



Annual Report

2017





Murray Downs Golf & Country Club Limited
Licensed under the N.S.W. Liquor Act
Postal Address: P.O. Box 496 SWAN HILL 3585
A.C.N. 003 382 947
E-mail: Clubinfo@mdClubs.com.au

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the Club will be held at the Club premises, Murray Downs Drive, Murray Downs, New South Wales on Tuesday, 22nd May 2018 at 8.00pm.

AGENDA

1. To confirm the Minutes of the previous Annual General Meeting.
2. To receive the President's Report.
3. To lay the financial report, directors' report and auditor's report before the meeting for the year ended 31 December 2017.
4. Appointment of an Auditor for 2018-19.
5. Declaration of names of Directors elected.
6. To deal with any other business of which proper notice has been given –
Ordinary Resolution 1
7. To deal with any other business that the meeting may approve, of which due notice has not been given.

At the meeting the members will be asked to consider and if thought fit pass the following resolutions which are proposed as an ordinary resolution pursuant to the Corporations Act.

Ordinary Resolution 1:

That pursuant to the Registered Club Act;

- (a) The members hereby approve expenditure by the club over the following 12 months for the following activities of Directors in their service as members of the Club's Board of Directors.

- (i) The reasonable cost of a meal and beverage for each Director before or immediately after Raffle Duty, a Board or Committee Meeting on the day of that meeting.
- (ii) Reasonable expenses incurred by Directors in relation to other events including entertainment of special guests of the Club and promotional activities in relation to the club for which expenses are approved by the Board before payment is made, on production of invoices, receipts or other proper documentary evidence of such expenditure.



- (b) The provision and marking out of car parking spaces for the exclusive use of Directors, and such other persons as the Directors shall from time to time approve.

- (c) The provision of a Club jacket, shirts and tie as part of a Directors uniform.



(d) The professional development and education of directors over the following twelve months including:

- (i) The reasonable cost of directors and their partners attending at the Registered Clubs Association Annual General Meeting.
- (ii) The reasonable cost of directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
- (iii) The reasonable costs of directors attending other Clubs or Casinos throughout the State or relevant interstate venues for the purpose of observing their facilities and methods of operation as organised by the club.
- (iv) A director who represents the Club at venues described under (d) (i), (ii) or (iii) provide a written report within 14 days.

(e) The members acknowledge that the benefits in paragraphs (a), (b), (c) and (d) above are not available to members generally but only for those who are Directors of the club.

Explanatory Note

Please note this resolution is required under the Registered Clubs Act 1976 and is procedural.

Procedural Matters

1. To be passed, the Ordinary Resolution must receive votes from 50% +1 of those members who being eligible to do so vote in person on the Ordinary Resolution at the meeting.
2. Only Life Members and financial Full Members shall be eligible to vote on the Ordinary Resolution. (all categories of membership except Junior Members are eligible to vote)
3. Under the Registered Clubs Act 1976 members who are employees of the club are not entitled to vote on the Ordinary Resolution.
4. Proxy voting is prohibited by the Registered Clubs Act 1976.
5. Amendments (other than minor typographical corrections which do not alter the substance or effect of the Resolution) will not be permitted from the floor of the meeting.
6. If the Ordinary Resolution is passed it will take effect immediately.
7. The Board of the Club recommends this Resolution to the members.

By direction of the Board


 Gregory Roberts
 Chief Executive Officer





DIRECTORS' NOMINATIONS

Any Golf & Bowls, Life, or Bowls Members of the Club shall be at liberty to nominate an eligible member to serve as a member of the Board. The nomination, on the prescribed form, shall be signed by the member and his or her proposer and seconder, and lodged with the Chief Executive Officer no later than 6pm, Monday 30th April 2018.

Only Golf & Bowls, Life, or Bowls Members shall be eligible to be appointed to the Board, subject to the condition that no more than two members of the Board are Bowls only members.

In accordance with section 24 and 25 of the Constitution, this year three positions as a Director shall be elected.

The three elected Directors shall hold office for a period of three (3) years.

Nomination forms will be available from the Club's Front Reception.

VOTING

If there is more than the required number of nominations a Ballot shall be conducted at the Club premises on the day of the Annual General Meeting, Tuesday 22nd May 2018 from 10am and closing at 6pm. Membership cards and photo identification must be produced in order to vote.

FINANCIAL QUERIES

All questions relating to financial reporting should be submitted in writing to The Chief Executive Officer 7 days prior to the Annual General Meeting.

ANNUAL REPORTS

As a result of changes to the Corporations Act 2001 the Club will no longer print 7,000 copies of the Annual Report and send one to each member. In complying with Section 314 of the Corporations Act 2001 the club informs every member that:

- (a) They may elect to receive, free of charge, a copy of the financial reports by contacting the Club. The reports can be sent by either hard copy (mail) or electronic copy (email); or
- (b) They may view the Annual Report from the 1st May 2018 on the Clubs website at www.murraydownsgolf.com.au





PRESIDENTS REPORT

It is my very pleasant duty to present my President's Report for the 2017 year. Once again the Murray Downs Golf and Country Club has had a successful year financially, with a net trading profit of \$697,695 as disclosed in the Treasurer's Report.

Whilst this is a satisfactory result, it is important to maintain this level of profit to allow the Club to provide our Members and Guests with up to date facilities. Increases in expenses such as insurance, electricity and maintenance will increase our expenses by more than \$200,000 during the current and future years. The Board is aware of this and is taking steps to ensure that the high standard of facilities is maintained for the benefit of our Members and Guests.

One of the strong features of our Club is the commitment and stability of the Directors, who give freely of their time, which amounts to many hours during the year. The next 12 months will be an extremely important period for the future of our Club, subjects to consider are: solar power, accommodation, updating the course watering system, etc.

I would like to thank several people who have worked to help make this a successful year.

Murray Downs now operates three venues, Murray Downs Golf and Country Club, Swan Hill Club and Spoons Riverside. The number of staff employed by us now totals in excess of 160 employees.

Our Chief Executive Officer, Greg Roberts, is the man at the coal face who is responsible for making it all happen. We are very fortunate to have a person with Greg's skills and ability. I would also thank his assistant Steve Banks, who is totally committed to Murray Downs.

Each of our Sub Committees spend many hours arranging our sporting activities and their reports form part of this Annual Report. To each of them I offer my congratulations and thanks for your contribution to Murray Downs.

Our Golf Professional, Mark Bowd, resigned during the year for family reasons. Thank you Mark for your contribution to Murray Downs over several years. We welcome Shane McHenry as our new Golf Professional. Shane's experience in Australia and overseas will be a big asset to our Club.

Finally I would thank everyone who has contributed to the success of our Club, particularly our wonderful staff, and of course to you, our loyal Members who support the Club day in, day out. Thank you for the honour of being your President for so many years.

BILL GURNETT PRESIDENT





TREASURER'S REPORT

I am pleased to present the financial performance of the Murray Downs Golf and Country Club (Incorporating Swan Hill Club and Spoons Riverside) for the year ended 30th December 2017. In contrast to 2016, we had a strong start to the year with good visitation and trading, to end up posting a net trading profit of \$697,695 for the entire organisation.

This result was very pleasing in light of somewhat difficult trading conditions. The presence of on-line gambling continues to threaten our market share in the Gaming Area. We are continually mindful of exploring alternative avenues of income to ensure our long term viability.

We continue to hold a strong equity position; however we need to be vigilant to maintain that strength. We have ongoing commitments to our bankers, and an infrastructure that is approaching thirty years old. The most recent significant impact has been the River Pump, which must be replaced. We are committed to providing facilities that are second to none, and without water, that would not be possible. Ongoing commitment to Capital Expenditure means that we must maintain a profitable operation to enable replacement and refurbishment of our assets.

Total turnover has increased marginally from \$16,099,799 in 2016 to \$16,249,023 in 2017. Total Gross Profit was \$13,052,040 in 2017 compared to \$12,939,759 in 2016.

The management team has worked extremely hard on ensuring that our costs are controlled to the maximum extent possible. This has resulted in a great effort to restrict overhead expenses to \$12,354,345, compared to \$12,939,759 in 2016.

This is once again a very pleasing result which reflects Board & Management Policy of maintaining scrutiny over all aspects of the club's operations. I am pleased to report that your club is in good hands, however it takes commitment to ensure that this continues to be the case.



Finally, we look forward to the continued support of you, our members and the local community. This is your club, make sure you visit and support the Murray Downs Golf & Country Club, the Swan Hill Club, and Spoons Riverside Restaurant.

GEOFF HINTON
TREASURER



CHIEF EXECUTIVE OFFICER'S REPORT

It is with pleasure I present my report for the financial year ended 31 December 2017. The Murray Downs Golf & Country Club Limited has performed strongly with a combined profit of \$697,695. This result is assisted by a GST rebate on points redeemed in our accounts to the tune of \$89,162 and a credit of \$15,000 for an electricity account incorrectly charged to the club. When you take these two matters into account the result is a profit of \$593,533.

The operational profit is a sound result at a time when golf clubs, in particular, are finding it very difficult to remain profitable throughout regional areas. The Club is also, like many of our members, facing significant increases in energy costs throughout 2018 which are likely to impact future performances.

The Club continued to invest in its golf course, course equipment and gaming facilities at both clubs as we strive to provide our members with excellent facilities.

During 2017 the projects completed at Murray Downs Golf & Country Club included:

- Installation of MultiScreen Marketing system and TV's
- Renovation of Course Toilet – 6th Hole
- Cart Paths at 8th and 14th Holes (in excess of \$25,000 cost)
- Installation of handrail and renovation of stairs and from bowls area to golf area
- Renovation of Children's Facility



At the Swan Hill Club the projects included:

- Installation of MultiScreen Marketing system and TV's
- Painting of Reception
- Upgrade of air-conditioning system in function room

I would like to take this opportunity to thank all the members of the Golf and Bowls Committees who work so hard to ensure the smooth running of golf and bowls at Murray Downs. You do a great job. Thanks also to the Swan Hill Advisory Committee Members who provide an important input on behalf of the Swan Hill Club venue.

I express my sincere thanks to the senior management team who work tirelessly for the benefit of the Club and its members. To all the staff of Murray Downs, Swan Hill Club and Spoons Riverside I say thank you for your commitment and dedication to the task. We will continue to work together to ensure we provide the Members and visitors with a memorable experience each time they visit.

Thank you to Mark Bowd for his service to the Club through the Pro Shop over many years. We wish Mark well in his future endeavours and I am sure you will still see him out on the course from time to time.

Welcome to our new Head Golf Professional Shane McHenry. Shane has relocated to Swan Hill from Austria with his wife and two children and is excited to be part of the team. I am sure Shane will be an excellent addition to the team at Murray Downs Golf and Country Club.

My sincere thanks to the President, Bill Gurnett, and the Board of Directors for their commitment, dedication and support throughout the year. The Directors display strong leadership and are committed to the long term future of our Club. They continue to give considerable time and effort for the benefit of not just the Members but the entire Swan Hill community.

Finally I would like to thank you, the Members, for your support of the venues. Remember these are your venues and we look forward to seeing you in 2018.

GREG ROBERTS
CHIEF EXECUTIVE OFFICER



MEN'S GOLF REPORT

On behalf of the men's golf committee I am pleased to present this golf report for 2017-18. We have had another successful golf year with good fields, many visitors and as always an exceptional course to play on.

Congratulations to Ash Davis on being appointed course superintendent after Rowan Daymond decided to return to Adelaide. We wish Ash every success in looking after our major asset that we enjoy so much.

We also welcome Shane McHenry as the new club professional following Mark Bowd's resignation. Many thanks to Mark for his efforts over the years and we look forward to working with Shane. For all our golf events, but particularly the major ones, they simply would not happen without the huge input from the pro shop staff. We owe them a great deal and to Mark and now Shane and staff many thanks.

Our golf program is greatly enhanced by the many sponsors who contribute to our club and we are very grateful for their ongoing support. Please make every effort to patronise those businesses that support us.

Our major events continue to be well supported by our members and many visitors. It is very pleasing to see many familiar faces returning year after year for these tournaments.

The Golden Putter was again strongly contested and won by Bernie and Craig Morrison from Gisborne and Euroa clubs. Their third win in this event. Our next major event was the Murray Downs Masters won by Stuart Holt and Ian Read with an exceptional score of 18 up.

Congratulations to our championship and major event winners.



- Club Champion Dallas Free
- B Grade Champion Laurie Shippides
- C Grade Champion Peter Martin
- D Grade Champion Joe Higgins
- Junior Champion Jayden Graham
- NDGA Medallist Sean Baumgartel(72 Hole Nett)
- Senior Champion Mal Woolhouse
- Golfer of the Year Ross Kenyon
- Putter of the Year Ross Kenyon
- LJ Hooker Summer Cup Jorgen Leshke
- Medal of Medallists Ash Davis
- Singles Knockout Winner Rob Merrett
- 4BBB Knockout Winners James Mclean-Andrew Robertson
- Mixed Knockout Winners Jorgen Leshke-Sarah Clark

Our Reciprocal and Senior's events were again very well attended. Reciprocal visitor winners were Dale Storer, Russell Hinchcliffe, Glen Styles and Murray Chapman from Clifton Springs Golf Club whilst the team of Ian Read, Lleyton McLean, James McLean and Matt Lenton was successful in the member's section.

The Mid Murray Amateur was played in difficult windy conditions and won by Stuart McMillan scoring 74 and 73.

Like the course the events do not run themselves and there is a significant amount of work done by the men's and ladies golf committees as well as the Senior's sub-committee. To all those involved thank you for a job well done.

To Greg Roberts and his office staff, thank you for providing the resources and assistance to help us keep the golf program on track.



Finally an extra thank you to all the golf committee who contribute so much to the enjoyment of our week to week golf; and to the many members who regularly support our club with their participation in our golf events and use of clubhouse facilities.

**KEN GREGORY
MEN'S CAPTAIN**

LADIES GOLF REPORT

On behalf of Murray Downs Ladies Golf, I submit the following report.

2017 competitions were keenly contested throughout the year and at this point I would like to congratulate our annual prize winners.

- | | |
|------------------------------|-----------------------------|
| A Grade Club Champion | - Mary-Anne Davis |
| B Grade Champion | - Jenny Lynas |
| C Grade Champion | - Elaine Brown |
| D Grade Champion | - Maryanne Mathiske |
| A Grade Stableford Aggregate | - Shannon Bishop |
| B Grade Stableford Aggregate | - Jenny Ford |
| C Grade Stableford Aggregate | - Iris Boulton |
| D Grade Stableford Aggregate | - Maryanne Mathiske |
| Golfer of the Year | - Eileen Willox |
| Donnington Cup | - Jenny Lynas |
| Medal of Medalists | - Jenny Lynas |
| Singles Knockout | - Jenny Lynas |
| Doubles Knockout | - Jan Butcher/Rosie Ficarra |
| Winter Cup | - Avis Shippides |
| Summer Cup | - Paula Pickert |
| Anniversary Cup | - Suzanne Napier |
| Spring Brooch | - Eileen Willox |
| Putting Comp | - Barb Clark |



The Seniors Tournament in February was well represented by the Murray Downs ladies and I congratulate Lyn Bishop who took out the overall honours, with Joan Foster running third. Marg Moore was the winner on Day 1 and Sheila Beard on Day 2. Well done ladies.

Our Opening Day sponsored by Rutherford Street Insurance welcomed visitors from many clubs in our region. A field of 130 ladies enjoyed a day of fun and friendship and it was a wonderful way to commence our new season of golf and a big thank you to our sponsor.

This year we welcomed Kennedy Showcase Jeweller's as sponsor of The Faye Ayson Memorial Pink Day. Once again the course was ablaze with colour as our ladies joined in the spirit of the day dressing in all shades of pink for this fundraising day.

Thank you to our sponsor, Kennedy Showcase Jeweller's. Thank you to the Board of the Murray Downs Golf & Country Club for your support and contribution in donating green fees on the day which, combined with our lady golfers' contribution to a special raffle, resulted in a donation of \$1,120 to Women Touched By Cancer, a local support group who has since 2007 enriched the lives of hundreds of women in the region.

Congratulations to the winners of the Memorial Trophy - Pam Austerberry, Lois Carnie, Mem Davis and Di Martin.



May saw our pennant teams compete for the Northern District Flags. So proud that our Division 1 and 2 teams were winners and the flags are proudly displayed at Murray Downs.

The 44th Golden Putter sponsored by McLardy McShane Insurers was a huge success. This event attracted players from many visiting clubs with many friendships renewed. The prestigious Golden Putters were taken home by Kerry Gammon from Tooleybuc and Barb Brandenberger of RACV and the winners of the Silver Putter were Joan Foster from Murray Downs and Julie Kent from Melton Valley. Well done ladies.

Cameron's Fine Jeweller's Gold Links Day in August saw a capacity field of ladies eager to win the prizes on offer. Most women love jewellery and the winners of the day, Noni Domaille and Kathy Parkinson were thrilled at the prospect of shopping with their Vouchers.

September brings with it Spring and the commencement of the appropriately titled Holts Mitsubishi Spring Brooch Challenge. Played over three weeks, this challenge was keenly contested, with Eileen Willox the happy winner, much to her surprise! Thank you to Holts for your generous sponsorship.

This year, new in the Syllabus, we welcomed The Guardian as a new sponsor. The Guardian sponsored a Foursomes Event which was thoroughly enjoyed by all who participated; especially the winners, Shannon Bishop and Eileen Willox.

The 24th Ladies Classic was a huge success, with attendance from visiting clubs being the highest for some time. We welcomed players from the past and many anew. Another great opportunity to showcase our great course and for visitors to experience the hospitality at Murray Downs. The welcome dinner and fashion parade held at Spoons on the eve of the Classic was very well attended, with 89 ladies enjoying the night. It was a great night to commence what was 3 days of golf in super weather conditions.

The Classic Thursday night celebrations saw a great number of ladies in Op Shop Glamour outfits sing and dance the night away. The entertainment as usual kept us all in fits of laughter and a big thank you to our MC Lyn Bishop. Your skills are very much appreciated.

And in closing, I would like to thank the following:

- To the staff at Murray Downs in all departments. You are a fabulous team and a joy to work with.
- To the ground staff. We are so proud of our course. Thank you.
- To Mark and his team in the Pro Shop, We appreciate all that you do. We look forward to working with Shane.
- To our Sponsors; We are so thankful for your support and appreciate your generosity.
- To Greg Roberts, Bill Gurnett and the Board; It is because of you that Murray Downs is the best on the Murray, and I thank you for your dedication and professionalism.

Lastly, thank you to my Committee. It has been a wonderful year and your support throughout is very much appreciated. A big thank you to those of my committee who are stepping down. I am very thankful for your contribution and loyalty and wish you all the best. I extend a very warm welcome to the new committee members. We are in for a great 2018.

BARB CLARK
LADIES CAPTAIN



MURRAY DOWNS BOWLS REPORT

With the completion of the Victorian Ladies Group Sides Championship at Murray Downs, the season comes close to completion, with only the Australian Police Games to go.

The Group Sides Championship was attended by two hundred players and one hundred supporters from all over Victoria over three days.

The Australian Police Games will be held from 3rd till 10th May 2018, with about the same number of players and supporters in attendance. They will travel here from Queensland, New South Wales, Victoria, South Australia and Western Australia.

Pennant was very successful this year, winning 4 pennant championships from the available 5. We won Division 1 and Division 2 in Mid Week Pennant, and Division 1 Team 1 and Division 3 Team 4 in Saturday Pennant. Team 2 were eliminated in the Preliminary Final, and Team 3 lost the Grand Final to Team 4. It was an excellent achievement from all our players.

Our Tuesday night Barefoot Bowls Competition had twenty two teams, consisting of sixty six players over the duration, and was very well run and attended.

Our Match Committee ran our tournament season very well, and organised our Club Championships. Our Club Champions are Peter Furnell and Margaret Jewson.

Thank you to all members who helped in any way. Special mention must be made to the Course Superintendent - Ashley, and his band of men, George - our Greenkeeper, and Graham Steele. The improvement of the greens from early in the year when there was heat and water damage, through to very good greens for Grand Final day, and excellent greens (as confirmed by Bowls Victoria officials), for the Ladies Group Sides Championship.

I would like to thank M.D.G.C.C. CEO. Greg Roberts and his staff for their help during the year, Robert Smith (Board Member) for attending our meetings and taking matters back to Murray Downs Board. To Duty Managers, Bar, Cafe, Kitchen and Front Counter Staff, a big thank you to you all for your help during the year. We are privileged to be part of a club that is so easy to work with.

Thank you to the Bowls Board and all our other Committees for all your hard work, and I hope you've enjoyed your year.

To the new bowlers who joined us this season, I hope you've enjoyed playing bowls here.

If there are any new bowlers thinking about joining our club, you will be made most welcome. Any previous members are also welcome back.

And finally, to any of our members who are struggling with ill health, we hope you get well soon and are able to come back and enjoy your bowls.

Thank you.

**BILL PEARSON
BOWLS CHAIRMAN**





MURRAY DOWNS GOLF & COUNTRY CLUB LIMITED

ClubGRANTS Recipients (for year ended 31 August 2017)

Category 1

- Mallee Cruisers Car Club
- Swan Hill Regional Library
- Swan Hill District Health - Mens Promotion
- Swan Hill Vic. SES
- Murray Downs Fire Brigade
- Swan Hill Stroke Group
- Swan Hill Theatre Group
- St. Marys MacKillop College
- Mildura Pink Ball Committee
- Swan Hill Italian Social Club
- Swan Hill District Health - Golf & Bowls Day
- Swan Hill Legacy Group
- Swan Hill District Health
- Ace Radio Broadcasters Pty Ltd
- The Portsea Camp
- Murray Downs Fire Brigade

Category 2

- Australian Wine Show
- Murray Mallee LLEN
- Lions Club of Lake Boga
- Nyah/Swan Hill Two Bays Swimming Club
- Barham & Koondrook Police Charity Day
- Warrnambool Golf Club Inc.
- Swan Hill Basketball Association
- Cohuna Police Golf & Charity Day
- Murrabit Group School
- Swan Hill Clay Target Club
- Pyramid Hill Bowling Club
- St. Mary's Tyntynder Cricket Club Inc.
- Swan Hill Primary School
- Ballarat Charity Golf Day
- Swan Hill Lawn Tennis & Croquet Club
- L2P Learner Driver Mentor Program
- Lake Charm Primary School
- CMF&N League
- Moulamein Public School
- Wycheproof Bowls Club Inc.
- Northern District Football Umpires Assoc.
- Ballarat District Golf Inc.
- Lake Boga Football Netball Club
- Swan Hill Darts Association
- Swan Hill Food & Wine Festival
- Swan Hill Racecourse Bowls Club
- Lake Boga Yacht Club
- Swan Hill Harmony Day
- Swan Hill Soccer League
- Koori Kids Anzac School
- Swan Hill Dist. Agric. & Pastoral Soc.
- Ultima Football Netball Club Inc.
- Nyah Nyah West United Football Netball Club Inc.
- Clayton Donovan Masterclass
- Wycheproof P12 College
- Murray Downs Golden Girls
- Woorinen Football & Netball Club
- Rotary Inner Wheel
- Murray Downs Junior Golf
- AFL Central Murray Schoolboys Team
- Metro Fire Brigade Social Golf Club
- Swan Hill Bowls Club Inc.
- Swan Hill Pony Club Inc.
- Swan Hill College - Bostock Music Masterclass
- Lakeside Golf Club
- Nyah West Golf Club
- Birchip Golf Club
- Murray Mallee LLEN
- Tooleybuc Golf Club
- Swan Hill Martial Arts Budokai
- Swan Hill Field & Game Assoc.
- Sea Lake Golf Bowls Club
- Swan Hill Dist. Agric. & Pastoral Soc.
- Swan Hill & Dist. Campdraft Club Inc.
- Veterans Golf Classic
- Barham & Koondrook Police Charity Day
- Lake Boga Junior Sporting Inc.
- Kerang/Swan Hill Masters Aust. Football Inc.
- Swan Hill Show & Shine



Murray Downs Golf & Country Club Limited

ACN 003 382 947

Financial Statements

For the year ended 31 December 2017

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Murray Downs Golf & Country Club Limited

Directors' Report

For the year ended 31 December 2017

Your directors present the financial statements of the Murray Downs Golf & Country Club Limited (the Company) for the year ended 31 December 2017.

Directors

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

W. Gurnett - President Board Member since 30 September 1987 President 26 years Retired CPA Accountant, Partner at GMG Accounting for 49 years.	C. Hedwards – Vice President Board Member since 26 June 1992 Vice-President 4 years Area Manager Tasco Petroleum
G. Hinton – Honorary Treasurer Board Member since 20 May 2014 CPA Accountant, Partner at GMG Accounting for 15 years.	G. Slater – Honorary Secretary Board Member since 28 June 1991 Retired School Principal
R. Smith Board Member since 2 May 1995 Boral Concrete Contractor	D. Merritt Board Member since 24 April 1989 Resigned 23 May 2017 Retired Retail Business Owner
D. Martin Board Member since 24 May 2011 Retired Retail Business Owner	M. Woolhouse Board Member since 29 May 2007 Retail & Business Owner
G. McNees Board Member since 21 May 2013 Dairy Farmer	A Free Board Member since 23 May 2017 Finance Manager Swan Hill Shire Council

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

Company secretary

The Company's secretary is Mr Gregory Roberts, who was appointed on 23 March 2009.

Principal activities

The principal activities of the Company during the year were promotion and conduct of golf and bowls for the purpose of promoting these sports and club amenities.

Short term and long term objectives

The Club's short term objectives are to provide for members and members' guests a sporting and social facility with all the usual facilities of a Club with excellent service in a comfortable and safe environment. To promote and conduct the game of golf and bowls and other sports, games, amusements and entertainment as the Club may deem expedient.

In the long term, the Club's objectives include replacement and enhancement of key strategic assets and the long term financial and operational viability through sound improvements to the organisation's operations.

To achieve these objectives, the company has adopted the following strategies:

- To encourage and promote the participation in golf and bowls and community activities;
- To increase awareness of the Club and its facilities through effective marketing and communication;
- To continue to reinvest in the products and facilities to ensure the provision of a quality experience for members and members guests.



Murray Downs Golf & Country Club Limited

Directors' Report

For the year ended 31 December 2017

Meetings of directors

The number of meetings of the Company's directors held during the year ended 31 December 2017, and the numbers of meetings attended by each director were:

	No. of Meetings Attended	No. of Meetings Held*
W Gurnett	16	17
C Hedwards	13	17
G Hinton	7	17
G Slater	13	17
R Smith	16	17
D Merritt	4	5
D Martin	17	17
M Woolhouse	14	17
G McNees	13	17
A Free	10	12

* reflects the number of meetings held during the time the director held office during the year.

Member Liability

The Company is incorporated as a Company limited by guarantee. In accordance with the Memorandum of Association of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of winding up the Company during the time he or she is a member or within one year thereafter.

Core and Non-core Property

The core property of a registered club means any real property owned or occupied by the club that comprises:

- a. the defined premises of the club, or
- b. any facility provided by the club for the use of its members and their guests, or
- c. any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club, but does not include any property referred to in paragraphs (a) - (c) that is declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the club.

All real property owned by the club is classified as core property.

Auditor's independence

The lead auditor's independence declaration for the year ended 31 December 2017 has been received and can be found on page 4 of the financial report.

This report is signed in accordance with a resolution of the directors.

Director
William Gurnett

Director
Colin Hedwards

Murray Downs
26 March 2018



Murray Downs Golf & Country Club Limited

Directors' Report

For the year ended 31 December 2017

Auditors' Independence Declaration

As lead auditor for the audit of Murray Downs Golf & Country Club Ltd for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a.) No contraventions of the auditor independence requirements of 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.

Johnsons MME
Chartered Accountants

Stephen Clarke
Director

Albury
26 March 2017



Murray Downs Golf & Country Club Limited

Directors' Declaration

For the year ended 31 December 2017

The directors declare that the financial statements and notes set out on pages 6 to 17:

- a) comply with Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Company's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the director's opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- b) 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 directors.

Director
William Gurnett

Director
Colin Hedwards

Murray Downs
26 March 2018



Murray Downs Golf & Country Club Limited

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Revenue	2	16,249,023	16,099,709
Cost of goods sold	3	3,196,983	3,159,950
Employee related expense		6,256,320	6,112,218
Depreciation and amortisation	3	1,148,092	1,144,129
Repairs and maintenance expense		371,271	402,679
Advertising, promotion and members expense		776,163	875,658
Poker machines taxes & monitoring fees		1,734,737	1,745,993
Golf and Bowls expense		387,807	443,723
Finance costs	3	207,164	208,762
Administration expense		175,105	125,833
Other expenses		1,297,686	1,263,390
Profit before income tax		697,695	617,374
Income tax expense	1(b)	-	-
Net Profit for the year		697,695	617,374
Other Comprehensive Income		-	-
Total Comprehensive Result for the year		697,695	617,374

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.



Murray Downs Golf & Country Club Limited

Statement of Financial Position

As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,909,616	2,445,972
Trade and other receivables	5	33,310	48,580
Inventories	6	466,638	405,903
Other	7	128,755	122,119
Total Current Assets		<u>3,538,319</u>	<u>3,022,574</u>
Non-Current Assets			
Property, plant and equipment	8	13,696,717	13,953,985
Intangible assets	9	3,835,113	3,947,909
Total Non-Current Assets		<u>17,531,830</u>	<u>17,901,894</u>
Total Assets		<u>21,070,149</u>	<u>20,924,468</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	1,007,943	992,889
Borrowings	11	408,000	561,164
Provisions	12	536,908	520,484
Total Current Liabilities		<u>1,952,851</u>	<u>2,074,537</u>
Non-current liabilities			
Trade and other payables	13	48,766	60,828
Borrowings	14	2,954,860	3,362,861
Provisions	15	11,879	22,144
Total Non-Current Liabilities		<u>3,015,505</u>	<u>3,445,833</u>
Total Liabilities		<u>4,968,356</u>	<u>5,520,370</u>
Net Assets		<u>16,101,793</u>	<u>15,404,098</u>
EQUITY			
Asset Revaluation Reserve		1,432,459	1,432,459
Retained profits		14,669,334	13,971,639
Total Equity		<u>16,101,793</u>	<u>15,404,098</u>

The above statement of financial position should be read in conjunction with the accompanying notes.



Murray Downs Golf & Country Club Limited

Statement of Changes in Equity

For the year ended 31 December 2017

	Retained Profits	Asset Revaluation Reserve	Total
Balance at 1 January 2016	13,354,265	1,432,459	14,786,724
Net profit for the year	617,374	-	617,374
Balance at 31 December 2016	<u>13,971,639</u>	<u>1,432,459</u>	<u>15,404,098</u>
Net profit for the year	697,695	-	697,695
Balance at 31 December 2017	<u>14,669,334</u>	<u>1,432,459</u>	<u>16,101,793</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



Murray Downs Golf & Country Club Limited

Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Cash Flows from Operating Activities			
Receipts from members & customers		16,090,125	15,908,440
Payments to suppliers and employees		(14,189,913)	(14,119,478)
		<u>1,900,212</u>	<u>1,788,962</u>
Interest paid		(207,164)	(208,762)
Interest received		23,516	6,690
Net cash inflow/(outflow) from operating activities		<u>1,716,564</u>	<u>1,586,890</u>
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(788,448)	(1,198,184)
Proceeds from the sale of property, plant and equipment		96,755	126,101
Net cash inflow/(outflow) from investing activities		<u>(691,755)</u>	<u>(1,072,083)</u>
Cash flows from Financing Activities			
Proceeds from borrowings		-	842,072
Repayment of borrowings		(561,163)	(508,312)
Net cash inflow/(outflow) from financing activities		<u>(561,163)</u>	<u>333,760</u>
Net Increase/(Decrease) in Cash Held		463,644	848,567
Cash at the beginning of the financial year		2,445,972	1,597,405
Cash at the End of the Financial Year	4	<u>2,909,616</u>	<u>2,445,972</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

Note 1. Summary of significant accounting policies

Murray Downs Golf & Country Club Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

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

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Reporting Standards (IFRS) requirements. The company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Company has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities. Comparative information has been reclassified where appropriate to enhance comparability.

(a) Revenue

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

(i) Sale of goods and services

Revenue from the sale of food, beverages and other goods is recognised upon delivery of goods to customers. Revenue from gaming and other services is recognised upon delivery of the service to customers.

(ii) Membership revenue

Membership revenue is brought to account on a progressive basis over the period in which members are able to enjoy the use of the Company's facilities. Any subscriptions received in advance are brought to account as a liability (refer note 10 & 13).

(iii) Interest

Interest revenue is recognised on an accrual basis taking into account applicable interest rates.

(b) Income Tax

Murray Downs Golf & Country Club Limited is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(c) Borrowing Costs

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

(d) Maintenance & Repairs

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

Note 1. Summary of significant accounting policies (continued)

(f) Trade and Other Receivables

All trade receivables are carried at their nominal amount. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is raised when some doubt as to collection of the debt exists.

(g) Inventories

Inventory is stated at the lower of cost and net realisable value.

(h) Property, Plant & Equipment

All property, plant and equipment is stated at cost less depreciation and impairment losses. Cost is measured as the fair value of the assets given up, liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

The purchase method of accounting is used for all acquisitions of assets.

All depreciation is calculated using straight line or diminishing value methods, depending on when the financial benefits of an asset will be derived, to write off the net cost of each item of property, plant and equipment (excluding freehold land) over its expected useful life to the Company. The expected useful lives are as follows:

Buildings	10-40 years
Plant and equipment	4-10 years
Gaming machines	4 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(i) Employee Entitlements

(i) Wages and salaries

Liabilities for wages and salaries are recognised and measured as the amount unpaid at the reporting date at current wage rates in respect of employees' service up to that date.

(ii) Annual leave

Liabilities for annual leave are recognised and are measured as the amount unpaid at the reporting date at pay rates expected to apply when the obligation is settled in respect of employees' services up to that date, including on-costs. All annual leave balances are classified as a current liability.

(iii) Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related on-costs and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. All long service leave which the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date is disclosed as a current liability and is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash outflows.



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

Note 1. Summary of significant accounting policies (continued)

(j) Intangible Assets

Goodwill

Goodwill is initially recorded at the amount at which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less any accumulated impairment losses.

Water Licences

The permanent water entitlement is recognised at cost. The license has an indefinite life but is reviewed annually for indicators of impairment in accordance with note 1(l).

Gaming Machine Licences

Victorian gaming machine entitlements that were acquired through the Victorian Commission for Gambling and Liquor Regulations are subject to a 10 year license, which will need to be renewed prior to the existing licensing period expiring. The cost of the entitlements are being amortised over the term of the license (10 years). NSW gaming machine entitlements were initially acquired at no cost and then subsequently recognised at their fair value based on an independent valuation performed by CB Richard Ellis on 31 December 2005. The basis of the valuation was market value.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and usually paid within 30 days of recognition.

(l) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less cost to sell and value in use.

(m) Critical Accounting Estimates

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both internally and externally.

Key Estimates

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment. Where evidence of impairment exists, the recoverable amount of the asset is determined. The value-in-use calculations performed in assessing recoverable amounts incorporate a number of estimates. No impairment has been recognised in respect of goodwill for the year ended 31 December 2017.

(n) Borrowings

Borrowings are carried at their principal amounts, which is not materially different to the present value of future cash flows associated with servicing the debt. Any interest payable on borrowings is accrued over the period it becomes due and is recorded as part of other creditors.



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

Note 1. Summary of significant accounting policies (continued)

(o) 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 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(p) New Accounting Standards and interpretations

A number of Australian Accounting Standards have been issued or amended since the last reporting date and are applicable to the entity but are not yet effective. The Board has assessed the impact of these amendments and they are immaterial to the entity. They have not been adopted in the preparation of the Financial Statements at balance date.

Note 2. Revenue

	2017	2016
	\$	\$
Revenue from operating activities		
Poker Machines	6,689,056	6,728,049
Bar	2,529,347	2,390,582
Catering	4,883,279	4,849,080
Members subscriptions	330,701	361,527
Pro Shop, Golf & Bowls	1,343,785	1,309,259
TAB, Keno and ATM commissions, Bingo and Raffle takings	252,711	201,618
	16,028,880	15,840,115
Revenue from outside the operating activities		
Interest	23,516	6,690
Sundry	111,101	191,561
Profit from Sale of Assets	85,526	61,343
	220,143	259,594
	16,249,023	16,099,709

Note 3. Profit

Net gains and expenses

Profit before income tax expense includes the following expenses:

Expenses

Cost of goods sold		
- Bar	946,103	891,508
- Catering	1,853,918	1,860,404
- Pro-shop	242,252	231,592
- Other	154,710	176,446
	3,196,983	3,159,950
Depreciation and amortisation		
- Depreciation of PP&E	1,035,296	1,031,333
- Amortisation of Intangibles	112,796	112,796
	1,148,092	1,144,129
Finance costs	207,164	208,762
Movement in provisions	6,159	20,034



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

	2017	2016
Note 4. Current assets – Cash and Cash Equivalents		
	\$	\$
Cash at bank	2,425,692	1,961,152
Cash on hand	483,924	484,820
	<u>2,909,616</u>	<u>2,445,972</u>
Note 5. Current assets – Trade and Other Receivables		
Trade debtors	30,537	48,580
Sundry debtors	2,773	-
	<u>33,310</u>	<u>48,580</u>
All debtors are considered collectible.		
Note 6. Current assets – Inventories		
Bar stocks	136,125	115,023
Catering stocks	84,536	67,399
Pro Shop and Spoons Provodore stocks	245,977	223,481
	<u>466,638</u>	<u>405,903</u>
Note 7. Current assets – Other		
Prepayments	<u>128,755</u>	<u>122,119</u>
Note 8. Non-current assets – Property, Plant and Equipment		
Land and buildings		
Land – at cost	466,419	466,419
Land improvements – at cost	551,731	519,955
Less: Accumulated depreciation	<u>(324,338)</u>	<u>(302,613)</u>
	227,393	217,342
Buildings and leasehold improvements – at cost	13,407,725	13,459,461
Less: Accumulated depreciation	<u>(3,722,714)</u>	<u>(3,627,800)</u>
	9,685,011	9,831,661
Total Land and Buildings	<u>10,378,823</u>	<u>10,515,422</u>
Plant and equipment		
Plant, Furniture and Equipment – at cost	10,346,196	11,053,325
Less: Accumulated Depreciation	<u>(7,084,899)</u>	<u>(7,614,762)</u>
	3,261,297	3,438,563
Work in Progress	<u>56,597</u>	-
Total Plant and Equipment	<u>13,696,717</u>	<u>13,953,985</u>



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

Note 8. Non-current assets – Property, Plant and Equipment (continued)

Movements in carrying amounts:

	Land	Land improvements	Buildings & leasehold improvements	Plant & equipment	Work in Progress	Total
WDV 1 January 2017	466,419	217,342	9,831,661	3,438,563	-	13,953,985
Additions	-	35,674	5,474	690,283	57,017	788,448
Disposals	-	(3,118)	-	(7,860)	-	(10,978)
Transfers	-	919	41,988	(42,487)	(420)	-
Depreciation	-	(23,424)	(194,112)	(817,202)	-	(1,034,738)
WDV 31 December 2017	466,419	227,393	9,685,011	3,261,297	56,597	13,696,717

Note 9. Non-current assets – Intangible Assets

	2017	2016
	\$	\$
NSW Gaming Machine Entitlements – at valuation	1,134,000	1,134,000
Victorian Gaming Machine Entitlements – at cost	700,101	812,897
Water Licences – at cost	1,420,195	1,420,195
Goodwill – at cost	575,917	575,917
Other – at cost	4,900	4,900
	<u>3,835,113</u>	<u>3,947,909</u>

Movements in carrying amounts:

	NSW Gaming Entitlements	Victorian Gaming Entitlements	Water Licences	Goodwill	Other	Total
WDV 1 January 2017	1,134,000	812,897	1,420,195	575,917	4,900	3,947,909
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer from Plant & Equipment	-	-	-	-	-	-
Amortisation	-	(112,796)	-	-	-	(112,796)
Impairment	-	-	-	-	-	-
WDV 31 December 2017	<u>1,134,000</u>	<u>700,101</u>	<u>1,420,195</u>	<u>575,917</u>	<u>4,900</u>	<u>3,835,113</u>

Note 10. Current liabilities – Trade and Other Payables

	2017	2016
	\$	\$
Trade creditors	656,465	684,167
Accrued expenses	97,551	94,684
Memberships and deposits in advance	221,134	193,356
Other payables	32,793	20,682
	<u>1,007,943</u>	<u>992,889</u>



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

	2017	2016
Note 11. Current liabilities – Borrowings		
	\$	\$
NAB business market loans	408,000	408,000
Gaming machine licence commitment	-	153,164
	<u>408,000</u>	<u>561,164</u>

Security:

- (i) NAB business loans are secured by:
 - First ranking registered fixed and floating charge over all present and future rights, property and undertakings of Murray Downs Golf & Country Club Ltd;
 - First ranking mortgage over property situated at Murray Downs Drive;
 - First ranking mortgage over water entitlements in the name of Murray Downs Golf & Country Club Ltd.
- (ii) Finance leases and equipment loans are secured against the relevant asset subject to finance.

Note 12. Current liabilities – Provisions

Employee Entitlements - Annual Leave	341,013	349,604
Employee Entitlements - Long Service Leave	162,344	145,020
Other Provisions	33,551	25,860
	<u>536,908</u>	<u>520,484</u>

Note 13. Non-current liabilities – Trade and Other Payables

Memberships and deposits in advance	<u>48,766</u>	<u>60,828</u>
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Note 14. Non-current liabilities – Borrowings

NAB Business Markets Loans	<u>2,954,860</u>	<u>3,362,861</u>
Security: Refer note 11.		

Note 15. Non-current liabilities – Provisions

Employee Entitlements – Long Service Leave	<u>11,879</u>	<u>22,144</u>
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Note 16. Related party transactions

(a) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel of the company comprise the directors and executives who are responsible for the financial and operational management of the company.

	2017	2016
Compensation paid to key management personnel of the company was as follows:	\$	\$
Short-term employee benefits	238,535	244,243
Post-employment benefits	35,554	32,710
	<u>274,089</u>	<u>276,953</u>



Murray Downs Golf & Country Club Limited

Notes to and forming part of the financial statements

For the year ended 31 December 2017

Note 16. Related party transactions (continued)

(b) Transactions with related parties

Director Mr. C. Hedwards is a director of Murray Downs Golf & Country Club Ltd and has a management role with Tasco Inland which provided goods/professional services to the Murray Downs Golf & Country Club Ltd during the year. This engagement was based on normal commercial terms and conditions and the aggregate amount paid was \$69,262. (2016: \$140,644)

The company's financial instruments consist mainly of deposits with banks, 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:

		2017	2016
		\$	\$
(i) Financial Assets			
Cash on hand	4	2,909,616	2,445,972
Trade and other receivables	5	33,310	48,580
Total Financial Assets		2,942,926	2,494,552
(ii) Financial Liabilities			
Trade and other payables	10,13	1,056,709	1,053,717
Borrowings	11,14	3,362,860	3,924,025
Total Financial Liabilities		4,419,569	4,977,742

Note 18. Commitments

Capital Commitments

Plant and equipment purchases

- Not later than 1 year

- Between 1 year and 5 years

101,200	-
-	-
101,200	-

Operating Lease Commitments

Commitments in relation to leases are payable as follows:

- Not later than 1 year

- Between 1 year and 5 years

136,521	182,028
-	136,521
136,521	318,549

Note 19. Events Occurring after Reporting Date

Existing Victorian gaming machine entitlements will expire on 16 August 2022. The Victorian Government announced the process for allocating new gaming machine entitlements post 16 August 2022, which includes:

- Venues responding to the Minister's offer confirming the number of entitlements to be acquired; and
- Committing to the purchase by paying a deposit by February 2018.

On 19 February 2018 the Club lodged its entitlement offer deed poll with the VCGLR applying for 55 gaming machine entitlements and paid a deposit of \$31,035 which represents 2.5% of the total purchase price based on the Minister's acceptance of the Club's request for 55 entitlements.

Note 20. Contingent Assets & Liabilities

There are no contingent liabilities or assets at year end.



Independent auditor's report to the members of Murray Down Golf & Country Club Limited

We have audited the financial statements, being general purpose financial statements – reduced disclosure requirements, of Murray Downs Golf & Country Club Limited, which comprises the statement of financial position at 31 December 2017, and the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of accounting policies and other explanatory notes and the directors' declaration.

In our opinion, except for the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements of Murray Downs Golf & Country Club Limited are in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Qualified Auditor's Opinion

As disclosed in note 1(j) and note 9 of the financial statements, the Company has recognised NSW gaming machine entitlements initially acquired at no cost, at their fair value based on an independent revaluation undertaken at 31 December 2005 using a market value approach.

Australian Accounting Standard AASB 138: *Intangible Assets* provides that for not-for-profit entities where an asset is acquired at no cost, the cost is its fair value at the date of acquisition. Further, subsequent to initial recognition intangible assets may be carried using the cost model or the revaluation model. If an entity elects to fair value its assets, fair value shall be determined by reference to an active market. If there is no active market the accounting standard states that the asset shall be carried at its cost less any accumulated amortisation and impairment losses.

In our opinion there is no active market for NSW gaming machine entitlements and accordingly the Company has not complied with the accounting standard. In our opinion this departure from the requirements of the accounting standard has resulted in an overstatement of both the company's intangible assets and asset revaluation reserve by \$1,134,000.

Information Other than the Financial Report and Auditor's Report

The directors of the Company 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 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Independent auditor's report to the members (continued)

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

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements 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 statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

The financial statements have been prepared for distribution to members for the purpose of fulfilling the director's financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than for what it was prepared.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Johnsons MME

Chartered Accountants

Stephen Clarke
Director

Albury
30 March 2017