SHORTLAND WATERS GOLF CLUB LIMITED

ABN: 54 001 038 320

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

SHORTLAND WATERS GOLF CLUB LIMITED
ABN: 54 001 038 320

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Your Directors present this report on the Club for the financial year ending 31 March 2020.

Directors
The names of each of person who has been a director during the year and to the date of this report are:
- Allan Milton - Resigned 30 April 2019
- Greg Jones - Resigned 24 September 2019
- Max Nicholls - Resigned 23 October 2019
- Dennis Marr
- Kaye Simmons
- John McConnell
- Mick Blackford
- Joanne Rose
- Kaylene Gayner
- Phil Murray
- David Busch.

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

Principal Activities
The principal activities of the Club during the financial year was the operations of a golf course and a registered licensed club.

Operating results
The loss after providing for income tax for the financial year amounted to $69,693 (2019: Loss of $2,783,745).

Dividends
As a company limited by guarantee, the Club is precluded from declared or paying dividends.

Review of Operations
Since agreeing to terms for the ceasing of external administration, the club has been focused on improving revenue line items, monitoring costs and identifying new long term income streams for the Club. The Club has also been focused on ensuring an appropriate level of upkeep has been maintained on the golf course over the drought period.

Significant Changes in State of Affairs
No significant changes in the state of affairs of the Club occurred during the financial year.

After Balance Date Events
In March 2020, the COVID-19 virus began having a significant impact on the economic environment around world. In Australia, significant impacts have been realised on the Australian economy. The full effects of these impacts are not fully known, and may not be known for an extended period of time.

In May 2020, a break-in occured at the Club premises which resulted in the loss of stock and other items.

No other matters or circumstance has arisen since 31 March 2020 that has significantly affected, or may significantly affect the Club's operations, the results of those operations, or the Club's state of affairs in future financial years.

Future Developments
Likely developments in the operations of the Club and the expected results of those operations in the

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Club.

Environmental Issues
The Club's operations are not significantly regulated by environment regulations or laws under the Commonwealth or a State or Territory.

Indemnifying Officers or Auditors
The Club has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Club, other than conduct involving a willful breach of duty in relation to the company.

Meetings of Directors
During the financial year, the following meetings of Directors were held. Attendances were:

	Number Eligible to Attend	Number Attended
Directors Meetings		
- Allan Milton - Resigned 30 April 2019	1	0
- Greg Jones - Resigned 24 Septembe	8	6
- Max Nicholls - Resigned 23 October 2	9	9
- Dennis Marr	16	15
- Kaye Simmons	16	16
- John McConnell	16	16
- Mick Blackford	13	12
- Joanne Rose	11	7
- Kaylene Gayner	11	10
- Phil Murray	11	9
- David Busch.	7	4
House Committee		
- Allan Milton - Resigned 30 April 2019	1	1
- Dennis Marr	11	11
- Kaye Simmons	11	9
- John McConnell	11	11
- Mick Blackford	1	1
- Joanne Rose	6	6
- Andrew Rollo	4	3
Finance, Audit and Risk Committee		
- Dennis Marr	8	7
- Kaye Simmons	8	8
- Kaylene Gayner	8	7
- John McConnell	8	8
- David Busch	1	1

SHORTLAND WATERS GOLF CLUB LIMITED
ABN: 54 001 038 320

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

	Number Eligible to Attend	Number Attended
Greens/Match Committee		
- Greg Jones	6	6
- Allan Milton	1	1
- Max Nicholls	6	6
- Kaye Simmons	9	9
- Phil Murray	5	4
- Dave Busch	3	3
- Lee Goldie	9	9
- Mick Blackford	10	9
- Bruce Alderson	2	2
- Judy Hayes	5	5

Proceedings on Behalf of the Entity
No person has applied for leave of Court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings. The Club was not a party to any such proceedings during the year.

Non Audit Services
There were no amounts paid to the auditor for non-audit services provided during the financial year.

The following declaration has been received from the Club's auditor.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the page 4.

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

K. W. Simmons
Director

K. Gaynor
Director

Dated: 22/9/2020

SHORTLAND WATERS GOLF CLUB LIMITED
A.B.N 54 001 038 320

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

TO THE DIRECTORS OF SHORTLAND WATERS GOLF CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2020 there have been:-

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Paul Quealey
....
Paul Quealey
Partner
Lambourne Partners

Dated: 22 September 2020

Level 1, 56 Hudson Street
HAMILTON NSW 2303

Lambourne Partners

(02) 4969 6600 info@lambourne.com.au lambourne.com.au Level 1, 56 Hudson Street, Hamilton NSW 2303

SHORTLAND WATERS GOLF CLUB LIMITED
ABN: 54 001 038 320

DIRECTORS' DECLARATION

The directors of the Club declare that:

1. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* and:

(a) comply with Australian Accounting Standards - Reduced Disclosure Requirements;

(b) give a true and fair view of the Club's financial position as at 31 March 2020 and of its performance for the financial year ended on that date.

2. there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

R.W. Simmons
Director

K. Cooper
Director

Dated: 22/9/2020

SHORTLAND WATERS GOLF CLUB LIMITED
ABN: 54 001 038 320

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 $	2019 $
Sales revenue	3	1,747,243	1,432,705
Other revenue	3	24,075	88,325
Changes in inventories of finished goods and work in progress		10,772	10,983
Raw materials and consumables used		(295,669)	(217,568)
Employee related expenses		(789,753)	(699,163)
Depreciation and amortisation		(102,314)	(52,002)
Occupancy costs		(181,837)	(219,703)
Administrator expenses		-	(416,407)
Other expenses	4	(482,210)	(2,690,913)
Profit before income tax		(69,693)	(2,763,743)
Income tax expense	1(a)	-	-
Profit after income tax		(69,693)	(2,763,743)
Other comprehensive income			
- Other comprehensive income, net of income tax		-	(20,002)
Total comprehensive income for the year		**(69,693)**	**(2,783,745)**

SHORTLAND WATERS GOLF CLUB LIMITED
ABN: 54 001 038 320

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	379,014	209,505
Trade and other receivables	6	132,790	408,793
Inventory	7	47,991	37,219
Prepayments and other assets		46,086	34,030
TOTAL CURRENT ASSETS		605,881	689,546
NON-CURRENT ASSETS			
Property, plant and equipment	8	144,768	55,847
Right of Use Assets	9	245,837	-
Trade and other receivables	6	-	125,000
TOTAL NON-CURRENT ASSETS		390,604	180,847
TOTAL ASSETS		996,485	870,393
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	169,050	151,899
Provision for employee benefits	11	98,933	55,493
Financial liabilities	12	136,879	30,092
Income in advance	13	119,639	249,548
TOTAL CURRENT LIABILITIES		524,502	487,032
NON-CURRENT LIABILITIES			
Provision for employee benefits	11	5,103	33,421
Financial liabilities	12	207,427	12,199
Other Liabilities		-	2,000
TOTAL NON-CURRENT LIABILITIES		212,529	47,620
TOTAL LIABILITIES		737,031	534,651
NET ASSETS		259,454	335,742
EQUITY			
Retained earnings		259,454	335,742
TOTAL EQUITY		259,454	335,742

SHORTLAND WATERS GOLF CLUB LIMITED
ABN: 54 001 038 320

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Retained Earnings $	Reserves $	Total $
Balance at 1 April 2018	3,090,403	20,002	3,110,405
Profit/(loss) for the year	(2,763,743)	-	(2,763,743)
Other comprehensive income	-	(20,002)	(20,002)
Correction of Prior Period Errors	9,082	-	9,082
Balance at 31 March 2019	335,742	-	335,742
Impact of AASB 16: Leases	(6,595)		
Profit/(loss) for the year	(69,693)	-	(69,693)
Other comprehensive income	-	-	-
Balance at 31 March 2020	259,454	-	259,454

SHORTLAND WATERS GOLF CLUB LIMITED
ABN: 54 001 038 320

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2020

	Note	2020 $	2019 $
Cash from operating activities:			
Receipts from customers		1,845,511	1,461,672
Interest received		215	3,027
Payments to suppliers and employees		(1,856,454)	(2,102,709)
Net cash provided by/(used in) operating activities	15	(10,729)	(638,010)
Cash flows from investment activities:			
Proceeds received for sale of property, plant and equipment		375,000	810,000
Purchase of property, plant or equipment		(38,096)	(17,120)
Net cash provided by (used in) investing activities		336,904	792,880
Cash flows from financial activities:			
Repayment of financial liabilities		(156,666)	(19,160)
Net cash provided by (used in) financing activities		(156,666)	(19,160)
Net increase/(decrease) in cash held		169,510	135,710
Cash at beginning of the financial year		209,505	73,795
Cash at end of the financial year	5	379,014	209,505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020

The financial statements are for Shortland Waters Golf Club Limited (the Club) as an individual entity, incorporated and domiciled in Australia.

Note: 1 Summary of Significant Accounting Policies

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

For the purposes of preparing the financial statements, Shortland Waters Golf Club Limited is a not for-profit entity.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements
The financial statements of the Club comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of applicable assets as defined in the noted below.

(a) Income Tax
The Club is an exempt body for income tax purposes pursuant to Section 11-5 of the *Australian Income Tax Assessment Act 1997* .

(b) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits at call with banks, other short term highly liquid investments with original maturities of the three months of less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Trade and Other Receivables
Trade and other receivables are recognised as the net amounts receivable after the end of the financial year.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Club will not be able to collect all amounts due according to the original terms of the receivables.

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

(d) Trade and Other Payables
Trade and other payables are recognised as the net amounts payable after the end of the financial year.

Trade and other payables are deemed non-derivative financial liabilities and are subsequently measured at amortised cost.

Note: 1 Summary of Significant Accounting Policies (Cont)

(e) Inventories

Stock on hand is stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised at the net amounts of GST. Receivables and payables in the statement of financials positions are shown inclusive of GST.

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

(g) Revenue

Revenue from the provision of goods is recognised at the point of delivery of the goods to the customer, as this corresponds to the transfer of significant risks and rewards.

The Club offers memberships to its customers. Revenue is recognised over the term of the contract for membership with the customer as this reflects the period of the services being provided. The Club satisfies its performance obligation over the period of the customer’s membership where services are rendered.

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

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

Note: 1 Summary of Significant Accounting Policies (Cont)

(h) Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis. Plant and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation

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

The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Plant and Equipment - 5-10 years
Poker Machines- 5 years

(i) Impairment of Assets

At each reporting date, the Club 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 value in use, is compared to the asset's carrying value. Where the asset does not generate cash flows that are independent from other assets, the Club estimates the recoverable amount of the cash generating unit to which it belongs. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Note: 1 Summary of Significant Accounting Policies (Cont)

(j) Impairment of non-financial assets

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

Where an indicator exists the recoverable amount of the asset is estimated.

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

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(k) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long service leave

The liability for long service leave is recognised in current liabilities. The liability is measured as the value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is not given to expected future wage and salary levels, experience of employee departures and periods of service, as the effect of these matters is regarded as immaterial.

Note: 1 Summary of Significant Accounting Policies (Cont)

(l) Leased Assets

For any contracts entered into, the Club considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Club recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Club depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Club also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Club measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Club's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Club has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Note: 1 Summary of Significant Accounting Policies (Cont)

(m) Changes in accounting policies

New and revised standards that are effective for annual periods beginning on or after 1 April 2019

A number of new and revised standards become effective for the first time to annual periods beginning on or after 1 April 2019. The adoption of these amendments has an impact on the Club's financial position and performance for the 2019 year. These impacts are outlined as below:

Changes in Accounting Policy

AASB 16: Leases

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Club. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Note: 1 Summary of Significant Accounting Policies (Cont)

(m) Changes in accounting policies

AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities

AASB 15 introduces a five step process for revenue recognition with the core principle being to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is generally expressed from the perspective of for-profit entities in the private sector, and to assist the not-for-profit sector, AASB 1058 provides not-for-profit application.

However, similar to AASB 15, AASB 1058 introduces the requirements for recognising income dependent upon whether a transaction gives rise to a performance obligation, liability or contribution by owners. Additionally, where a not-for-profit receives an asset for significant less than its fair value, principally to enable the not-for-profit to further its objectives, the difference between the consideration transferred for the asset and the fair value of the asset is recognised as income.

For AASB 15 to be applicable to a not-for-profit, the agreement between two or more parities must create 'enforceable' rights and obligations, with the not-for-profit entity's promise to transfer goods or services to be sufficiently specific.

For AASB 1058, the new income recognition requirements shift the focus from a reciprocal/ non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

Impact of changes in policy

The Club has adopted AASB 15, AASB 16 and AASB 1058 retrospectively from 1 April 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new standards are therefore recognised in the opening balance sheet on 1 April 2019.

Note: 1 Summary of Significant Accounting Policies (Cont)

(m) Changes in accounting policies

AASB 16: Leases

On adoption of IFRS 16, the Club recognised lease liabilities in relation to leases which had previously been classified as ‘rent’ expense under the principles of AASB 117: Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 April 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 4.5%.

Lease liability recognised at 1 April 2019 is as follows:

Current lease liability	65,535
Non-current lease liability	154,728
	220,263

The associated right-of-use assets for property leased were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 1 April 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The carrying value of recognised right-of-use assets relate to the following types of assets at 1 April 2019:

Plant and Equipment	213,668
	213,668

The net impact on retained earnings on 1 April 2019 was a decrease of $6,595.

Accounting Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2020 reporting periods and have not been early adopted. The Club's assessment of the impact of these new standards and interpretations did not identify any standards that will materially impact the Club.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020

Note: 1 Summary of Significant Accounting Policies (Cont)

(n) Critical Accounting Estimates

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. 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.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Estimation of useful lives of assets

The Club determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life 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 Club assesses impairment at the end of each reporting year by evaluating conditions specific to the Club that may be indicative of impairment triggers. Recoverable amounts of relevant assets re reassessed using value-in-use calculations which incorporate various key assumptions.

For the year ended 31 March 2020, the Club recognised nil impairment expense (2019: nil).

Note: 1 Summary of Significant Accounting Policies (Cont)

(o) Correction of Prior Period Errors

During the 2020 year, the club assessed a number of financial statements balances and identified errors relating back to reporting periods prior to the comparative information. As a result, the Cub has corrected these prior period errors in the 2020 financial statements.

In addition, during the assessment of leases to meet the requirements of AASB 16, a lease treated as an operating lease was identified as being a Chattel Mortgage.

The results of these changes had an impact on comparative information, which are summarised as below:

	Original $	Movement $	Adjusted $
Statement of Financial Position			
Trade and other receivables	415,220	(6,428)	408,792
Property, Plant and Equipment	38,700	17,147	55,847
Total Assets	**859,674**	**10,719**	**870,393**
Trade and other payables	166,684	(14,785)	151,899
Financial Liabilities - Current	25,869	4,223	30,092
Financial Liabilities - Non-Current	-	12,199	12,199
Total Liabilities	**533,014**	**1,637**	**534,651**
Net Assets	**326,660**	**9,082**	**335,742**
Retained Earnings	326,660	9,082	335,742
Total Equity	**326,660**	**9,082**	**335,742**

Note 2 Going Concern

The financial report has been prepared on the going concern basis. The club’s current assets exceeded its current liabilities by $81,379 at balance date, however the Club has a history of trading losses and has historically been depending upon cash receipts from the sale of the Club's land and assets to Aveo.

The Club’s has commenced a number of income generation strategies and continues to closely monitor and reduce operating expenses. The Club's ability to continue as a going concern and realise its assets and discharge its liabilities in the ordinary course of business is dependent upon the success of these activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020

		2020 $	2019 $
Note 3	**Revenue and Other Income**		
	Sales revenue		
	- Trading revenue	1,747,243	1,432,705
	Other Income		
	- Interest income	215	3,027
	- Profit on disposal of Plant and Equipment	-	60,000
	- Sundry income	23,861	25,297
		24,075	88,325
Note 4	**Expenses**		
	Depreciation and amortisation	102,314	52,002
	Other expense includes the below expenses		
	- Loss on disposal of non-current assets	-	2,117,747
Note 5	**Cash and Cash Equivalents**		
	Cash on hand	355	12,850
	Cash at bank	378,659	196,655
		379,014	209,505
Note 6	**Trade and Other Receivables**		
	Current		
	Trade receivables	-	14,059
	Sundry receivables	7,790	19,734
	Sale of land and clubhouse - instalments	125,000	375,000
		132,790	408,793
	Non-current		
	Sale of land and clubhouse - instalments	-	125,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020

		2020 $	2019 $
Note 7	**Inventories**		
	Finished goods - at cost	47,991	37,219
	Provision for impairment	-	-
		47,991	37,219
Note 8	**Property, Plant and Equipment**		
	Plant and Equipment - at cost	500,229	462,133
	Less Accumulated depreciation	(422,465)	(406,286)
		77,765	55,847
	Poker Machines - at cost	78,840	-
	Less Accumulated Depreciation	(11,837)	-
		67,003	-
	Total property, plant and equipment	144,768	55,847

Movement in Property, Plant and Equipment is as follows:

	Plant & Equipment	Poker Machines	Total
Opening Balance - 1 April 2019	**55,847**	**-**	**55,847**
Additions	38,096	78,840	116,936
Disposal	-	-	-
Depreciation	(16,178)	(11,837)	(28,015)
Closing Balance - 31 March 2020	**77,765**	**67,003**	**144,768**

		2020 $	2019 $
Note 9	**Right of Use Assets**		
	Plant and Equipment	404,078	-
	Less Accumulated amortisation	(158,241)	-
		245,837	-
		245,837	-
Note 10	**Trade and Other Payables**		
	Trade payables	46,569	52,813
	Sundry payables	57,149	30,851
	Employee costs payable	13,398	11,678
	GST payable	21,304	27,129
	Member accounts	30,631	29,429
		169,050	151,899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 MARCH 2020

Note 11 Provision for Employee Benefits

	2020 $	2019 $
Current		
Provision for annual leave	57,091	47,137
Provision for long services leave	41,842	8,355
	98,933	55,493
Non-Current		
Provision for long services leave	5,103	33,421

Note 12 Financial Liabilities

	2020 $	2019 $
Current		
Insurance premium funding	21,155	25,869
Asset financing	24,250	-
Finance leasing	86,981	-
Chattel Mortgage	4,492	4,223
	136,879	30,092
Non-Current		
Asset financing	31,885	-
Finance leasing	167,835	-
Chattel Mortgage	7,706	12,199
	207,427	12,199

Note 13 Income in Advance

	2020 $	2019 $
Income received in advance	14,103	65,000
Membership in advance	105,536	184,548
	119,639	249,548

Note 14 Members' Guarantee

The Club is limited by guarantee. In the event of the Club being wound up, the Memorandum of Association requires members to contribute a maximum of a nominal amount each towards any outstanding obligations of the Club.

Note 15 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2020 $	2019 $
Profit/(loss) after income tax	(69,693)	(2,763,743)
Add/(Less) non-cash items:		
Depreciation and amortisation expense	102,314	52,002
Loss on disposal of non-current assets	-	2,117,747
Profit on disposal of non-current assets	-	(60,000)
Finance funded insurance	51,110	-
Movement in balance sheet accounts:		
(Increase)/decrease in trade and other receivable	26,003	19,924
(Increase)/decrease in Inventories	(10,772)	(10,983)
(Increase)/decrease in other assets	(12,056)	6,200
Increase/(decrease) in trade and other payables	17,151	10,819
Increase/(decrease) in employee provisions	15,122	2,280
Increase/(decrease) in income in advance	(129,908)	(12,256)
	(10,729)	(638,010)

Non-cash flow activities

During the 2020 year, the Club funded insurance expense of $51,110 by way of finance. The operating cash flows has been adjusted to reflect this non-cash flow expense and payments have been included in financing activities.

During the 2020 year, the Club funded the purchase of poker machines to the value of $78,840 by way of finance. The investment cash outflows and financing cash inflows have been adjusted to reflect this non-cash flow purchase.

Note 16 Leased Assets

The Club has entered into a peppercorn lease for the lease of the following:
- land in which the golf course resides; and
- club house in which the Club operates from.

The terms of the lease are as follows:
- 20 year lease commencing on 30 November 2018;
- option for additional 20 year lease term or the purchase of the Club land from the lessor;
- annual rent payable of $1; and
- permitted use of operation and management of the Golf Course and associated facilities, (including the Club House) and activities ancillary to that operation and management.

The peppercorn lease has not been brought to account within Right of Use Assets.

Note 17 Events After Balance Date

In March 2020, the COVID-19 virus began having a significant impact on the economic environment around world. In Australia, significant impacts have been realised on the Australian economy. The full effects of these impacts are not fully known, and may not be known for an extended period of time.

In May 2020, a break-in occurred at the Club premises which resulted in the loss of stock and other items.

No other matters or circumstance has arisen since 31 March 2020 that has significantly affected, or may significantly affect the Club's operations, the results of those operations, or the Club's state of affairs in future financial years.

Note 18 Related Party Transactions

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

Note 19 Contingent Assets and Liabilities

In the opinion of the Directors, the Club did not have any contingencies at 31 March 2020 (31 March 2019: None).

Note 20 Club Details

The registered office and principle place of business is:

90 Vale Street
SHORTLAND NSW 2307

LAMBOURNE
PARTNERS

SHORTLAND WATERS GOLF CLUB LIMITED
A.B.N 54 001 038 320

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial report of Shortland Waters Golf Club Limited (the Club), which comprises the balance sheet as at 31 March 2020, the profit and loss, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 March 2020, and its financial performance, changes in equity and its cash flows for the year then ended in accordance with the accounting policies outlined at Note 1 to the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group 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 has been given to the directors of the Company, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the financial statements for the Club have been prepared on a going concern basis. Should the key matters disclosed in Note 2 not be realised, there exists a material uncertainty that may cast significant doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Lambourne Partners

[redacted]

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management and Those Charged With Governance are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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 management.
- Conclude on the appropriateness of management's 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Paul Quealey
Partner

Dated: 22 September 2020

Lambourne Partners
Level 1, 56 Hudson Street
HAMILTON NSW 2303