

**MOREE GOLF CLUB LIMITED**

**ABN 94 000 852 200**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011**

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 JULY 2011**

Your directors present their report on the company for the financial year ended 31 July 2011.

**Principal Activities**

The company's principal activities of the company is to provide sporting facilities and licensed club premises to its members and guests for the playing, encouragement and promotion of golf within the Moree and district community.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing sporting facilities for the members and the community
- providing entertainment, dining, gaming and social facilities for members and the community
- providing turnover, cash flow and profit to meet the financial objectives of the company

**Directors Information**

**Directors**

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Date Appointed
D Amos	President	7 years	Appointed 27/10/2004
D Chomley	Treasurer	3 years	Appointed 30/10/2008
D Moore	Club Captain	5 years	Appointed 25/10/2006
L Goodman	Director	1 year	Appointed 31/11/2010
D Cox	Director	3 years	Appointed 30/10/2008
G Taunton	Director	2 years	Appointed 26/2/2010
S Brooker	Director	1 year	Appointed 31/11/2010
M Houlahan	Vice President	2 years	Appointed 26/2/2010
D Wheaton	Director	1 year	Appointed 31/11/2010
D Newnham	Director	1 year	Appointed 21/3/2011

**Meetings of Directors**

During the financial year, 12 meetings of directors (including committees of directors) were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
D Amos	12	11
D Chomley	12	11
D Moore	12	12
L Goodman	9	7
D Cox	12	9
G Taunton	12	7
S Brooker	9	6
M Houlahan	12	8
D Wheaton	9	6
D Newnham	5	5

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 JULY 2011**

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**Short Term Objectives of the Company**

The company has identified the following short term objectives:

- to provide services to members commensurate with industry needs and regulatory requirements.
- to repay the funds borrowed for the 2007 club refurbishment within the next few years
- to encourage more members to use club sporting and social facilities
- to meet financial viability and accountability requirements
- to provide a workplace that is compliant with industry standards and the Fair Work Act

The company has adopted the followings strategies in order to achieve these short term objectives:

- the preparation of a business and strategic plan that identifies the future for the industry and the initiatives that will need to be implemented to promote the industry
- the preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors
- the review of the company compliance with occupational health and safety and compliance with employment law including the Fair Work Act

**Long Term Objectives of the Company**

The company has identified the following long term objectives:

- to ensure a sustainable industry
- to continue to be financially secure
- to grow the company operations in accordance with member interests

The company has adopted the followings strategies in order to achieve these long term objectives:

- the preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable industry
- the preparation of long term budgets that consider the member service needs infrastructure needs, service delivery, employment costs and maintaining prudent levels of working capital and liquidity in investment of funds surplus to current needs

**Performance Measurement**

The company uses the following key performance indicators to measure performance:

- Profit, after income tax expense, for the financial year was \$32,111.
- Cash flow from operating activities for the financial year was \$291,755.
- Membership for the financial year was 1,701.
- the company has complied with all Occupational, Health and Safety, Employment and Environmental reviews conducted by external regulatory bodies.

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 JULY 2011**

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**Membership Details**

The Moree Golf Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the company.

<b>Membership Class</b>	<b>Number of Members</b>	<b>Individual Members Contribution on winding up of Company</b>	<b>Total Members Contribution on winding up of Company</b>
Golfing members	365	\$ 50	\$ 18,250
Female social members	657	\$ 50	\$ 32,850
Male social members	679	\$ 50	\$ 33,950
<b>Total</b>	<b>1,701</b>	<b>\$ 50</b>	<b>\$ 85,050</b>

**Auditors' Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of the Board of Directors



D Amos  
President



D Chomley  
Treasurer

Dated: 17 October 2011

**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATION ACT 2001  
TO THE DIRECTORS OF  
MOREE GOLF CLUB LIMITED  
ABN 94 000 852 200**

I declare that, to the best of my knowledge and belief, during the financial year to 31 July 2011 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.

**WHK Camerons Audit Services**



**K N Rushforth**  
**Registered Company Auditor (ASIC RAN 4367)**  
3 Glen Innes Road  
INVERELL NSW 2360

Dated: 17 October 2011

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
Sales revenue	5	2,055,672	2,022,337
Cost of goods sold	6	<u>(422,863)</u>	<u>(434,220)</u>
Gross profit		<u>1,632,809</u>	<u>1,588,117</u>
Other revenue	5	62,239	56,034
Administration expenses		(138,781)	(94,878)
Advertising and promotional expenses		(112,071)	(146,724)
Depreciation expense	6	(265,642)	(240,719)
Employee benefits expense		(639,164)	(659,644)
Finance costs	6	(53,644)	(50,340)
Loss on the sale of fixed assets		(13,450)	(3,929)
Occupancy expenses		(367,853)	(395,672)
Other expenses		<u>(72,332)</u>	<u>(43,258)</u>
<b>Profit before income tax expense</b>		<u>32,111</u>	<u>8,987</u>
Income tax expense	1(a)	<u>-</u>	<u>-</u>
<b>Profit after income tax expense</b>		<u>32,111</u>	<u>8,987</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>\$ 32,111</u>	<u>\$ 8,987</u>

The accompanying notes form part of these financial statements.

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	158,988	136,068
Trade and other receivables	8	26,900	23,562
Inventories	9	16,000	23,250
Other current assets	10	<u>35,526</u>	<u>30,815</u>
<b>TOTAL CURRENT ASSETS</b>		<u>237,414</u>	<u>213,695</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	11	4,000,010	4,121,601
Intangible assets	12	<u>430,441</u>	<u>430,441</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>4,430,451</u>	<u>4,552,042</u>
<b>TOTAL ASSETS</b>		<u>4,667,865</u>	<u>4,765,737</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	125,791	128,580
Borrowings	14	223,300	207,232
Provisions	15	86,730	60,350
Other liabilities	16	<u>22,227</u>	<u>58,206</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>458,048</u>	<u>454,368</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	14	335,915	463,317
Provisions	15	<u>10,164</u>	<u>16,425</u>
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>346,079</u>	<u>479,742</u>
<b>TOTAL LIABILITIES</b>		<u>804,127</u>	<u>934,110</u>
<b>NET ASSETS</b>		<u>\$ 3,863,738</u>	<u>\$ 3,831,627</u>
<b>EQUITY</b>			
Reserves	17	2,299,595	2,299,595
Retained earnings		<u>1,564,143</u>	<u>1,532,032</u>
<b>TOTAL EQUITY</b>		<u>\$ 3,863,738</u>	<u>\$ 3,831,627</u>

The accompanying notes form part of these financial statements.

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Asset Reserves \$	Retained Earnings \$	Total \$
<b>Balance at 1 August 2009</b>	2,299,595	1,523,045	3,822,640
Total comprehensive profit	-	8,987	8,987
<b>Balance at 31 July 2010</b>	<u>\$ 2,299,595</u>	<u>\$ 1,532,032</u>	<u>\$ 3,831,627</u>
Total comprehensive profit	-	32,111	32,111
<b>Balance at 31 July 2011</b>	<u>\$ 2,299,595</u>	<u>\$ 1,564,143</u>	<u>\$ 3,863,738</u>

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,300,562	2,032,596
Payments to suppliers and employees		(1,962,314)	(1,820,030)
Interest received		862	389
Finance costs		(47,355)	(50,340)
Net cash provided by (used in) operating activities		<u>291,755</u>	<u>162,615</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		2,727	-
Purchase of property, plant and equipment		(160,228)	(246,597)
Net cash (used in) provided by investing activities		<u>(157,501)</u>	<u>(246,597)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	84,019
Repayment of borrowings		(111,334)	-
Net cash (used in) provided by financing activities		<u>(111,334)</u>	<u>84,019</u>
Net increase (decrease) in cash held		22,920	37
Cash at the beginning of the financial year		<u>136,068</u>	<u>136,031</u>
Cash at the end of the financial year	7 (a)	<u>\$ 158,988</u>	<u>\$ 136,068</u>

The accompanying notes form part of these financial statements.

**MOREE GOLF CLUB LIMITED**

**ABN 94 000 852 200**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011**

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

**Statement of Compliance**

The financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards - Reduced Disclosure Regime, and comply with other requirements of the law.

The financial statements cover Moree Golf Club Limited as an individual entity. Moree Golf Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the directors on 17th October 2011.

**Basis of Preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The directors have elected under s.334(5) of the Corporations Act 2001 to apply AASB 1053: 'Application of Tiers of Australian Accounting Standards', AASB 2010-2: 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' and Amendments to AASB 101: 'Presentation of Financial Statements' in advance of their effective dates. AASB 1053 and AASB 2010-2 are not required to be applied until annual reporting periods beginning on or after 1 July 2013, and Amendments to AASB 1010 are not required to be applied until annual reporting periods beginning on or after 1 January 2011. The impact of the adoption of these standards is disclosed in Note 3 to the financial statements.

**Accounting Policies**

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

**(a) Income Tax**

No provision for income tax has been raised as the company has determined that they are exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**(b) Inventories**

Inventory is recorded on a first in first out (FIFO) basis. Inventories are measured at the lower of cost and net realisable value.

**(c) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are shown at cost less depreciation and impairment losses.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**MOREE GOLF CLUB LIMITED**

**ABN 94 000 852 200**

**NOTES TO THE FINANCIAL STATEMENTS  
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**Depreciation**

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	3%
Furniture and fittings	10%
Poker machines	37.5%
Plant and equipment	15%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Financial Instruments**

**Initial recognition and measurement**

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'fair value through profit and loss' in which case transactions costs are expensed to the statement of comprehensive income immediately.

**Classification and subsequent measurement**

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

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method;
- less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

**MOREE GOLF CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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*(i) Loans and receivables*

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

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

*(ii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to held these investment to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

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

**Impairment**

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

**(e) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

**MOREE GOLF CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**(f) Intangibles**

**Water Licences**

The water licences held by the club are recorded at valuation. The water licences are subject to annual impairment testing to the higher of fair value less related costs to sell and value in use.

**(g) Employee Benefits**

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 that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

**(h) 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(i) 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 three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(j) Revenue**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

**(k) Trade and Other Payables**

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

**(l) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**MOREE GOLF CLUB LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**(m) Goods and Services Tax**

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

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

**(n) Comparative Figures**

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

**Note 2: Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associations assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The following are the critical judgements, key assumptions and estimates, that directors have used in the process of applying the company's accounting policies.

Key judgments — Employee Provisions

Employee Long Service Leave entitlements are calculated based on the present value of future cash flows, with the probability based on historical data.

Key estimates — Impairment

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

**Note 3: Application of New and Revised Accounting Standards**

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements.

**AASB 1053: 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2: 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'**

AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements, comprising Tier 1: Australian Accounting Standards and Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements (RDR). AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities or inserting 'RDR' paragraphs requiring simplified disclosures for 'Tier 2' entities. The adoption of these standards has resulted in significantly reduced disclosures, largely in respect of income tax, segments, impairment, related parties, share-based payments, financial instruments and cash flows.

**Amendments to AASB 101: 'Presentation of Financial Statements'**

The amendments (part of AASB 2010-4 'Further Amendments to Australian Accounting Standard arising from the Annual Improvements Project') clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

**Amendments to AASB 107: 'Statement of Cash Flows'**

The amendments (part of AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project') specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria of AASB 138 'Intangible Assets' for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows.

**MOREE GOLF CLUB LIMITED**

**ABN 94 000 852 200**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2011**

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**Note 4: Accounting Policies, Changes in Accounting Estimates and Errors**

In 2004 the Club recognised internally generated poker machine licenses at cost. The recognition of this asset does not comply with Australian Accounting Standards and as a result the recorded value has been reversed. As a result of this amendment and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors the prior period accounts have been restated. What follows is the result of the restatement.

	<b>Original 2010 \$</b>	<b>Effect of Restatement \$</b>	<b>Restated 2010 \$</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>			
Balance at 1 August 2009	2,003,045	(480,000)	1,523,045
Balance at 31 July 2010	<u>2,012,032</u>	<u>(480,000)</u>	<u>1,532,032</u>
<b>TOTAL EQUITY</b>	<u>4,311,627</u>	<u>(480,000)</u>	<u>3,831,627</u>
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>NON CURRENT ASSETS</b>			
Intangible assets	<u>910,441</u>	<u>(480,000)</u>	<u>430,441</u>
<b>TOTAL NON CURRENT ASSETS</b>	<u>5,032,042</u>	<u>(480,000)</u>	<u>4,552,042</u>
<b>TOTAL ASSETS</b>	<u>5,245,737</u>	<u>(480,000)</u>	<u>4,765,737</u>
<b>NET ASSETS</b>	<u>\$ 4,311,627</u>	<u>\$ (480,000)</u>	<u>\$ 3,831,627</u>
<b>EQUITY</b>			
Retained earnings	<u>2,012,032</u>	<u>(480,000)</u>	<u>1,532,032</u>
<b>TOTAL EQUITY</b>	<u>\$ 4,311,627</u>	<u>\$ (480,000)</u>	<u>\$ 3,831,627</u>

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
<b>Note 5: Revenue</b>			
Operating activities:			
Sale of goods		2,055,672	2,022,337
Other revenue		45,035	46,707
Rental operations		16,342	8,938
Total revenue from operating activities		<u>2,117,049</u>	<u>2,077,982</u>
Non-operating activities:			
Interest received from other persons		862	389
Total revenue from non-operating activities		<u>862</u>	<u>389</u>
Total revenue		<u>\$ 2,117,911</u>	<u>\$ 2,078,371</u>
<b>Note 6: The Result for the Year includes the following specific expenses</b>			
Expenses			
Cost of sales		<u>\$ 422,863</u>	<u>\$ 434,220</u>
Depreciation expense		<u>\$ 265,642</u>	<u>\$ 240,719</u>
Finance costs		<u>\$ 53,644</u>	<u>\$ 50,340</u>
<b>Note 7: Cash and Cash Equivalents</b>			
Cash on hand		47,904	65,445
Cash at bank		111,084	70,623
		<u>\$ 158,988</u>	<u>\$ 136,068</u>
(a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		<u>158,988</u>	136,068
		<u>\$ 158,988</u>	<u>\$ 136,068</u>
<b>Note 8: Trade and Other Receivables</b>			
CURRENT			
Other receivables		26,900	23,562
		<u>\$ 26,900</u>	<u>\$ 23,562</u>
(a) Aged analysis:			
0 - 30 days		26,900	23,562
		<u>\$ 26,900</u>	<u>\$ 23,562</u>

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
<b>Note 9: Inventories</b>			
CURRENT			
Stock on Hand, at cost:			
Bar		<u>16,000</u>	<u>23,250</u>
		<u>\$ 16,000</u>	<u>\$ 23,250</u>
<b>Note 10: Other Assets</b>			
CURRENT			
Other current assets		170	170
Prepayments		<u>35,356</u>	<u>30,645</u>
		<u>\$ 35,526</u>	<u>\$ 30,815</u>
<b>Note 11: Property, Plant &amp; Equipment</b>			
Land and Buildings (at valuation)			
Freehold land		<u>431,114</u>	<u>431,114</u>
Buildings		2,698,883	2,682,581
Less: Accumulated depreciation		<u>(279,027)</u>	<u>(213,733)</u>
		<u>2,419,856</u>	<u>2,468,848</u>
Course Improvements		599,578	599,578
Less: Accumulated depreciation		<u>(72,934)</u>	<u>(57,933)</u>
		<u>526,644</u>	<u>541,645</u>
Total Land and Buildings		<u>3,377,614</u>	<u>3,441,607</u>
Plant and Equipment (at cost)			
Plant and equipment		1,799,241	1,693,777
Less: Accumulated depreciation		<u>(1,176,845)</u>	<u>(1,013,783)</u>
		<u>622,396</u>	<u>679,994</u>
Total Plant and Equipment		<u>622,396</u>	<u>679,994</u>
		<u>\$ 4,000,010</u>	<u>\$ 4,121,601</u>
(a) Movements in carrying amounts			
	Land and Buildings	Plant and Equipment	Total
Balance at the beginning of the year	3,441,607	679,994	4,121,601
Additions	16,302	143,926	160,228
Disposals	(16,177)	-	(16,177)
Depreciation expense	<u>(80,295)</u>	<u>(185,347)</u>	<u>(265,642)</u>
Carrying amount at the end of the year	<u>\$ 3,361,437</u>	<u>\$ 638,573</u>	<u>\$ 4,000,010</u>

An independent valuation of the Club's land and buildings was carried out in October 2011 by C.A. Brown Associates, Certified Practising Valuer No 1277. The fair value of the Club was considered to be \$3,798,468. This has not been booked in the financial statements.

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
<b>Note 12: Intangible Assets</b>			
Water licence		<u>430,441</u>	<u>430,441</u>
		<b>\$ 430,441</b>	<b>\$ 430,441</b>
<b>Water Licence</b>			
The water licence is assessed as having an indefinite useful life. The measurement and recognition criteria is outlined in note 1 to the financial statements			
The directors believe that the carrying amount of the water licence is not impaired and annual impairment testing will be conducted at each reporting date.			
<b>Note 13: Trade and Other Payables</b>			
CURRENT			
Unsecured liabilities;			
Trade payables		68,055	84,624
Sundry payables and accrued expenses		<u>57,736</u>	<u>43,956</u>
		<b>\$ 125,791</b>	<b>\$ 128,580</b>
<b>Note 14: Borrowings</b>			
CURRENT			
Secured liabilities:			
Credit card		4,378	-
Bank loan		98,284	97,055
Hire purchase liability		<u>120,638</u>	<u>110,177</u>
		<b>223,300</b>	<b>207,232</b>
NON-CURRENT			
Secured liabilities:			
Bank loan		223,282	321,590
Hire purchase liability		<u>112,633</u>	<u>141,727</u>
		<b>335,915</b>	<b>463,317</b>
Total Borrowings		<b>\$ 559,215</b>	<b>\$ 670,549</b>

As at balance date the Club had a corporate credit facility of \$5,000. At balance date the unused facility was \$622.

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
<b>Note 15: Provisions</b>			
<b>Analysis of total provisions</b>			
Current		86,730	60,350
Non-current		10,164	16,425
		<b>\$ 96,894</b>	<b>\$ 76,775</b>

**Provision for employee benefits**

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in note 1 to this report.

**Note 16: Other Liabilities**

CURRENT

Subscriptions received in advance		22,227	58,206
		<b>\$ 22,227</b>	<b>\$ 58,206</b>

**Note 17: Reserves**

**Asset Revaluation Reserve**

The asset revaluation reserve records unrealised gains on revaluation of property, plant and equipment recorded at fair value.

**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2011**

	Note	2011 \$	2010 \$
<b>Note 18: Financial Risk Management</b>			
The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.			
The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:			
<b>Financial assets</b>			
Cash and cash equivalents	7	158,988	136,068
Loans and receivables	8	26,900	23,562
		\$ 185,888	\$ 159,630
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables	13	125,791	128,580
Borrowings	14	559,215	670,549
		\$ 685,006	\$ 799,129

**Note 19: Related Party Transactions**

Other Related Parties

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

Transactions with related parties were:

DG & SM Moore carried out miscellaneous cleaning for the club.		\$ 998	\$ 1,380
D Chomley who works for Westpac Bank, provided the club with banking facilities.			
G Taunton purchased from the club a temporary transfer of it's water licence.			

**Note 20: Company Details**

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Moree Golf Club Limited  
2 Greenbah Road  
Moree NSW 2400

**Note 21: Members' Guarantee**

The Club is limited by guarantee. If the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards any outstanding obligations of the Club. At 31 July 2011 the number of members was 1,701.

**Note 22: Poker Machine Entitlements**

Legislation under the Gaming Machine Act 2002 and the Gaming Machines Regulation 2033 allows the Clubs Gaming Machine Entitlements to be sold at a market determined value. At the date of these financial statements 30 entitlements were utilised and have not been valued or included in the asset section of the statement of financial position.

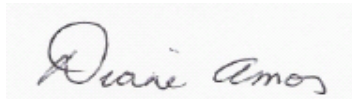
**MOREE GOLF CLUB LIMITED**  
**ABN 94 000 852 200**  
**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 31 JULY 2011**

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The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 19, are in accordance with the Corporations Act 2001, and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 July 2011 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



D Amos  
President



D Chomley  
Treasurer

Dated: 17 October 2011

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
MOREE GOLF CLUB LIMITED**

**ABN 94 000 852 200**

**Report on the financial report**

We have audited the accompanying financial report of Moree Golf Club Limited, which comprises the statement of financial position as at 31 July 2011, the statement of comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards' reduced disclosure requirements (including Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimate that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with Australian Accounting Standards' reduced disclosure requirements ensures that the financial report, comprising the financial statements and notes, complies with Australian Accounting Standards' reduced disclosure requirements.

*Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been provided to the directors of Moree Golf Club Limited on 17th October 2011, would be in the same terms if given to the directors as at the time of this auditors' report.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
MOREE GOLF CLUB LIMITED**

**ABN 94 000 852 200**

**Audit Opinion**

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

- (a) giving a true and fair view of the company's financial position as at 31 July 2011 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards reduced disclosure requirements (including the Australian Accounting Interpretations) as described in Note 1 and the Corporations Regulations 2001.

**WHK Camerons Audit Services**



**K N Rushforth**  
**Registered Company Auditor (ASIC RAN 4367)**  
3 Glen Innes Road  
INVERELL NSW 2360

Dated: 18 October 2011