**(h) Impairment of non-financial assets**

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

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

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

The recoverable amount of an asset 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.

**(i) Lease Liabilities**

The Highlands Golf Club Ltd (the club) adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 17 and related interpretations.

The club elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

As a lessee, the club previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the club recognises right-of-use assets and lease liabilities for most leases. However, the club has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the club recognised right-of-use assets and lease liabilities in relation to leases of land and buildings and plant and equipment which had previously been classified as operating leases.

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Club's incremental borrowing rate as at the date the lease was entered into. The club's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 2.5%.

The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On transition to AASB 16, the club recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	DR	
Right of use assets – land & buildings (net)	\$628,333	
Retained Earnings	\$ 9,035	
Lease Liabilities – ROU Asset		\$637,368

**(j) Employee Entitlements**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the nominal value of the estimated cash flows to be made for those benefits.

**(k) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(l) Goods and Services Tax**

Revenues, 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 Tax Office.

Receivables and payables are stated inclusive of GST.

**(m) Intangibles**

**Poker Machine Entitlements**

Poker machine entitlements are considered intangible assets in accordance with AASB 138 and have been brought to accounts at cost. They are considered to have an infinite life and as such are not amortised.

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Note 2: Revenue</b>			
Operating Activities			
- sales of goods		220,974	315,060
- poker machine revenue		174,505	210,525
- competition fees		116,601	116,647
- green fees		196,400	182,859
- subscriptions received		166,737	152,239
- Club Keno commissions		11,531	18,170
- hire of golf carts		120,766	132,579
- donations		-	1,892
- sponsorship		13,485	10,891
- interest received		177	741
- insurance recoveries		87,922	1,452
- other income		1,549	7,702
- job keeper allowance (ATO)		45,000	-
		1,155,647	1,150,757
Non-operating activities			
- profit on sale of non-current assets		-	-
- profit on sale of poker machine entitlements		-	59,000
		1,155,647	1,209,757
		1,155,647	1,209,757

**Note 3: Profit from Ordinary Activities**

Profit from ordinary activities has been determined after:

**(a) Expenses**

Cost of sales		93,612	125,685
		93,612	125,685
Borrowing costs:			
- Hire purchases charges		-	-
- Interest paid		14,110	2,775
		14,110	2,775
Total finance costs			
		14,110	2,775
Amortisation of non-current assets:			
- Course leasehold improvements		-	6,342
		-	6,342
Total amortisation expenses			
		-	6,342
Depreciation of non-current assets:			
- Building		17,115	33,510
- Plant & equipment		126,100	31,634
		143,215	65,144
Total depreciation expenses			
		143,215	65,144
Total depreciation and amortisation expense			
		143,215	71,486
		143,215	71,486
Rental expenses on operating leases			
- minimum lease payments		15,256	121,479
		15,256	121,479
		15,256	121,479

**HIGHLANDS GOLF CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Note 4: Directors' Remuneration</b>			
(a) Directors' Remuneration			
Total benefits received or due and receivable by all Directors of the company from the company:			
Payments to directors		-	-
Benefits to directors in kind in attending seminars, functions, club business and the like		447	33
		447	33
		447	33
<b>Note 5: Auditors' Remuneration</b>			
Total amounts receivable by the auditors of the company for:			
- Audit of the company's accounts		9,900	9,900
- Add GST		990	990
		10,890	10,890
		10,890	10,890
<b>Note 6: Cash</b>			
Cash on hand		26,000	26,052
Cash at bank		238,492	180,459
Term deposits		-	-
		264,492	206,511
		264,492	206,511
<b>Note 7: Inventories</b>			
The valuation policy adopted in respect of the following is set out in the accounting policy notes.			
Stock on hand		14,562	13,511
		14,562	13,511
		14,562	13,511
<b>Note 8: Other Assets</b>			
Current Prepayments		9,541	13,442
Interest accrued		-	-
		9,541	13,442
		9,541	13,442
<b>Note 9: Trade and other receivables</b>			
Current Trade debtors		15,000	40
Other debtors		-	-
		15,000	40
		15,000	40

**HIGHLANDS GOLF CLUB LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Note 10: Property, Plant and Equipment</b>			
Land – ROU Asset		380,260	-
less: Accumulated depreciation		25,580	-
Total Land		354,680	-
Building - at cost		1,129,497	1,129,497
less: Accumulated depreciation		1,129,497	1,129,497
Total Buildings		-	-
Course Leasehold Improvements - at cost		253,353	253,353
less: Accumulated amortisation		253,353	253,353
Total Leasehold Improvements		-	-
Plant and equipment - at cost		1,426,815	1,394,221
less: Accumulated depreciation		1,307,010	1,280,030
Total Plant & Equipment		119,805	114,191
Plant and equipment – ROU Asset		440,763	-
less: Accumulated depreciation		215,681	-
Total Plant & Equipment – ROU Asset		225,082	-
Total Property, Plant & Equipment		699,567	114,191

**(a) Movements in Carrying Amounts**

	Land & Building \$	Leasehold Improvement \$	Plant & Equipment \$	Total \$
Balance at beginning of year	-	-	114,191	114,191
Additions	371,795		356,796	728,591
Disposals	-	-	-	-
Depreciation / Amortisation	(17,115)	-	(126,100)	(143,215)
	354,680	-	344,887	699,567

**Note 11: Intangible Assets**

Acquired Poker Machine entitlements		49,213	49,213
		49,213	49,213

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Note 12: Trade and other payables</b>			
Trade creditors		17,829	25,970
Sundry creditors & accruals		38,384	54,547
		56,213	80,517
		56,213	80,517
<b>(a) Financial liabilities at amortised cost classified as trade and other payables</b>			
Total current		56,213	80,517
<b>Note 13: Provisions</b>			
<b>Employee Entitlements</b>			
Opening balance		43,870	31,344
Additional provisions		22,805	22,825
Amounts used		(16,306)	(10,299)
Unused amounts reversed		-	-
		50,369	43,870
		50,369	43,870
<b>Analysis of total provisions</b>			
Current		50,369	43,870
Non-current		-	-
		50,369	43,870
		50,369	43,870
<b>Note 14: Other Current Liabilities</b>			
Subscriptions received in advance		94,820	72,646
Deposits held		450	-
Members House Cards		1,106	-
		96,376	72,646
		96,376	72,646
<b>Note 15: Borrowings</b>			
<i>Current</i>			
Lease Liabilities		111,760	-
		111,760	-
		111,760	-
<i>Non-current</i>			
Lease Liabilities		484,890	-
		484,890	-
		484,890	-



**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Note 15: Notes to Statement of Cash Flows</b>			
<b>(a) Reconciliation of Cash</b>			
Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the items in the statement of financial position as follows:			
Cash assets	6	264,492	206,511
Bank overdraft		-	-
		264,492	206,511
<b>(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax</b>			
Operating profit (loss) for the year		61,927	(39,868)
Non-cash flows in operating profit			
Amortisation of leasehold improvements		-	6,342
Depreciation - building		17,115	33,510
Depreciation - plant and equipment		126,100	31,634
Profit on sale of plant & equipment		-	-
Profit on sale of poker machine entitlements		-	(59,000)
Provision for employee entitlements		6,499	12,526
Interest Paid		14,110	-
Changes in assets and liabilities			
Decrease (Increase) in Inventories		(1,051)	1,768
Decrease (Increase) in Receivables		(14,960)	3,976
Decrease (Increase) in Prepayments		3,901	3,386
Increase (Decrease) in trade & other creditors		(24,304)	(8,370)
Increase (Decrease) in other current liabilities		23,730	(41,472)
Cash Flows from operations		213,067	(55,568)

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Note 16: Capital &amp; Leasing Commitments</b>			
<b>(a) Operating Lease Commitments</b>			
Non-Cancellable Operating Leases contracted for but not capitalised in the accounts Payable:			
- not longer than one year		-	79,550
- longer than one year but not longer than two years		-	79,550
- longer than two years but not longer than five years		-	29,828
- longer than five years		-	-
		-	188,928
		-	188,928

All assets have been capitalised this year under AASB16.

**(b) Hire Purchase Commitments**

Payable:			
- not longer than one year		-	-
- longer than one year but not longer than two years		-	-
- longer than two years less than five years		-	-
		-	-
Less unexpired hire charges		-	-
		-	-
		-	-

**Note 17: Contingent Liabilities**

During the previous financial years the Wingecarribee Shire Council investigated the illegal dumping of contaminated soil on the golf course and has not been able to proceed with charges against those responsible. The Club engaged an environmental consultant to assess the extent of any contaminants in the soil. The potential financial effect of this contingent liability that may become payable should the company be held responsible is estimated at:

	250,000	250,000
	250,000	250,000
	250,000	250,000

**Note 18: Related Party Disclosures**

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

No director of the company has received or become entitled to receive, during or since the financial year, a benefit by reason of a contract made by the company with the director or with a firm or which the director is a member, or with a company in which the director has a substantial financial interest.

There were no related party transactions during the course of the financial year.

**HIGHLANDS GOLF CLUB LTD  
ABN 49 001 050 442**

**DIRECTORS DECLARATION**

The directors of the company declare that:

- (1) The financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations; and
  - (b) give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date;
- (2) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Sean O'Brien  
Director

Michael Sewell  
Director

Dated at Mittagong this 18<sup>th</sup> Day of September 2020

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
HIGHLANDS GOLF CLUB LIMITED**

**Opinion**

We have audited the financial report of Highlands Golf Club Limited (the company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

In our opinion, the financial report of Highlands Golf Club Limited is in accordance the Corporations Act 2001 including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (ii) Complying with Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001

**Inherent Uncertainty Regarding Continuation as a Going Concern**

Without qualification to the opinion expressed above, attention is drawn to Note 1 (b) of the financial statements "Going Concern" which details uncertainty whether the company is able to continue as a going concern and whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded amounts of assets or to the amounts and classification of liabilities that may be necessary should the company not continue as a going concern.

**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 company 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.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
HIGHLANDS GOLF CLUB LIMITED**

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the 30 June 2020 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 or 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, 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.

**Responsibility of the Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

In preparing the financial report, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

### HIGHLANDS GOLF CLUB LIMITED

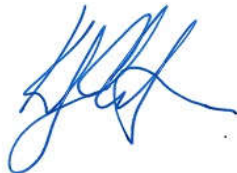
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and that of the auditor's independence declaration has not changed as at the date of providing our audit opinion.



Name of Auditor **KENNETH JAMES CLIFTON**  
Registered Company Auditor 2636

Name of firm **CLIFTON ACCOUNTANTS**  
Bowral NSW

Date 18 September 2020

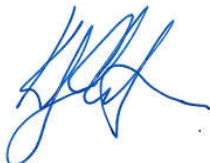
**AUDITORS' INDEPENDENCE DECLARATION**

**UNDER SECTION 307c OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
HIGHLANDS GOLF CLUB LIMITED**

I hereby declare, to the best of my knowledge and belief, during the financial year ended 30 June 2020 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.

**Name of Firm:** Clifton Accountants  
Certified Practising Accountants  
Shop 8  
1 Kirkham Street  
Moss Vale NSW 2577



**Name:** \_\_\_\_\_  
Kenneth Clifton  
Registered Company Auditor 2636

**Dated:** 18 September 2020

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**TRADING STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>BAR TRADING</b>		
Sales	199,216	286,612
	<hr/>	<hr/>
Less: Cost of goods sold		
Opening stock	13,511	15,279
Purchases	71,297	112,836
	<hr/>	<hr/>
Closing stock	84,808	128,115
	<hr/>	<hr/>
	14,562	13,511
	<hr/>	<hr/>
	70,246	114,604
	<hr/>	<hr/>
Gross profit	128,970	172,008
	<hr/>	<hr/>
Gross profit ratio	64.74%	60.01%
Less: Expenses		
Bar wastage	4,872	8,771
Beer gas	960	975
	<hr/>	<hr/>
	5,832	9,746
	<hr/>	<hr/>
Net profit on bar trading	123,138	162,262
	<hr/> <hr/>	<hr/> <hr/>

**POKER MACHINE TRADING**

Takings	157,325	193,184
Government GST compensation	17,180	17,341
	<hr/>	<hr/>
	174,505	210,525
	<hr/>	<hr/>
Less: Expenses		
Monitoring expenses	6,219	8,401
Operating leases - rentals	7,907	42,463
Repairs, maintenance & analysis	5,814	9,516
Stationery	-	610
	<hr/>	<hr/>
	19,940	60,990
	<hr/>	<hr/>
Net profit on poker machine trading	154,565	149,535
	<hr/> <hr/>	<hr/> <hr/>



**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**TRADING STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>BISTRO &amp; HALF WAY HOUSE TRADING</b>		
Sales - Bistro	-	-
- Functions	5,166	(383)
- Half way house	16,589	19,831
- Rent – Caterers	-	9,000
	21,755	28,448
Less: Cost of goods sold		
Opening stock	-	-
Purchases	8,886	10,931
Function expenses	14,480	150
	23,366	11,081
Closing stock	-	-
	23,366	11,081
Gross profit	(1,611)	17,367
Gross profit ratio		61.04%
Less: Expenses		
Cleaning expenses	-	-
Contactors	-	-
Gas	776	3,539
Linen hire	-	236
Rentals of equipment	-	8,205
Repairs & maintenance	7,062	3,342
	7,838	15,322
Net profit from bistro & half-way house	(9,449)	2,045

**GOLF CART INCOME & EXPENDITURE ACCOUNT**

Hiring income	120,766	132,579
Less: Expenses		
Commission paid	27,544	30,088
Operating lease – rental	4,161	32,141
Rental of equipment - carts	7,349	5,600
Repairs & maintenance	1,134	1,589
	40,188	69,418
Net profit from golf cart hire	80,578	63,161

**HIGHLANDS GOLF CLUB LTD**  
**ABN 49 001 050 442**

**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Net profit on bar trading	123,138	162,262
Net profit on poker machine trading	154,565	149,535
Net profit from Club Keno operations	11,441	18,050
Net profit from cart hire operations	80,578	63,161
Net profit from bistro & halfway house operations	(9,449)	2,045
Competition fees	116,601	116,647
Green fees	196,400	182,859
Sponsorship	13,485	10,891
Donations	-	1,892
Subscriptions received	166,737	152,239
Interest received	177	741
Profit on sale of assets	-	-
Insurance recovery	87,922	1,452
Other income	1,549	7,702
Profit on sale of poker machine entitlements	-	59,000
Job Keeper Allowance (ATO)	45,000	-
	<hr/>	<hr/>
	988,144	928,476
	<hr/>	<hr/>
<b>Less: EXPENSES</b>		
Administration Expenses	660	352
Advertising	2,127	2,696
Accounting & bookkeeping fees	11,626	25,715
Auditors' remuneration	9,900	9,900
Bad debts written off	-	6,272
Bank charges & government duties	6,227	7,932
Cleaning, laundry & waste disposal	39,844	50,958
Computer software & support	4,356	5,385
Contractors & consultants	14,893	12,567
Directors' expenses	447	33
Donations & sponsorships	418	8,993
Electricity	44,816	50,383
Employees' amenities & allowances	598	1,363
Gas	563	1,491
Grounds & course upkeep	84,001	57,225
Insurance	55,456	51,417
Interest paid	14,110	2,775
Operating leases – rent of golf course	-	20,870
Operating leases – rentals – course equipment	-	35,452
Operating leases – rentals – clubhouse equipment	-	8,889
Operations manager – contractor	10,400	34,450
Pennant expenses	-	1,506
Printing, postage & stationery	4,163	4,078
Pro Shop retainer & commissions paid	74,702	71,929
Provision for holiday pay & long service leave	6,499	12,526
Promotion expenses	2,018	4,439
Rates & taxes	20,677	19,945
Repairs & maintenance	25,691	20,742
Security	1,879	1,710
Staff training, seminars & conferences	194	1,650
Subscriptions & licences	25,118	22,215
Superannuation contributions	21,571	25,426
Telephone	5,836	4,244
Trophies & prize money	27,308	27,137
Wages	266,904	284,193
	<hr/>	<hr/>
	783,002	896,858
	<hr/>	<hr/>
<b>Net Profit before amortisation and depreciation expenses</b>	<b>205,142</b>	<b>31,618</b>

HIGHLANDS GOLF CLUB LTD  
ABN 49 001 050 442

DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
<b>Less</b> Amortisation of leasehold improvements	-	6,342
Depreciation – building	17,115	33,510
Depreciation of plant & equipment	126,100	31,634
Total amortisation and depreciation expenses	143,215	71,486
<b>Net Profit/(loss) from ordinary activities</b>	61,927	<b>(39,868)</b>