

**TAMWORTH GOLF CLUB LIMITED ABN 41 792 195 022**  
**Tamworth Golf Club Limited Forty-Ninth Annual Report and Financial Statements 2019**

**TAMWORTH GOLF CLUB LIMITED**

**FORTY -NINTH ANNUAL REPORT AND FINANCIAL STATEMENTS 2019**  
**OFFICE BEARERS AS AT 31 DECEMBER 2019**

PRESIDENT: Robert DAVIS  
VICE PRESIDENT: Jenny TAYLOR  
CAPTAIN: Ken MUNDY  
VICE CAPTAIN: Robert STRANGE  
TREASURER: Ben LOCKWOOD  
LADIES GOLF CONVENOR: Peta JOHNSON

COMMITTEE  
Peter FOSTER, Lesley JEFFRIESS, Tony McCANN

**NOTICE OF MEETING**

Notice is hereby given that the Forty-Ninth Annual General Meeting of Tamworth Golf Club Limited will be held at the Clubhouse, Mahony Avenue Tamworth, **on Tuesday the 25th August 2020 at 7pm**

## **BUSINESS**

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1. To confirm the minutes of the last Annual General Meeting.
2. To adopt the Financial Reports and Audited Financial Statements of Tamworth Golf Club Limited for the year ended 31st December, 2019.
3. To receive and adopt the Committee Reports.
4. To elect the office-bearers for the ensuing year.

Robert Davis was elected at the 2017 AGM to the position of President for a three year term and as such must resign at this AGM.

Jenny Taylor was elected at the 2017 AGM to the position of Vice President for a three year term and as such must resign at this AGM.

Robert Strange was elected at the 2018 AGM to serve the 2 years left as Vice Captain and as such must resign at this AGM.

Tony McCann was appointed to the Board at the June 2019 board meeting as a director and as such must resign at this AGM.

As a consequence the positions to be filled at this AGM are;


President	3 year term
Vice President	3 year term
Vice Captain	3 year term
Director	2 year term

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Nominations open on August 4th 2020 at 6pm and close on Tuesday 18th August 2020 at 6pm.

5. To transact any other business that may be brought forward in accordance with the Articles of Association.
  - 5.1 Matters of which due notice has been given;
  - 5.2 Committee expenses for the ensuing year, 2020. Passing this resolution annually is a requirement of the Registered Clubs Act.
6. Note, as an Ordinary Resolution a simple majority of those members present at the meeting and eligible to vote is required.
7. General Business
  - 7.1 Appointment of Auditor for 2020.
8. Meeting Closed

Dated 30th July 2020  
By direction of the Board



.....  
Andrew Graham  
Chief Executive Officer

**NOTES TO MEMBERS REGARDING THE ORDINARY RESOLUTIONS**

- A. That the members hereby approve and agree to expenditure by the Club, until the Annual General Meeting in 2021, for the following:
- i. The reasonable costs of Directors attending seminars, lectures, and other educational activities as determined by the Board from time to time;
  - ii. The reasonable cost of meals and beverages for each Director before or after a Board or Committee meeting on the day of that meeting when such meeting coincides with a normal meal time;
  - iii. The reasonable costs (including travel and accommodation expenses) of Directors attending meetings, conferences and trade shows conducted by Clubs NSW, the Club Managers Association, Golf Australia, Golf NSW, CNDGA and N&NWDLGA and other such conferences and trade shows as determined by the Board from time to time;
  - iv. The reasonable costs associated with the entertainment of special guests of the club and/or other promotional activities, either within the club or elsewhere, as approved by the Board from time to time.
- B. The members acknowledge that the benefits in paragraph (A) are not available for members generally but are only for those who are Directors of the Club.

\* Parts (i) and (iii) of the Ordinary Resolution is to have the members in General Meeting approve expenditure by the Club for Directors to attend seminars, lectures, trade displays and other similar events to be kept abreast of current trends and developments which may have a significant bearing on the club.

\* Part (ii) of the Ordinary Resolution is to have the members in General Meeting approve expenditure by the Club for each of the Directors to consume a meal and refreshments before or after Board/Committee meetings when that meeting corresponds with a normal meal time.

\* Part (iv) of the Ordinary Resolution is to have the members in General Meeting approve expenditure by the Club for the entertainment of sponsors and special guests, within the Club or elsewhere, for the positive promotion of Tamworth Golf Club.

\* The Ordinary Resolution must be passed as a whole and cannot be amended from motions from the floor of the meeting.

\* To be passed the Ordinary Resolution must receive votes in its favour from not less than a simple majority of those members, who being entitled to do so, vote in person at the meeting.

\* For the purposes of the Registered Clubs Act the Directors support and recommend that the Ordinary Resolution put forward be adopted by the members.

## **Chief Executive Officer's Report**

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I am pleased to present my 6th report to the members as CEO.

2019 was another good year for the Tamworth Golf Club with a profit from trading of \$308,291 which leaves us with an after-depreciation profit of \$107,494. A result the Board and myself are extremely proud of considering the trading conditions.

2019 was another challenging year for the club as the worst drought on record took hold of the entire region, couple that with bushfires ravaging a lot on NSW and the ensuing haze for the last three months of the year, it made for a very different trading environment. As usual our members continued to support the club as they do through thick and thin and helping us show an increase in profit for the club in 2019.

We undertook a couple of major projects in 2019, again to try and build on the investment in the business moving into the future. The flagship project was installing a solar system onto the cart shed which we had investigated in the past but the return on investment wasn't there, however due to the increase in electricity prices and the reduction of the cost of solar we installed a 99kw system on the cart shed that can be used over through the entire clubhouse. So far we have seen better than expected results and we are expecting to pay the system off in three years.

Outside of the solar and our regular gaming machine investment, we took a very conservative approach to capital expenditure in 2019 as we needed to replenish our cash flow after a few years in a row of heavy investment in the club. In the last six years we have invested nearly \$2,000,000 in the club to make it a strong and more diverse business and help to secure our future for many years to come. Not that any of us could have predicated what would happen in 2020 with the COVID-19 shut down but our tempered approach to the clubs trading position has been very important to our ability to move through the unprecedented shutdown and come out the other side in a very strong financial position.

Despite it being in 2020 I feel it necessary to make brief comment on the current situation of COVID-19 and the forced closure of the Club. Currently we have the entire club house closed, except we are able to sell take away from the restaurant, however after an initial scare at least we are able to play golf. We have made arrangements to cut all of our expenses that we can to help sustain the club until we reopen, this coupled with government assistance from Jobkeeper and PAYG bonus the club should be fine through this crisis. I must say, all of this is contingent on nothing getting worse however the current information we have all points to a reopening sooner rather than later.

The View again had a solid year, we were up marginally over 2018 and considering the last quarter of the year saw an almost constant haze from the bushfires it made it very hard to use our outdoor areas in a time that we need that capacity, so all thing considered I am very pleased with this result. I would like to thank Nathan, our Executive Chef, and his team as they consistently serve over 1000 people a week, as well as Kayla and her team who do a wonderful job at the front of house.

Golf has seen a slight increase in revenue for the year of \$105,000 which is a combination of green fees and membership which is a great result considering what we have been dealing with weather wise and our limited ability to present the golf course how we would like due to the lack of available water. This year we have seen an unprecedented situation where we have received only 76.5 mega litres allocation of water off our 450 mega litres of available licences we own. Steve and his team have continually presented the golf course in the best conditions possible despite the trying circumstances we have been dealing with throughout the year. The way the course has come back is amazing and I would again like to congratulate the team for the great job they do for our members. That being said with the dam sitting at 14% our allocation is likely to be something similar to 2019 if not less so we will continue to need your help on the course to help Steve with the management of the course.

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We have some capital projects ready to go but due to the COVID-19 issues we are facing, we have no idea what will happen when we reopen. We will continue to strive for excellence to give our members and their guests a reason to patronise the club and hopefully we can see some small projects develop by the end of 2020.

I say this every year but there are a lot of people who make our club what it is, I would like to sincerely thank President Robbie and the Board of Directors for their guidance and support through the year. Without selfless people like them this club would not be what it is. To my teams led by Steve, Melissa Gaunt, Kayla & Brodie, Nathan, Melissa Schwalbach and Kira, these people and their teams work tirelessly to provide the best experience they can for the members and their guests and they do a wonderful job.

The volunteers have again been very busy through the club fixing all manner of things whenever they are asked, I would love to name them all but I am sure I would miss someone so you know who you are and thank you to you all.

And lastly to you, the members. This club is only the great club it is because of all of you. You loyally patronise and promote the club whenever given the opportunity and the club spirit that it generates cannot be bought or replicated. It is a culture that has been in this club since I became a member over 30 years ago and it is something I am very proud to be a part of.

Thank you for all of the support you have given through 2019 and I look forward to giving you a reason to do the same again in 2020.

Andrew Graham  
Chief Executive Officer

## **President's Report**

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It is with great pleasure I present the President's report. I would like to thank the Directors, Members, Staff and CEO Andrew Graham for your support throughout the year. Once again, a special thanks to CEO Andrew Graham for your fantastic efforts throughout the year, managing our great Club, I'm sure it's appreciated by all.

The Club has had another good year financially, through trying times with the drought and bushfires, with a nett profit of \$107,494

Main expenses:

New grid connected solar power system \$78,266.36

New air-conditioning system in gaming room and tab area \$21,649.69

New John Deere 4110 tractor and 7217 vert-drain with core collector \$24,000

New poker machines and upgrade and conversions to other machines \$89,519.60

I would like to thank the Directors, especially Vice-President Jenny Taylor, Captain Ken Mundy and Vice Captain Robert Strange for your efforts throughout the year.

A big thanks to the staff; Mel in the office and marketing, Kira in the front office and bar, Robert in accounts, The View and bar staff, Steve and the boys out on the course for your wonderful efforts through the drought and Brock and staff in the Pro Shop for your efforts throughout the year.

Once again, thanks to the wonderful Members and visitors for supporting our Club throughout 2019.

Thank you to the volunteers for your tremendous efforts throughout the year. Steve and the staff really appreciate your assistance out on the course, and to the volunteers for looking after the surrounds of the Clubhouse and also repairs, painting and maintenance in and outside of the Clubhouse. Your efforts are appreciated by all.

Thanks to the Lady golfers and the Tamworth Veteran golfers for your generous contributions throughout the year.

To our many sponsors, a big thanks for your support of competitions and Club activities throughout 2019.

I would like to thank all the community and other groups that meet at our Club. Thanks to the sporting Clubs that we sponsor, for your support throughout the year.

Once again, a big thanks to the Twilight players for another great year, with 6640 rounds played.

Members, we still need your ongoing support throughout 2020 to keep our wonderful Club progressing in the right direction. Members, the annual general meeting has been delayed, due to the Covid-19 restrictions.

Good golfing,

Rob Davis  
President

## Finance Sub-Committee Report

It is my pleasure to report that 2019 has been another profitable year for the Tamworth Golf Club recording a net profit of \$107,493. Following yet another year in which ongoing drought and fires impacted our region it was a pleasing result exceeding that of 2018 (\$97,047). Revenue performance was mixed across club operations, registering total revenues of \$3,642,586. This was a 0.8% increase in revenues when compared to 2018 (\$3,614,789). An overview of the major revenues lines is tabled below:

	2018	2019	Difference %
<b>Golf Revenues</b>			
Course Income	681,733	716,790	▲ 5.1%
Member Subscriptions	388,968	389,906	▲ 0.2%
<b>Beverage Sales</b>			
Total Beverages	950,130	974,325	▲ 2.5%
COGS - Beverage	37.12%	37.43%	▲ 0.8%
<b>Food Sales</b>			
Total Food Sales	990,727	969,226	▼ -2.2%
COGS - Food	42.26%	45.19%	▲ 6.9%
<b>Gaming &amp; Wagering</b>	544,302	550,365	▲ 1.1%
<b>Capital Expenditure</b>	157,543	291,265	▲ 84.9%
<b>Business Loans &amp; Finance</b>	2,102,858	2,050,952	▼ -2.5%

### Golf

Despite the dry conditions making it difficult to maintain the high standard we are accustomed to, golf course income for 2019 was \$716,789. This was an increase of 5.1% on the prior year and partially attributable to less rained out events. The new year has finally brought much needed rain and replenishment to the course but 2019 was yet another year impacted by drought conditions. With diminishing availability of water, the course received barely sufficient rations and our dedicated grounds staff did an exceptional job to preserve the vital course infrastructure keep us on course.

Playing Membership revenue for 2019 remained firm, after the growth (3.16%) experienced in 2018. Playing Membership revenue was 0.2% higher, to \$389,905. As news of continual membership initiatives filter into the sporting and social circles, we can only hope to drive participation further in coming years. The early stages of 2020 appeared promising in this respect, with rain reviving the course and now, a spike in demand due the social distancing impact on other leisure/sports.

Twilight golf continued to build on success of prior years, and remains a key fixture in our summer schedule. Meanwhile over the full calendar year, our regular competitions also continue with healthy participation and a tremendous amount of support from event sponsors. Thank you to all event sponsors for your continued support of the many enjoyable events during the year.

Thank you to our Course Superintendent Steve Hirst and Head Golf Professional Brock Sampson and their respective teams for their significant contributions to our golfing enjoyment in 2019.

### Clubhouse Operations

Our Food and Beverage operations, after a tough 2018 held ground by delivering \$1,943,551 in total sales (up 0.1%), compared to \$1,940,847 in 2018.

Margins were also impacted slightly as we sought to offer value to our members and guests rather than pass on the price increases in many product lines. In doing so, our venue continued to be well patronised and positioned well in the overall Tamworth marketplace. s

As noted already 2019 was like 2018 in so many ways, partly to do with external factors. Our experience was shared

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by many in the region however our marketing continued throughout, promoting the club with varied success. In all the utilisation of the restaurant and function centre remained steady. We do greatly appreciate the support and patronage of our golf and social membership and we thank the team in The View who strives to deliver an enjoyable experience each and every time.

#### **Expenses and Capital Expenditure**

It was pleasing that the club was able to modestly improve on the net profit line. Total costs excluding depreciation were some \$30,625 lower in 2019 than in 2018. This was a pleasing result and with the recent investment in solar energy generation, we are already seeing a return in reduced electricity costs.

Maintenance continues to be an area of great expense. Parts of our venue is tiring and requires greater attention which is why the board continues to consider sensible and affordable investment in our facilities where required. At the same time the board remains committed to ensuring other much needed investment is applied to areas of need and over the year, our capital expenditure, while modest, exceeded our annual depreciation. Capital expenditure amounted to \$291,265 in 2019 and this included:

- A grid connected solar power system that is already showing a material benefit in line with expectations,
- greens coring machinery which will remove the cost of external contractors and provide flexibility in timing of renovations as required,
- air conditioning units, to complement and support existing units in our venue,
- a new ice machine and dishwasher,
- a new submersible pump, and
- upgrades in our gaming facilities.

Total Loans including hire purchase financing reduced by \$51,906 in 2019, which stood at \$2,050,952.

Cash flow also improved over the period with net cash inflows of \$376,433 coming from ordinary operations (\$317,673 in 2018). After funding investments in above mentioned capital items, the net cash in the business improved from a \$15,352 deficit at the end of 2018 to a positive cash position of \$89,142 at the end of 2019.

#### **2020 and beyond**

Your board is committed to the evolving the business for the future. As I write of matters related to the 2019 financial year, it all seems quite distant by comparison to the existential challenges we face currently. We, like many businesses, are doing all that we can to survive until some form of normalcy returns. In the meantime, whilst in receipt of financial support from government initiatives such as Jobkeeper in 2020, on reflection this would have fallen well short had the club not have experienced more recent years of healthy trade and reinvestment. It is a position that your board will strive to build upon but just how the club is permitted to operate currently, and in the short to medium term remains unclear. The only thing for certain is the support of our members, guests and wider community will be a vital and deciding factor in how the club bounces back.

Personally, and on behalf of the board, I would like to thank our members for your ongoing contribution to our great club. You continue to drive the club in the direction necessary to support our next generation of golfers and community members alike.

I would also like to thank and commend Andrew for his determination and commitment to our club. To the many friendly faces in the TGC team, I thank you for your service to our members and guests and for enhancing our experience each time we golf and socialise at our great club.

Lastly, thank you to my fellow board members for their ongoing commitment to all things TGC.

Ben Lockwood  
Treasurer



## **Lady Golf Convenor's Report**

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It is with a great deal of pleasure that I submit my report on behalf of the Lady Golfers.

Congratulations to our Club Champion for 2019 Simone Puckeridge, our Veterans Champion Stephanie King and our Saturday Ladies Cup Winner Tracey Fullbrook. Well done ladies. Many of our players travel near and far representing our golf club at various Open Days and District Championships. Fifteen ladies travelled to Moree for the 3 days of the N&NWDLGA Annual Championship. Congratulations to Tracey Fullbrook winning the Division 2 Veterans 36 Hole event and Runner Up in the 36 Holes Division 2 event. Lesley Jeffriess and Prue Done won the Scratch teams event, and Prue and Lesley teamed up with Jenny Taylor and Peta Johnson to be Runners Up to Gunnedah in the Bruce Beveridge Bowl. The Moree & Thacker Salver playoffs resulted in the Tamworth team of Ros Sadler, Julie McGrath, Lesley Jeffriess, Prue Done & Jenny Taylor defeating Gunnedah 3/2 for the Moree Salver and the team of Wendell Purss, Di Boulton & Vicki Betts were Runners Up in the Thacker Salver playoff. The Country Cup was held at Boggabri and our team of Jenny Taylor, Carey Larkworthy, Ros Sadler & Pat Clark were Runners Up. Tamworth Golf Club hosted the District 3 Ball with 14 teams competing, and congratulations to Jo Foster, Helen Hill & Sally Hansen who were Runners Up. The Veterans Fourball was held at Werris Creek and this saw Lesley Jeffriess and Kay Hobbs Runners Up in the Scratch event. A highlight for the year was our Tamworth 2 Pennants team, Lesley Jeffriess, Jenny Taylor, Kay Swadling, Wendell Purss and Ros Sadler, winning the District Pennants Final. Congratulations to all. Further congratulations to Wendy Ryan who won the honour to represent our District and compete in the Division 1 GolfNSW Medal final held at Stonecutters Ridge. Through 2019 we have seen 3 ladies attain the enviable achievement of scoring a Hole in One. Congratulations to Shirley Noble, Kay Hobbs and Narelle Dunst.

We celebrated 2 90<sup>th</sup> birthdays, Judy King and Tory McCulloch, during the year and it is lovely to see these 2 ladies playing 18 & 9 holes of golf, respectively, on a regular basis. They are an inspiration to us all!

We welcomed three new ladies onto our committee for 2019, Ros Sadler, Deirdre Priestly and Mary Gurd, and farewelled Jeanette Riordan, Jenny Butler and Leonie Daniels and thank them sincerely for the time and energy they brought to their respective positions. Thank you to Maxine Crossley who co-ordinates our Ladies Veterans and sincere thanks to Carey Larkworthy who has come to an end of her 3 year term as Lady Captain. No-one can prepare you for the work involved and we are extremely grateful for her dedication to the role. We welcome Ros Sadler in as Ladies Captain for 2020 and wish her well.

We are blessed to have many sponsors that support us throughout the year and we are sincerely indebted to them, particularly when times have been so tough. Special thanks again goes to The Treloar Family, Tamworth Outdoors and Camping World (Taylor Family) and Harvey Specsavers for their extremely generous sponsorship of our major Open Days. Our ladies are truly appreciative.

To Steve and the groundstaff, heartfelt thanks on providing us with a course to play under the most difficult of conditions. To Brock, Darren, Tom and Emily, thank you for your assistance throughout the year, always with a smile and sense of humour. To Mel & Kira in the front office, Kayla, Nathan and staff in the View, Mel, Dan & Spike Bar staff, sincere thanks for looking after us all so well.

Our club has performed well in the most trying of times and this is due to the commitment of our CEO Andrew Graham and President Robbie Davis, we all owe them a great deal of thanks. Thanks also go to the tireless efforts of Club Captain Ken Mundy and the Board of Directors.

I wish you all good health and good golfing!

## **Match & Grounds Report**

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### **MATCH**

Ken Mundy, Robert Strange, Andrew Graham, Rob Davis, Jenny Taylor, Carey Larkworthy, Peta Johnston & Ros Sadler.

I have much delight in presenting this report for our Club for 2019. A very busy year with approximately 47,000 rounds of golf, which showed a slight increase compared to 2018.

A huge thank you to Robbie Davis, Brock Sampson and his team for getting players on the course, entering scores, keeping records, handicapping etc. A huge job which was carried out without any problems.

The Club's Twilight sponsors are Rabbit Electrical & Halpin Plumbing.

Melissa Schwalbach & Kira Newton put together all the conditions attached to the Twilight and as usual carried out their duties in excellent fashion.

I would like to pass on my thanks to the Match Committee for their outstanding support in running our golf events in conjunction with the Proshop staff.

My thanks also go to the wonderful Proshop staff. Led by Brock Sampson, his team of 4 including Darren Burger, Tom Gill, Emily Roworth & Lachie Flemming, always carry out their duties with a minimum of fuss.

Also my heartfelt thanks to Mel Schwalbach and Kira Newton for their excellent help in carrying out numerous tasks for me for which I am extremely grateful.

Congratulations to our 2019 Club Champion David Hamilton, who recorded his 4<sup>th</sup> win in this event. The Easter Cup was won by Matt McKinnon, a visitor from Longyard. Congratulations go to all the winners of our other Major Events.

Congratulations to Ryan McKinnon on being our most improved player, reducing his handicap from 27 to 12. Ryan is only a junior and if he continues to improve will develop into a very handy golfer.

We must pass on our thanks to our outstanding sponsors who continue to assist our Club in providing excellent trophies for all of our events. I say without any reservation that our Club is very fortunate to have sponsors of this calibre, probably as good as anywhere in Australasia.

Our main sponsors are:

Village Pies - Winter Cup

Brosie, Martin Barnett Shield

Choices - Club Championships

Rabbit Electrical & Halpin Plumbing - Twilight

Barnes Family, Overlander Crew, Dome Financial & Priority Home Loans, Ruttley & Martin Families. These groups provide sponsorship for all of our Hams Days and always attract great fields.

#### **Lavell/Ruttley Shield**

Other Club Sponsors (Approx 100) continue to provide trophies above normal expectations, and our Club fully appreciates their ongoing support.

Also to Arthur Ruttley, Garry McMillan & Wayne Chillingworth for their ongoing work in the Clubhouse. You name it, if it needs fixing, they fix it, no sweat. Also, thanks to Duncan Butler, who continues to push our beer raffles. From those, our new furniture was partly funded.

**GROUNDS**

Ken Mundy, Steve Hirst, Rob Davis, Andrew Graham &, Jenny Taylor.

To Steve Hirst and his crew of Craig Dimmock, Wayne Magann, Andrew Belt & James Leeson; we offer our appreciation for the wonderful way our course is presented for each and every event. Members are privileged to play on the course, each and every week. For the course to be still playable after one of the worst droughts in history is certainly a great credit to them.

Also a huge vote of thanks to Warren Richards, who unfortunately took leave of his position early in the year. Over the years he has kept all of our equipment in top order and has done for many years, some of the equipment would probably be at the tip, if not for Warren. The ground staff as well as our Directors were very sorry to see him go.

Also during 2019, our great volunteers have again assisted in helping out with tasks to assist our ground staff. Too many to mention here, however they know our ground staff and our Board pass on our thanks for their efforts. New cart paths have been constructed by Peter King and our very able Volunteers, who have carried out all the preparatory work, a huge thank you.

To the families of members who have lost loved ones during the year, our thoughts and prayers are with you. Also to any members not feeling the best, get well soon.

In closing, I would like to wish all of our members of this great Club a very satisfying golfing year for 2020, and may the Premier Club remain to be just that.

Yours in Golf  
Ken Mundy  
Club Captain

## Directors' Report

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The Directors have pleasure in presenting their Directors Report together with the Financial Report of Tamworth Golf Club Limited for the year ended 31st December 2019:-

### Directors

The Directors of the company in office at the date of this report were as follows:

<b>Name</b>	<b>Qualification</b>	<b>Board Exp.</b>	<b>Special Responsibilities</b>
DAVIS, Robert	Truck Driver	29 Years	President, Grounds, Match, House, Ex-Officio all other sub committees.
TAYLOR, Jenny	Retired	8 Years	Vice President, House Chair, Grounds, Match
LOCKWOOD, Ben	Financial Advisor	8 Years	Treasurer, Finance Chair, Ex-Officio all other sub committees.
MUNDY, Ken	Retired	20 Years	Captain, Match, Greens
JEFFRIESS, Lesley	Horse Trainer	1 Year	House
JOHNSON, Peta	Retired	4 Years	Match, Greens, House
McCANN, Tony	Retired	1 Year	House
STRANGE, Robert	Delivery Driver	2 Years	Vice Captain, Match, Greens
FOSTER, Peter	Retired	2 years	Match, House

### Directors Meetings

The number of Directors' meetings held (including special meetings of Directors of the Company) and the number of meetings attended by each director of the Company during the (calendar) financial year 2019 are:

<b>Name</b>	<b>Meetings Eligible to Attend</b>	<b>Meetings Attended</b>
Mr R Davis	11	11
Mr B Lockwood	11	8
Mr K Mundy	11	11
Mrs P Clark	4	2
Mrs J Taylor	11	11
Mrs L Jeffriess	7	5
Mrs P Johnson	11	11
Mr Tony McCann	7	7
Mr Robert Strange	11	7
Mr P Foster	11	9

For the period 1 January 2019 to 31 December 2019.

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**Principal Activities & Objectives**

The principal activities of the company during the financial year have been to provide a golf course of the highest possible standard and a clubhouse that encompasses restaurant, bars, poker machines, keno, TAB and function facilities for members and their guests and to promote the game of golf. There were no significant changes in the nature of those activities during the financial year.

<b>Number of Members as at:</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
Playing - Men	682	658
Playing - Ladies	89	47
Associate - Men	37	65
Associate - Ladies	92	112
Student	7	7
Junior - Men	6	6
Junior - Ladies	0	0
Social - Men	762	759
Social - Ladies	338	352
Life - Men	3	3
Life - Ladies	0	0
Professional	5	6
Sub-Junior	1	1
Corporate	3	3
<b>Total</b>	<b>2,025</b>	<b>2,019</b>

**Net Profit**

The Profit/Loss from ordinary activities of the company for the financial year was a profit of \$107,494.

**Transfers to Reserves**

Material transfer to and (from) reserves or provisions were as follows:

	<b>31/12/2019</b>
To Provision for Depreciation	\$200,797
(From) Long Service Leave Provision (Net)	(\$2,464)
To Annual Leave Provision (Net)	\$9,577

**Dividends**

No dividends were paid to members as the company is precluded under the Articles of Association from paying dividends.

**Review of Club Operations**

Revenue derived from operations of the club for the year totalled \$3,657,385 and expenditure amounted to \$3,549,891. Depreciation for 2019 amounted to \$200,797 and capital expenditure for the year amounted to \$291,265. All figures stated in the review of club operations are net of GST and AIFRS adjustments.

### **Number of Members**

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 the outstanding obligations of the entity. As at 31<sup>st</sup> December 2019 the number of members was – 2,025 (2018 – 2,019).

### **Derivatives & Other Financial Instruments**

The company has a strict credit policy for all customers trading on credit terms, and only deals with reputable banks. Financing facilities and operating cash flows are managed to ensure the company is not exposed to adverse liquidity risks.

### **Environmental Regulations**

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Directors are not aware of any significant breaches during the year covered by this report.

### **Options**

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

### **State of Affairs**

In the opinion of the Directors there were no significant changes in the State of Affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report on the financial statement.

### **Events Subsequent to Balance Date**

No matters 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 these operations, or the state of affairs of the company in future financial years with the exception of the following.

The introduction of government measures in response to the COVID-19 pandemic required the club to close all revenue earning activities, with the exception of the operation of the golf course which continued subject to significant restrictions, from 23rd March 2020. At the date of this report, government announcements have suggested that restrictions previously imposed will be eased on a progressive basis over coming months. However, despite current indications of slow recommencement of trading, the full effects of this event on the activities of the company for the year ending 31<sup>st</sup> December 2020 are not able to be determined at this time. However, with actions taken by management to date and the extent of government assistance at both State and Federal level, the directors believe that the company will continue operations, albeit on a temporarily reduced level, into the future.

### **Likely Developments**

In the opinion of the Directors it would prejudice the interests of the company to provide information additional to that reported in this Directors' Report relating to developments in the operations of the company and the expected results of those operations in the financial years subsequent to 31 December 2019.

### **Directors' Benefits**

Since the end of the previous financial year no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts) because of a contract made by the Company or a related corporation with a Director or with a firm of which a Director is a member, or with a company in which the Director has a substantial interest.

**Indemnification & Insurance of Directors & Officers**

Insurance premiums have been provided for and paid by the Company during the year for current Directors' and Officers' liability insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$2,000,000 arising from claims made by reasons of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as directors or officers of the company. The premium paid amounts to \$62,590 which includes all our insurance.

**Auditors Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out elsewhere in this report.

**Rounding**


Amounts in this report have been rounded off to the nearest dollar.

Signed in accordance with a resolution of the Board of Directors on behalf of the Directors;

Dated at TAMWORTH on 28 May 2020



.....  
**Robert Davis**  
**President/Director**



.....  
**Jenny Taylor**  
**Vice President**

## **Tamworth Golf Club Limited Financial Report** **For the period ended 31<sup>st</sup> December 2019**

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### **Contents**

#### **Financial Report**

- Auditor's independence declaration
- Independent auditors report to the members of Tamworth Golf Club Limited.
- Statement of Profit or Loss and other Comprehensive income
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the financial statements
- Directors declaration

#### **General Information**

The financial report covers Tamworth Golf Club Limited, a company Limited by Guarantee. The financial report is presented in Australian Dollars.

The financial report consists of the financial statements, notes to the financial statements and the Directors' declaration.

Tamworth Golf Club Limited, a company Limited by Guarantee, is incorporated and domiciled in Australia. Its registered office and principal place of business are;

Registered Office	Principal place of business
1 Mahony Avenue	1 Mahony Avenue
Tamworth NSW 2340	Tamworth NSW 2340

A description of the nature of the company's operations and its principal activities are included in the Directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors at a Board of Directors meeting held on the 28 May 2020. The directors have the power to amend and re-issue the financial report if considered appropriate.



**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

We declare to the best of the Lead Auditors knowledge and belief, during the year ended 31<sup>st</sup> December 2019 there have been:

- a. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

MALVERN MATHEWS SMITH



Michael J Smith (Partner)  
Registered Company Auditor  
234 Marius Street  
TAMWORTH 2340

28 February 2020

**Independent Auditors Report to the Members  
of Tamworth Golf Club Limited  
ABN 41 792 195 022**

**Report on the Financial Report**

**Opinion**

We have audited the financial report of Tamworth Golf Club Limited (the company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the company's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

**Basis of 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 confirm that the independence declaration required by the Corporations Act 2001, which have been given to the directors of Tamworth Golf Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Emphasis of Matter**

We draw your attention to Note 20 of the financial report, which describes the effects of a number of payments made by the Club to an incorrect bank account. The potential liability or loss created by these transactions may be \$147,856 or greater. No provision has been made in the financial report for this matter. Our audit opinion is not modified in respect of this matter.

## **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Director's financial reporting responsibilities under the Corporations Act 2001 and the Company's Constitution reporting requirements. As a result, the financial report may not be suitable for any other purpose.

## **Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2019, 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, we conclude that there is a material misstatement of the other information; we are required to report that fact.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. We have no key audit matters to communicate to members in our 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.

## **Responsibilities 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 Australian Accounting Standards - Reduced Disclosure Requirements 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 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 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.

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

- Identify and assess the risks 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.
- 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 significant 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 significant deficiencies in internal control that we identify during our audit.

**MALVERN MATHEWS SMITH**



**Michael J Smith (Partner)**

234 Marius Street

TAMWORTH 2340

2/6/2020

**TAMWORTH GOLF CLUB LIMITED ABN 41 792 195 022**  
**Tamworth Golf Club Limited Forty-Ninth Annual Report and Financial Statements 2019**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

Detail	Note	2019	2018
<b>REVENUE</b>	2		
Club House & Course		2,516,499	2,511,408
Members		1,116,866	1,091,348
Other Revenue		24,020	35,430
<b>TOTAL SALES</b>		3,657,385	3,638,186
<b>EXPENDITURE</b>	2		
Cost of Goods Sold		802,655	771,382
Employee Expenses		1,381,977	1,342,506
Depreciation	1 (b)	200,797	194,012
Finance Costs		123,475	126,536
Administration Expenses		1,040,987	1,106,702
<b>TOTAL EXPENSES</b>		3,549,891	3,541,139
<b>CURRENT YEAR SURPLUS BEFORE INCOME TAX</b>	13	107,494	97,047
<b>INCOME TAX EXPENSE</b>	1 (k)	0	0
<b>NET CURRENT YEAR SURPLUS</b>	13	107,494	97,047

*The accompanying notes form part of these accounts.  
These financial statements have been subject to audit and  
should be read in conjunction with the attached Audit Report.*

**TAMWORTH GOLF CLUB LIMITED ABN 41 792 195 022**  
**Tamworth Golf Club Limited Forty-Ninth Annual Report and Financial Statements 2019**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

Detail	Note	2019	2018
<b>CURRENT ASSETS:-</b>			
Cash	3	137,245	87,987
Trade & Other Receivables	4	73,413	113,771
Inventories	5	68,428	84,422
Prepayments	6	79,181	77,866
<b>TOTAL CURRENT ASSETS</b>		358,267	364,046
<b>NON-CURRENT ASSETS:-</b>			
Property Plant & Equipment	7A	8,378,354	8,305,206
Other	7B	145,932	145,932
<b>TOTAL NON-CURRENT ASSETS</b>		8,524,286	8,451,138
<b>TOTAL ASSETS</b>		8,882,553	8,815,184
<b>CURRENT LIABILITIES:-</b>			
Bank Overdraft & Visa Card	8B	48,108	103,338
Trade & Other Payables	8A	624,838	620,166
Loans	8B	1,143,287	1,260,090
Employee Provisions	9	151,187	144,074
<b>TOTAL CURRENT LIABILITIES</b>		1,967,420	2,127,668
<b>NON-CURRENT LIABILITIES:-</b>			
Loans	8C	859,557	739,430
<b>TOTAL NON-CURRENT LIABILITIES</b>		859,557	739,430
<b>TOTAL LIABILITIES</b>		2,826,977	2,867,098
<b>NET ASSETS:-</b>		6,055,576	5,948,086
<b>EQUITY:-</b>			
Retained Surplus	13	1,708,161	1,600,669
Asset Revaluation Reserve	22	4,347,415	4,347,415
<b>TOTAL EQUITY</b>		6,055,576	5,948,086

*The accompanying notes form part of these accounts.  
These financial statements have been subject to audit and  
should be read in conjunction with the attached Audit Report.*

**TAMWORTH GOLF CLUB LIMITED ABN 41 792 195 022**  
**Tamworth Golf Club Limited Forty-Ninth Annual Report and Financial Statements 2019**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

Detail	Note	2019	2018
<b>Cash Flows from Operating Activities</b>			
Receipts from Clubhouse/Members		3,673,723	3,601,598
Payment to Suppliers & Employees		(3,215,107)	(3,192,819)
		458,616	408,779
Other Revenue		24,020	35,430
Interest Paid		(106,203)	(126,536)
<b>Net Cash Inflow from Operating Activities</b>	12	<b>376,433</b>	<b>317,673</b>
<b>Cash Flows from Investing Activities</b>			
Payment for Property, Plant & Equipment		(291,265)	(157,543)
Proceeds from Sale of Property, Plant & Equipment		16,000	16,000
<b>Net Cash Inflow (Outflow) from Investing Activities</b>		<b>(275,265)</b>	<b>(141,543)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		190,779	0
Repayment of Bank Loans		(187,453)	(46,069)
<b>Net Cash Outflow from Financing Activities</b>		<b>3,326</b>	<b>(46,069)</b>
Net Increase (Decrease) in Cash Held		104,494	130,061
Cash at the beginning of the Financial Year		(15,352)	(145,413)
<b>Net Cash (Borrowings) at the end of the Financial Year</b>		<b>89,142</b>	<b>(15,352)</b>
<b>Cash Comprises:</b>			
Cash on Hand	3	44,130	25,158
Cash at Bank	3	93,115	62,829
Overdraft	8b	(48,103)	(103,339)
		89,142	(15,352)

*The accompanying notes form part of these accounts.  
These financial statements have been subject to audit and  
should be read in conjunction with the attached Audit Report.*

**TAMWORTH GOLF CLUB LIMITED ABN 41 792 195 022**  
**Tamworth Golf Club Limited Forty-Ninth Annual Report and Financial Statements 2019**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Retained Surplus	Asset Revaluation Reserve	Total
<b>Balance as at 1<sup>st</sup> January 2018</b>	1,503,620	4,347,415	5,851,035
Surplus for year after Income Tax	97,047	0	97,047
Revaluation Adjustments	0	0	0
<b>Balance as at 31<sup>st</sup> December 2018</b>	1,600,667	4,347,415	5,948,082
Surplus for year after Income Tax	107,494	0	107,494
Revaluation Adjustments	0	0	0
<b>Balance as at 31<sup>st</sup> December 2019</b>	1,708,161	4,347,415	6,055,576

*The accompanying notes form part of these accounts.  
These financial statements have been subject to audit and  
should be read in conjunction with the attached Audit Report.*



## **Note 1**

### **STATEMENT OF ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of Preparation**

The financial report covers Tamworth Golf Club as an individual entity. Tamworth Golf Club is a company limited by guarantee, and is domiciled in Australia.

The company is a not for profit entity for financial reporting purposes. The financial report is a Tier 2 general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards – reduced disclosure requirements, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board. The directors have determined that the company is a reporting entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs or modified (where applicable), by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### **a) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Poker Machine income, commissions and member fees are recognised in the period to which they are set.

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

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

#### **b) 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 their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revaluation amount of the asset.

## **Plant and Equipment**

Plant and Equipment are measured on the cost or directors valuation basis less appropriate depreciation.

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 the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of Plant and Equipment and Land and Buildings are credited to the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Each year the difference between depreciation based on the re-valued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

## **Depreciation**

The depreciable amount of all fixed assets, 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.

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

<b>Class of Asset</b>	<b>Depreciation Rate</b> (Diminishing Value)
Air-conditioning	7.5%
Buildings	1 – 5%
Course Improvements	2.5%
Course Watering	2 – 5%
Fixtures & Fittings	10%
Plant & Equipment	10%
Poker Machines	7.55%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by deducting sale proceeds from the carrying amount. These gains or losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**c) Intangibles**

**Water Access Licence**

Water access licenses are recognised at cost of acquisition. Water access licences have an indefinite useful life and are carried at cost less any impairment losses. As water access licenses have an indefinite useful life they are tested for impairment annually, they have not been amortised. Carrying value is considered to be fair value, no impairment or revaluation adjustment required.

**Poker Machine Licences**

Poker machine licences have an indefinite life and are carried at cost less any impairment losses. The company has recorded the poker machine licences in the financial statements at a market value of \$733,227 (2018: \$733,227).

**Software**

Software is recorded at cost. It has a finite life and is carried at market valuation less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

**d) Financial Assets Recognition**

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

**Financial assets at fair value through profit and loss**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Held to maturity Investments**

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

**Inventories**

Inventories consisting of liquor, food and sundry items are valued at Fair Value.

### **Accounts Receivable and Other Debtors**

Receivables and debtors include amounts for receivables from members and customers for goods sold in the ordinary course of business. Receivables to be collected within twelve months are classified as current assets. All other receivables are classified as non-current assets. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost after determining any impairments. (Provision for doubtful debts).

### **e) Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

### **Derivative Instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges. The club does not engage in derivative instruments as part of its financial undertakings.

### **Fair Value**

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

### **Impairment**

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

### **f) Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and the value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement or revaluation reserve for non-current assets.

Impairment testing is performed annually for non-current assets and intangible assets with indefinite lives.

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

**g) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from service rendered by employees to balance date. 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, plus related on-costs. 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.

**h) Provisions (Annual Leave and Long Service Leave)**

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. Movement in employee provisions are recognised in the income statement annually.

**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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**j) 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 these assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs written off are recognised in expenses in the period to which they relate.

**k) Taxation**

No provision for taxation has been made in the accounts since the company is currently exempt from incurring any income tax liability in terms of Section 50.45 of the *Income Tax Assessment Act, 1997(as amended)*.

**l) Superannuation**

Contributions are made by the company to award based superannuation fund's for all employees. All contributions are charged as expenses when incurred. The company has no legal obligations to cover any shortfall in the Fund's obligations to provide benefits to employees on retirement.

**m) Repairs & Maintenance**

Maintenance, repair costs and minor capital replacement/renewals are charged as expenses as incurred.

**n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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 expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a net basis.

**o) Comparative Figures**

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

**p) Critical accounting estimates and judgements.**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Key Judgements**

– Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life of intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

– Impairment

The company assesses 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.

**q) Going Concern**

The Company financial statements have been prepared on the going concern basis.

**r) Economic Dependence**

The Tamworth Golf Club is dependent on its members, their guests and visitors (residents outside a 5 kilometre radius) for the majority of its revenue to operate the business. At the date of this report the Board of Directors have no reason to believe these people will not continue to support the Tamworth Golf Club Ltd.

**TAMWORTH GOLF CLUB LIMITED ABN 41 792 195 022**  
**Tamworth Golf Club Limited Forty-Ninth Annual Report and Financial Statements 2019**

**Note 2**

	Note 1(a)	2019	2018
<b>REVENUE</b>			
Food & Beverage		1,943,551	1,940,857
Poker Machines		550,365	544,302
Match Revenue		772,190	742,570
Membership		340,517	336,481
Other Income		50,762	73,976
<b>TOTAL REVENUE AND OTHER INCOME</b>		<b>3,657,385</b>	<b>3,638,186</b>

**EXPENSES**

Interest Paid		106,203	92,934
Depreciation		200,797	194,012
Provision for Annual Leave (Net)	1 (g)	9,577	(4,948)
Provision for LSL (Net)	1 (g)	(2,464)	6,065
Audit Fees	11	25,000	17,500

**Note 3**

**CASH & CASH EQUIVALENTS**

(CURRENT ASSET)

- Cash on Hand		44,130	25,158
- Cash at Bank		93,115	62,829
		<b>137,245</b>	<b>87,987</b>

**Note 4**

**TRADE & OTHER RECEIVABLES**

(CURRENT ASSET)

- Sundry Debtors	1 (a)	73,413	113,771
		<b>73,413</b>	<b>113,771</b>

**Note 5**

**INVENTORIES**

(CURRENT ASSET)

- Beverage & Food	1 (d)	63,728	79,371
- Maintenance Supplies		4,700	5,050
		<b>68,428</b>	<b>84,421</b>

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**Note 6**

	<b>2019</b>	<b>2018</b>
<b>PREPAYMENTS</b>		
(CURRENT ASSET)		
- Prepayments	79,181	77,866
	79,181	77,866

**Note 7A**

**PROPERTY PLANT & EQUIPMENT**  
(NON-CURRENT ASSET)

Movement in Asset Values during the Year

	Carrying Amount At Start Of Year	Additions	Disposals	Depreciation	Revaluation Adjustment / Impairment Loss	Carrying Amount At End Of Year
Land	1,650,000	0	0	0	0	1,650,000
Buildings and Improvements	3,286,747	0	0	58,234	0	3,228,513
Course Plant & Machinery	321,536	25,824	0	17,580	0	329,780
Club House Plant, Furniture & Fittings	360,572	148,063	0	41,097	0	467,538
Air Conditioning	27,473	21,650	0	3,335	0	45,788
Kitchen Equipment	91,105	0	0	8,408	0	82,697
Poker Machines	762,568	89,520	17,320	43,878	0	790,890
Poker Machine Licences	733,227	0	0	0	0	733,227
Course Water System & Improvements	826,107	6,208	0	20,908	0	811,407
Course Improvements	229,739	0	0	5,744	0	223,995
TAB Equipment	16,132	0	0	1,613	0	14,519
<b>TOTAL</b>	<b>8,305,206</b>	<b>291,265</b>	<b>17,320</b>	<b>200,797</b>	<b>0</b>	<b>8,378,354</b>

Land and buildings are shown at their fair value based on regular valuations by external independent valuers, less subsequent depreciation for buildings. In periods when the freehold land and buildings are not subject to an independent valuation, the directors have conducted a review to ensure the carrying amount for the land and buildings is not materially different to the fair value. Increases in the carrying value arising on revaluation of land and buildings are recognised in other comprehensive statements of income and accumulated in the revaluation reserve in equity. Revaluation decreases offset previous increases of same classes of assets and shall be recognised under the heading of revaluation reserve. All other decreases are recognised in profit or loss. Any accumulated depreciation at the date of revaluation is credited against the gross carrying amount of the asset and the net amount is restated to the valued amount of the asset. Freehold land and buildings that have been shown at cost are valued and recognised at the fair value of the asset at each reporting date.



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**Note 7B**

	Note	2019	2018
<b>OTHER</b>			
(NON-CURRENT ASSET)			
- Surface Water Licence	1(c)	145,932	145,932

**Note 8A**

**TRADE & OTHER PAYABLES**

(CURRENT LIABILITIES)

Sundry Creditors & Accrued Charges		371,443	434,487
Subscriptions In Advance		253,395	185,679
		624,838	620,166

**Note 8B**

**LOANS**

(CURRENT LIABILITIES)

- Bank Overdraft		48,103	103,338
- Hire Purchase Loans	10	74,485	23,836
- Ebet Equipment Loan	10	0	43,646
- ANZ Commercial Bill & Business Loan		1,068,807	1,192,608
		1,191,395	1,363,428

**Note 8C**

**LOANS**

(NON-CURRENT LIABILITIES)

- Hire Purchase Loans	10	114,322	14,600
- Ebet Equipment Loan	10	0	4,942
ANZ Business Loan		745,235	719,888
		859,557	739,430

The bank loan and overdraft are secured by registered first mortgage over freehold land & buildings and a floating charge over the company's assets.

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	2019	2018
<b>Note 9</b>		
<b>EMPLOYEE PROVISIONS</b>		
(CURRENT LIABILITIES)		
		1(g)
- Long Service Leave	74,385	76,849
- Annual Leave	76,802	67,225
	151,187	144,074
	151,187	144,074

**Note 10**  
**CAPITAL COMMITMENTS**

Hire Purchase & Lease Commitments		
Payable not later than 12 months	74,485	67,482
Payable between 12 months to 5 years	114,322	19,542
Greater than 5 years	0	0
	188,807	87,024
	188,807	87,024

These liability commitments are secured by the underlying assets

**Note 11**  
**AUDITORS REMUNERATION**

Malvern Mathews Smith were the auditors of the Tamworth Golf Club Limited for the year.

Audit Fees	25,000	17,500
Other Services	0	0
	25,000	17,500
	25,000	17,500

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**Note 12**

**RECONCILIATION OF NET CASHFLOW FROM OPERATING PROFIT/LOSS AFTER TAX**

	<b>2019</b>	<b>2018</b>
Net Profit/Loss after Income Tax per Statement of Comprehensive Income	107,494	97,047
Depreciation	200,797	194,013
Net Loss (Gain) on Sale Non-Current Assets	1,320	(1,340)
Change in Operating Assets and Liabilities		
(Increase) Decrease in Prepayments	(1,315)	12,845
(Increase) Decrease in Inventories	15,994	(13,531)
(Increase) Decrease in Other Debtors	40,358	(1,158)
(Decrease) Increase in Subscriptions In Advance	67,716	1,495
(Decrease) Increase in Sundry Creditors	(63,044)	27,186
(Decrease) Increase in Provision for Employee Entitlements	7,113	1,116
Net Cash Inflows/Outflows from Operating Activities	376,433	317,673

**Note 13**

**RETAINED SURPLUS**

Retained Surplus – beginning of period	1,600,667	1,503,620
Net Current Year Surplus	107,494	97,047
Retained Surplus – end of period	1,708,161	1,600,667

**Note 14**

**Financial Risk Management**

The company's financial instruments consist mainly of deposits with banks, short term investments, receivables and payables, commercial bills and hire purchase agreements. The carrying amounts for each category of financial instrument, measured in accordance with AASB 139 is detailed in the accounting policies to these financial statements (refer to Table at 14b).

**Specific Financial Risk Exposures and Management**

The main risks the company is exposed to through its financial instruments are credit risk, liquidity and market risk relating to interest rate risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks from the previous period.

**a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the company.

The company does not have any material credit risk exposure as its major source of revenue is from memberships, green fees and gaming machines. Some interest is received from fixed rate term deposits within the ANZ. Sufficient funds are retained in the working account to meet ongoing needs.

**Credit Risk Exposures**

The maximum exposure to credit risk is by class of recognised financial assets at the end of the reporting period and is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. The company has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Credit risk related to balances with banks and other financial institutions is managed by the directors in accordance with approved board policy.

**b) Liquidity Risk**

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with realisation profile of financial assets.

	<b>2019</b>	<b>2018</b>
Trade and Other Payables (excludes subs in advance & provisions)	419,551	537,825
Hire Purchase Loans	188,807	38,436
Business Loans	745,235	881,965
Commercial Bill	1,068,802	1,068,802
<b>Total Financial Liabilities</b>	<b>2,422,395</b>	<b>2,527,028</b>

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	<b>2019</b>	<b>2018</b>
Cash & Cash Equivalents	159,382	86,953
Trade & Other Debtors	125,698	253,706
<b>Total Financial Assets</b>	<b>285,080</b>	<b>340,659</b>

**c) Interest Rate Risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate instruments. The company is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the company to interest rate risk are limited to fixed interest securities and cash on hand. The company manages interest rate risk by ensuring, whenever possible, payables are paid within agreed credit terms.

**Note 16**

**Segment Reporting**

The company operates in one industry, the principal activity being that of a Licensed Golf Club. The company operates predominantly in one geographic area, this being Tamworth, NSW.

**Note 17**

**Events Subsequent to Reporting Date**

No matter or circumstance has arisen since 31<sup>st</sup> December 2019 which could significantly affect or may significantly affect the company's operations, the result of operations or the company's state of affairs as at 31<sup>st</sup> December 2019 or future financial year other than the following.

The introduction of government measures in response to the COVID-19 pandemic required the club to close all revenue earning activities, with the exception of the operation of the golf course which continued subject to significant restrictions, from 23rd March 2020. At the date of this report, government announcements have suggested that restrictions previously imposed will be eased on a progressive basis over coming months. However, despite current indications of slow recommencement of trading, the full effects of this event on the activities of the company for the year ending 31<sup>st</sup> December 2020 are not able to be determined at this time. However, with actions taken by management to date and the extent of government assistance at both State and Federal level, the directors believe that the company will continue operations, albeit on a temporarily reduced level, into the future.

**Note 18**

**Related Party Transactions**

**(a) Key Management Personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) are considered key management personnel. No key management personnel receive compensation or remuneration.

The names of each person holding the position of Director of Tamworth Golf Club Limited during the year were;

R. Davis, J. Taylor, B. Lockwood, K. Mundy, P. Clark, P Foster, P Johnson, R Strange, L. Jeffriess and T. McCann.

**(b) Directors' Remuneration & Benefits**

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

Prior to 1 January 2018, the company entered into a contract for the provision of management services with Doodlebug Group Pty Ltd ATF Graham Family Trust, a related party of the CEO, to perform management services.

	<b>2019</b>	<b>2018</b>
Total Key Management Remuneration under this contract	107,768	133,040

During the current financial year, this contract ceased.

**(b) Transactions**

The company sold liquor and provided sports facilities to the directors during the year within a normal customer relationship and on terms and conditions no more favourable than those available to other members.

**(c) Loans to/from Related Parties**

There were no loans to or from related parties during the course of the current or past period.

**Note 19**

**Members' Guarantee**

The company is incorporated under the Corporations Act 2001 and is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of one dollar (\$1) each, towards meeting any outstanding obligations of the company. At 31<sup>st</sup> December 2019 the number of members was 2,025 (2018: 2,019)

**Note 20**

**Contingent Liabilities**

The Directors are not aware of any contingent liabilities in existence which could materially affect the financial position or trading result of the company's operations at the 31st December 2019 with the following possible exception.

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During the latter part of the year ended 31 December 2019 certain payments made to meet the company's liabilities were electronically made to an incorrect bank account. At year end this totalled \$69,835 and with further transactions following year end now totals, and will not exceed, \$147,856. Should this situation not be resolved to the company's satisfaction, an actual liability of \$147,856 could arise and be required to be met over time. However, discussions held by management with a number of external parties suggests that it is unlikely that such liability will be required to be met by the company.

**Note 21**

**Capital Commitments for expenditure**

The company has no capital commitments for expenditure at 31<sup>st</sup> December, 2019.

**Note 22**

**Reserves**

**(a) Revaluation Reserve**

The revaluation reserve records the revaluations on non-current assets.

**(b) Analysis of Revaluation Reserve**

	<b>2019</b>	<b>2018</b>
Balance of Revaluation Reserve at 1 <sup>st</sup> January 2019	4,347,415	4,347,415
Movement in Revaluation Reserve	0	0
Balance of Revaluation Reserve at 31 <sup>st</sup> December 2019	<u>4,347,415</u>	<u>4,347,415</u>

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements, comprising the:

- Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2019;
- Statement of Financial Position as at 31 December 2019;
- Statement of Cash Flows for the year then ended;
- Statement of Changes in Equity; and,
- Notes to the Financial Statements

are in accordance with the Corporations Act 2001, comply with Australian Accounting Standards – Reduced Disclosure Requirements, and give a true and fair view of the financial position of the company as at 31 December 2019 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.



Director..... R. Davis (President)



Director ..... J Taylor (Vice President)

Dated this twenty-eighth day of May, 2020.