

BARNWELL PARK GOLF CLUB LIMITED



46TH ANNUAL GENERAL MEETING

ANNUAL REPORT

AND

FINANCIAL STATEMENT

2016 - 2017

BARNWELL PARK GOLF CLUB LIMITED
A.B.N 51 000 645 974
Registered Office: 551 Lyons Road West, Five Dock, 2046

Notice of Annual General Meeting of Members of the above named Company will be held at Barnwell Park Golf Club, commencing at 7.30 pm on Tuesday evening 24th October, 2017.

AGENDA

(1) Open Meeting – Welcome to Members.

(2) Apologies.

(3) Chairman's report.

(4) To confirm minutes of 45th A.G.M.

(5) To receive and adopt the Annual Report of Directors and Financial Statement for the year ended 30 June 2017 and together with the auditor's report therein.

The Directors respectfully request that any questions in relation to the financial accounts should be presented in writing and addressed to the secretary, and delivered to the office of the club no later than 6.00p.m. Friday 13th October 2017

(6) To deal with any business of which due notice has been given.

(7) Notice of Ordinary Resolutions for approval of President's and Director's expenditure as set out in the nine Ordinary Resolutions as printed herein.

(8) Notice of Special Resolutions

(9) Future Direction.

(10) General Business.

(11) Chairperson's comments and close.

PRESIDENTS REPORT 2017

I would like to offer a heartfelt thank you to you all for your continued support of our Club. A club is only as strong as its members. This year has not been without its challenges, but – as sometimes happens – out of adversity arises an opportunity, which we have grabbed with both hands.

I would like to welcome “Carmen’s on the Park” to the Barnwell Park family.

It is with great pleasure the Board can advise of a turnaround in the finances and, hopefully, the future prospects of Barnwell Park Golf Club due to a combination of last year’s cost cutting, continued cost management by Secretary Manager Rod Hetherington and a great Restaurant and Function product provided by Carmen.

We have shown greatly improved business results for the 2016-2017 financial year: in summary, bar revenue was up by 25%, gaming profit by 19% and golf finances by 78% on last year’s figures.

Therefore, if we exclude depreciation, the Club suffered only a small loss of \$116 compared with the loss of \$62,400 incurred in the previous financial year. If things continue at the same rate as they have over the past 6-8 months, by this time next year we will be able to announce a positive number with more than a few zeros at the end. The full details of the Club’s business performance can be found in the Treasurer’s Report and in the Financials contained in this annual report.

The atmosphere in the “Friendly Club” also appears to be on the up and up. The Club is busy with members and visitors all weekend, giving our staff a good work out, and our Club social events have all been very well patronised by both the ‘regulars’ and our newer members.

On the golfing front, our representative teams have performed excellently and the number of players participating in intra-club competitions has increased significantly on last year. Our campaign to attract more young players to the club (with the added incentive of practical golf clinics) has also been successful, with the signing and participation of more young juniors than for a number of years. Some of the older juniors are now playing in the adult competitions with their parents, which is exactly how we hoped it would work out.

We have recruited 59 new members with our special promotions, many of them younger players who it may be assumed will represent the future of the club. Of the promotional members, 33 renewed for the new year, but we also lost around 50 exiting members, so we will be continuing to work on member recruitment again this year.

One thing I have noticed in my analysis of our membership is that those who are active are more likely to rejoin, especially in the case of new members. Indeed, new members who get into a group and make multiple friends and playing partners are more likely to be active.

So, if you see a new face, please introduce yourself and organise a game with them. It is good for the Club. And you might make a new friend.

Chris Willard’s new-look Pro Shop provides not just a greater range of equipment but his great pricing has been welcomed and patronised by members and the public alike. Chris has regularly referred social players to us for membership and we thank him greatly for that. The Club and Chris are working together on improving the golf and hospitality product and on marketing to entice more visitors and social players to play at Barnie and to patronise the Club’s facilities.

Of significance last year was the Federal grant obtained by the Club for the practice nets and Joint (Club, Pro Shop & Council) Advertising promoting Special all-in-one deals for social clubs and corporate days.

On a sadder note, it would be remiss of me not to mention the recent passing of a number of Club stalwarts – particularly Laurene Priest, Henry Kekale, Ted Bunt and one of the Club’s founding members, Pat Bradwell.

Finally, I wish to thank all the staff, my fellow board members, the committee members and Club volunteers for their time and hard work over the past 12 months; I am sure you will agree it’s wonderful to see the results of our collective labours filtering through. We must not rest on our laurels, though, but must continue with the same enthusiasm.

We need a few more volunteers, members to step forward to contribute in the following areas: “Junior Comp supervision”, “event planning and management” and “marketing/social media manager”.

If you think you can help and have a few hours a month to spare let me know and we will get you started.

Grant Marshall
President

TREASURER'S REPORT

FINANCIAL REPORT FOR THE YEAR JULY 2016 TO JUNE 2017

INTRODUCTION

It is with great pleasure that I can provide commentary on a positive result for Barnwell Park in what seems like a very long time. Certainly, as long as I have been a member of the club. What a great turn around, the 2017 financial year can really be broken down into two separate trading periods. Pre-Carmen's on the Park, covering the period Jul-16 to Oct-16. Post-Carmen's on the Park from Nov-16 to 30 June 2017 as reported below.

The result for the year shows a net loss of (\$52,690) (2016 (\$121,237)) The club made a minor loss before depreciation (EBTDA (\$116)) compared to (2016 (\$68,400))

To point out the significance of the result over the trading periods pre-& post Carmen's on the Park, the Club made a significant loss per month for the period Jul-16 to Oct-16 which was consistent with prior years trading of (\$38,810). This loss was then subsequently offset almost in its entirety by an operating profit for the following periods Nov-16 to Jun-17 of \$38,695. Or a circa \$4.8k profit per month for the following 8 months.

This turnaround of result to 30 June confirms the clubs' reliance on a quality Caterer to produce positive results and my sincere congratulations to the hard work of the Board in confirming the relationship with Carmen's on the Park via a signed 2 x 2 x 2 catering agreement for a further 5 years (from balance date).

BAR TRADING:

Bar sales for the year were \$258,724 an increase of \$51,918 over 2016. Giving a Bar Trading Loss of (\$18,395) (2016 Loss of (\$42,950)). Bar remunerations increased due to additional trading \$152,201 (2016 \$142,376). Total Bar expenses was \$161,912 an increase of \$8,067 over 2016.

POKER MACHINES:

Poker machines profit of \$72,014 is up by \$11,364 (2016 \$60,650))

CATERING

The club had multiple negotiations with various caterers leading up to November 2016 that unfortunately did not eventuate. As per the previous year and in the true spirit of our club, the members again pulled together by providing BBQs and sandwiches for our golfers and for special events.

Our new caterer Carmen's on the Park have been strongly supported by the board who continue to promote our own internal events through Carmen's on the Park with great success and we thoroughly recommend to our full golfing members and patrons to continue to support them in return.

GOLF

Overall golf performed much better under the guidance of the new Club Captain Rick Dingle and this is shown in the year to date loss of (\$5,240) versus (2016 loss (\$24,438))

The pennant teams cost increased again by \$1,997 to total \$8,921 over (\$6,924 (2015))
Presentation Day Trophies achieved a saving of \$2,088 over last year \$3,873.

OTHER REVENUE:

The total member subscriptions increased by \$12k from 2016 largely due to new members and promotional members joining over the summer months. This was complemented by the tireless hours of the membership services team headed by the Club President Grant Marshall.

ADMINISTRATION:

Total administration and operating expenses were \$244,920 an increase of \$15,220 over 2016.

The primary reason for the increase was the additional contracted cleaning costs of \$13k. Plus the ongoing club repair and maintenance of \$5.5k. Offset by savings on Telephone and Security expenses \$3k.

The board is continually considering reducing costs without impacting on the club's service and amenities. All costs are closely monitored and are reviewed monthly.

BALANCE SHEET:

The club has maintained a surplus of assets over liabilities (member's funds) of \$1,068,707

Depreciation charged to the accounts for 2017 was \$52,574

The Club has a cash balance of \$142,0605 after paying employees liabilities.

The club added 2 new computers during the year for the match committee scorecard entry and the Bepoz POS system administration in the office respectively. The purchase of the new hand dryers in both bathrooms was kindly offset in kind by a contribution from the ladies Committee. The club also purchased second hand leased kitchen equipment with the help and negotiation from our former president Ray McGuiness.

A new dishwasher for the Kitchen was purchased on the 30th June as well as an additional POS system to support club wide operations including Carmen's on the Park using the members discount & voucher system.

Bar inventory is valued at \$17,702. Stock is continually monitored to ensure that all products are within the Liquor and Trading guidelines

SUMMARY:

As stated above, the impact of a successful caterer is closely aligned with the profitability of the club. Our new manager Rod Hetherington has settled into running the daily operations within the club nicely and we look forward to aligning our growth strategies via the relationship between Club and Caterer over time.

While we are very pleased with the result so far, this year, it will always take considerable effort to maintain these levels of trade. While the Board are dedicated to this success of the club we also rely heavily on its volunteers. Without these volunteers, we are just another business and we appreciate all their efforts throughout the year. We therefore remain committed to the delivery of an ongoing operating profit for future years to come.

Finally, the admin office has undergone an accounting software change & upgrade initiative since May 2017. The Board approved the implementation of Xero cloud based accounting software in June 2017 and the system has been running live since July 2017.

I wish to thank my fellow Directors for their work and dedication over the past 12 months.

Dale Van Den Boogaard

Treasurer



Captains Report

2017 marks my first year as Captain of Barnwell Park Golf Club and I would like to thank all the members for your support. I am honoured & proud to be representing you as Captain. A big thank you goes to my Vice-Captain Ben Wrigley and Ladies Captain Sue Marlin, both who have provided me with a lot support and guidance throughout this year. I would like to thank the Men's and Ladies Match committees who volunteer their time to work behind the scenes to support our golf club and all other volunteers who assist the club. Lastly, I would like to show appreciation and thanks to my fellow board members, our President Grant Marshall, Vice President Wade Martlew, Treasurer Dale Van Den Boogaard and Barbara Grieves for their continued dedication to the club.

2017 saw Barnwell Park enter four pennants teams across various competitions and it was one of our most successful years to date. Our Major Pennants team finished first in their division and progressed to the semi final of the competition. Our mixed pennants team also finished first in their division and successfully progressed to the semi-finals also. Our Warren & Gibson teams also enjoyed success and new players were introduced to the pennant program and we look good for future campaigns. I would also like to thank all who supported these teams & especially the managers Kerry Carr and Ivan Gomez.

Overall golf participation over 2016/2017 was up by 273 rounds across all fields. It's great to see new and current members getting out and enjoying their golf. With support from Grant Marshall and Jeanette Sharma the Junior Program has seen good participation. Several of our juniors have also graduated and participated in our Men's and Ladies comps where they have shown to be competitive in those fields.

In collaboration with the council, Club Pro and our Match Committees we are working together to make ongoing improvements and maintenance to the course. Quality of greens/surrounds and tree maintenance were some of the works completed this year. We are looking into future bunkering changes and always on the agenda are the quality of our fairways and tees which we hope will improve the golfing experience for our members.

Lastly, I would like to congratulate our 2016 Men's Club Champion Michael Williams and our Ladies Club Champion Pam Yates. Pam Yates also was the winner of the prestige's NSW Veterans Challenge Brooch.

Sincerely

Rick Dingle

ORDINARY RESOLUTIONS

First Ordinary Resolution

That pursuant to the Registered Clubs Act:

(a) The members hereby agree to and approve expenditure by the Club until the next Annual General Meeting of the Club for the following activities of directors.

1. The reasonable cost of a meal and beverage for each Director immediately before or immediately after a Board Meeting on the day of that meeting where the meeting coincides with a meal time.
2. Reasonable expenses incurred by Directors in travelling to and from Directors Meetings or on other constituted Committee Meetings and other official duties as approved by the Board from time to time on production of invoiced receipt or other proper documentary evidence of such expenditure.
3. Reasonable expenses incurred by Directors in relation to such other duties including entertainment of special guests to the Club or other promotional activities performed by Directors which are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
4. The Directors acting as duty officers receive a free drink from the bar on that day. (b) The

Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are directors of the club.

Second Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The Members hereby agree to and approve expenditure by the Club for the education and training of Directors until the next Annual General Meeting including:

1. The reasonable cost of Directors attending at the Registered Club Association's Annual General Meeting.
2. 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.
3. The reasonable cost of Directors attending other clubs through the state for the purpose of observing their facilities and methods of operation.

Third Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The members hereby agree to and approve expenditure by the Club for an Annual Appreciation Night to be attended by Directors and their partners, staff and their partner and people who have contributed to the Club and are invited by the President to attend.

(b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are Directors of the Club or staff and people invited by the President who have contributed to the Club.

Fourth Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The Members hereby agree to approve that designated parking spaces be set aside for use at the discretion of Directors.

(b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are Directors of the Club or as designated by them.

Fifth Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The Members hereby agree to and approve that the Directors and New Full Members in attendance at a New Full Members Introduction Meeting receive free drinks from the bar on that day.

(b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are Directors of the Club or New Full Members of the Club.

Sixth Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The Members hereby agree to and approve expenses incurred by the President in relation to dining and/or entertainment in the Club rooms to a maximum of \$2,000.00 in any one year.

(b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for the President of the Club.

Seventh Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The Members hereby agree to approve that the Club President or his nominated representative may authorise and announce at his discretion the provision of a free refreshment for a short time to all Members and guests in attendance for special occasions throughout the year and may only be provided a maximum of four (4) times a year.

(b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are in the Club Rooms at the time of the stated announcement.

Eighth Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The Members hereby agree to approve that each Director be provided with a Club shirt, jacket or similar apparel when they are elected to office.

(b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for those who are Directors of the Club.

Ninth Ordinary Resolution:

That pursuant to the Registered Clubs Act:

(a) The Members hereby agree to approve that the Board of Directors be empowered to approve incidental miscellaneous expenses in association with promotion of the Club, its amenities and/or its Members.

(b) The Members acknowledge that the benefits in paragraph (a) above are not available to Members generally but only for its amenities and Members as specified from time to time.

SPECIAL RESOLUTION – Women’s Social Committee Raffle Income

That the monies raised by the Women’s Social Committee on behalf of Barnwell Park Golf Club by way of raffles and fund raising be donated to the Women’s Social Committee to be used at their discretion towards the expenses for the annual Women’s Christmas function, charity donations, flowers and cards to members.

Maura Young Badge No: 1825

Barbara Matthies Badge No: 2142

SPECIAL RESOLUTION – Donation to Barnwell Park Veterans

That pursuant to the Registered Clubs Act:

- (a) That a donation be paid to the Barnwell Park Veterans for their Annual presentation and lunch

R.Aitkenhead Badge No: 7

D. Cashman Badge No: 1636

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

**HARLEY, RUSSELL & DAY
Chartered Accountants**

**Suite 16, 2 Catherine Street,
ROCKDALE NSW 2216**

Phone: (02) 9567 0044

Fax: (02) 9556 2699

BARNWELL PARK GOLF CLUB LIMITED

ABN 51 000 645 974

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The Directors present their report together with the accounts of Barnwell Park Golf Club Limited for the year ended 30 June 2017.

Directors

The Directors of the Company in office at any time during the year and up to the date of this report are:

McGUINNESS, Raymond	GRIEVE, Barbara	MARSHALL, Grant
MARTLEW, Wade	VAN DEN BOOGAARD, Dale	CRITTENDEN, Diane
DINGLE, Rick	SMITH, Andrew	CASHMAN, David

On the 25th October 2016 there was a change in Executive Directors; Ray McGuinness (President), Grant Marshall (Vice President) and Barbara Grieves (Treasurer) stepped down.

Subsequently their positions were filled by the current Executive Directors; Grant Marshall (President), Wade Martlew (Vice President) and Dale Van Den Boogaard (Treasurer).

Barbara Grieves remains a Director, however is no longer an Executive Director.

Company Secretary and Manager

Mr. Roderick Hetherington has been appointed as company Secretary and Manager. Mr Hetherington commenced duties on 1 August 2016 and was appointed Secretary Manager on 25 August 2016. He has had over 40 years' experience in the Hospitality industry being the Secretary Manager of several clubs and having owned a hotel.

Principal Activity

The Principal Activity of the Company consisted of the conduct and promotion of a licensed Golf Club for members of the Company. No changes in the principal activities of the Company took place during the year.

Membership

The Club is a Company limited by guarantee and without a share capital. The number of members at the date of this report is as follows:

	<u>2017</u>	<u>2016</u>
Golfing	327	323
House	<u>507</u>	<u>422</u>
	<u>834</u>	<u>745</u>

Result

The operating Profit/(Loss) for the year amounted to a Loss of (\$52,690) and (2016: loss of \$121,237) after charging \$52,574 for depreciation (2016: \$52,837).

Review of Operations

Movements in significant items of revenue are as follows:

	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u> <u>\$</u>	<u>Movement</u> <u>%</u>
Poker Machine Revenue	75,113	58,279	16,834	28.88
Bar Sales	258,724	206,806	51,918	25.1
Subscriptions/Entrance Fees	86,825	74,591	12,234	16.4

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

State of Affairs

The Club's total equity of the Members decreased to \$52,690 for the year while the working capital of the Club decreased to (a deficiency of \$82,693) previously a deficiency of (2016: \$69,447). The Club has not incurred and does not have any borrowings or any non-current liabilities. In addition, the cash on hand and at the Bank decreased to \$142,060 (2016: \$155,035).

Environmental Regulation

The company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Events Subsequent to Balance Date

There was a transfer of \$50,000 to the Term Deposit Investment Account.

Aside from the aforementioned event, there is as at the date of this report, no matter of circumstance which has arisen since 30 June 2017 that has significantly affected or may significantly affect -

- i. The operations of the Company;
- ii. The results of those operations; or
- iii. The state of affairs of the Company subsequent to 30 June 2017.

Information on Directors

Name: McGuinness, Raymond William
Position: President (14/10/2014 – 25/10/2016)
Occupation: Retired
Qualifications: Elected Director 2007, 2010 -2016
Male Captain 2014

Name: Grieve, Barbara
Position: Treasurer (to 25/10/2016)
Occupation: Retired
Qualifications: Director 2008-2017
Financial Controller

Name: Marshall, Grant
Position: President (from 25/10/2016)
Occupation: Mortgage Broker
Qualifications: Director 2014-2017

Name: Crittenden, Diane
Position: Director (03/11/2014 – 25/10/2016)
Occupation: Senior Project Manager
Qualifications: Director 2014-2017

Name: Martlew, Wade
Position: Vice President (from 25/10/2016)
Occupation: Logistics Professional
Qualifications: Director 2014-2017

Name: Van Den Boogaard, Dale
Position: Treasurer (from 25/10/2016)
Occupation: Finance Manager
Qualifications: Director 2014-2017

Name: Dingle, Rick
Position: Director (from 25/10/2016)
Occupation: DHS Support Manager
Qualifications: Director 2016

Name: Smith, Andrew
Position: Director (25/10/2016 – 17/01/2017)
Occupation: Head Teacher, TAFE NSW
Qualifications: Director 2016-2017

Name: Cashman, David
Position: Director (25/10/2016 – 01/07/2017)
Occupation: Retired
Qualifications: Director 2016-2017

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Directors' Benefits

No Director of the Company since the end of the previous financial year has received or has become entitled to receive any benefit by reason of a contract made by the Company with a Director or with a firm of which a Director is a member, or with a Company in which the Director has a substantial interest.

Directors' Meetings

The number of Directors' Meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

<u>Name</u>	<u>Board Meetings</u>	<u>Meetings Attended</u>
MCGUINNESS, Raymond William	4	4
MARSHALL, Grant	12	12
GRIEVE, Barbara	12	11
CRITTENDEN, Diane	4	4
MARTLEW, Wade	12	10
VAN DEN BOOGAARD, Dale	12	11
DINGLE, Rick	8	5
SMITH, Andrew	3	2
CASHMAN, David	8	6

Likely Developments

The club is considering the construction of a kid's recreation room and an outdoor gaming room.

DIRECTORS AND AUDITORS INDEMNIFICATION

The Company has not, during or since the financial year, in respect to any person who has been an Officer or Auditor of the Company:-

- Indemnified or made any relevant agreement for indemnifying against a liability as an Officer or Auditor, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract ensuring against a liability incurred as an Officer or Auditor for the costs or expenses to defend proceedings;

Directors' indemnity premiums have been provided for and paid by the Company during the year at a cost of \$2,470.90 for Directors' and Officers' Liability Insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$1,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting as Directors or Officers of the Company.

Objectives

SHORT TERM

To provide a social sporting club for members and guests, with the usual facilities of a club, to promote the game of golf to both children and adults and providing a meeting place for community groups.

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

LONG TERM

To maintain and upgrade facilities to attract new golf and social members to enjoy the facilities of the Club and to increase our involvement with community groups.

Principal strategies include:

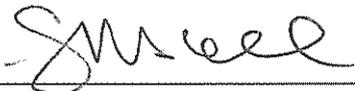
- Encouraging the participation of Golf members in Golf NSW events.
- Attracting new golfers and retaining existing golf members by offering the best playing facilities possible.
- Fostering a fraternal feeling amongst golfers to preserve and promote the best traditions in the game of golf.
- Marketing the advantages of membership of the club.
- Striving to provide a high standard of customer service.
- Pursuing new marketing initiatives.
- Provide the members and the local community with a Club House.
- Which offers excellent food and friendly atmosphere.

Auditor's Independent Declaration

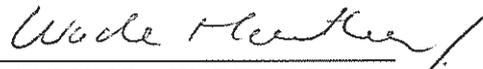
The Auditor's Independent Declaration for the year ended 30 June 2017 has been received and can be found on page 5 of this report.

Dated at Five Dock this 25th day of August 2017.

Signed in accordance with a resolution of Directors



DIRECTOR – GRANT MARSHALL



DIRECTOR – WADE MARTLEW

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

AUDITOR'S INDEPENDENT DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF BARNWELL PARK GOLF CLUB LIMITED

I declare to the best of my knowledge and belief that during the year ended 30 June 2017 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.

DATED AT SYDNEY
THIS 15TH DAY OF
AUGUST 2017


.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

BARNWELL PARK GOLF CLUB LIMITED**ABN: 51 000 645 974***(A Company Limited by Guarantee)***STATEMENT OF PROFIT OR LOSS AND****OTHER COMPREHENSIVE INCOME****AS AT 30 JUNE 2017**

	2017	2016
	\$	\$
Revenue from sale of goods	258,724	206,806
Revenue from rendering of services	239,803	196,622
Other Revenue from ordinary activities	10,033	11,868
Total Revenue	508,560	415,296
Cost of Sales	(115,207)	(95,912)
Donations	(181)	(250)
Directors' expense	(602)	-
Employment Benefits expense	(165,824)	(156,279)
Entertainment, marketing and promotional costs	(71,709)	(76,095)
Legal and consultancy fees	-	(5,485)
Poker machine licences and taxes	(120)	-
Occupancy expense	(82,145)	(68,918)
Other expenses from ordinary activities	(72,888)	(80,757)
Total Expenses	(508,676)	(483,696)
(Loss) before borrowing costs, tax, depreciation and amortisation	(116)	(68,400)
Depreciation	(52,574)	(52,837)
Income tax expense	-	-
Net Profit/(Loss) after Income Tax Expense	(52,690)	(121,237)
Other Comprehensive Income	-	-
Total Comprehensive Income (Loss) For The Year	(52,690)	(121,237)
Attributable to Members	(52,690)	(121,237)

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash Assets	4	142,060	155,035
Inventories	5	17,702	8,800
Other Assets	6	16,854	12,796
Total Current Assets		<u>176,616</u>	<u>176,631</u>
Non-current assets			
Property, Plant & Equipment	7	1,151,400	1,190,844
Total Non-Current Assets		<u>1,151,400</u>	<u>1,190,844</u>
Total Assets		<u>1,328,016</u>	<u>1,367,475</u>
Current liabilities			
Payables	8	27,125	13,490
Provisions	9	15,532	19,137
Other liabilities	10	216,652	213,451
Total Current Liabilities		<u>259,309</u>	<u>246,078</u>
Non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>259,309</u>	<u>246,078</u>
Net Assets		<u>1,068,707</u>	<u>1,121,397</u>
Members Equity		<u>1,068,707</u>	<u>1,121,397</u>

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Total equity at the beginning of the financial year	1,121,397	1,242,634
Total changes in equity, recognised in the Income Statement	<u>(52,690)</u>	<u>(121,237)</u>
Total Equity at the end of the financial year	<u>1,068,707</u>	<u>1,121,397</u>

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
		\$	\$
Cash flows from operating activities			
Receipts from customers		577,698	470,485
Payments to suppliers and employees		(579,534)	(524,271)
Interest Received		1,991	3,338
		<hr/>	<hr/>
Net cash provided by operating activities		155	(50,448)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of property, plants and equipment		(13,130)	(12,568)
		<hr/>	<hr/>
Net Cash Outflow From Investing Activities		(13,130)	(12,568)
		<hr/>	<hr/>
Cash Flow From Financing Activities			
Loan Repayments and Mortgages Finance		-	-
		<hr/>	<hr/>
Net Cash Flow From Financing Activities			
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(12,975)	(63,016)
Cash at the beginning of the financial year		155,035	218,051
		<hr/>	<hr/>
Cash at the end of the financial year	4	142,060	155,035
		<hr/>	<hr/>

The accompanying notes form part of these accounts.

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2017

2017 2016
\$ \$

Notes to the Statement of Cash Flows

(i) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to:

Cash	85,790	16,749
Other Financial Investments	56,270	138,286
	<u>142,060</u>	<u>155,035</u>

Notes to the Statement of Cash Flows

(ii) Reconciliation of operating performance after income tax to net cash provided by operations activities

Operating profit/(loss) from ordinary after income tax	(52,690)	(121,237)
(Profit)/loss on disposal of non-current assets		
Add/(less) non-cash items:		
Depreciation	52,574	52,837
Net cash provided by operating activities before change in assets and liabilities	(116)	(68,400)
Change in assets and liabilities during the financial year:		
(Increase)/decrease in inventory	(8,902)	1,884
(Increase)/decrease in prepayments & other receivables	(4,058)	9,931
Increase/(decrease) in employee provisions	2,288	(957)
Increase/(decrease) in provision for micro power	(7,393)	(6,663)
Increase/(decrease) in payables	13,635	(2,811)
Increase/(decrease) in subscriptions in advance	14,945	10,548
(Increase)/decrease in GST liabilities	(1,151)	3,595
Increase/(decrease) in other liabilities	(3,249)	7,269
Increase/(decrease) in provision for legal fees	1,500	2,500
increase/(decrease) in Telstra rent in advance	(7,344)	(7,344)
Net cash provided by operating activities	<u>155</u>	<u>(50,448)</u>

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure requirements and interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARDS

The Club has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2011:

- AASB 1053 application of *Tiers of Australian Accounting Standards* and AASB 2010 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The early adoption of AASB 1053 enables the Club to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements. The Club is eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements and has adopted the requirements of the standard effective for the financial year ended 30 June 2014.

Reporting Basis and Conventions

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

a) **Revenue Recognition**

Sales Revenue

Sales Revenue comprises revenue earned from the provision of catering, beverage, and poker machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

Asset Sales

The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Interest Income

Interest income is recognised as it accrues.

b) **Principal Activities**

The company operates as a Golfing and Recreation facility.

c) **Property, Plant & Equipment**

Property, plant and equipment are included at cost or at an independent valuation. All fixed assets, including buildings and capitalised leases, but excluding freehold land, are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

d) **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership are transferred to the company, are classified as finance leases.

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2017

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are amortised over their estimated useful lives. Lease Payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Depreciation of property, plant and equipment

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. The exception is glassware, crockery and cutlery, which is expressed in the year of purchase. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

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

Buildings	2.5%
Plant and Equipment	7.5 - 40.0%

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

f) Trade and other payables

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

g) Maintenance and repairs

The costs of maintenance, repairs and minor renewals are charged as expenses as incurred.

h) Employee Entitlements

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, annual leave and sick leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Long service leave*

A liability for long service leave is recognised for all employees of the club with ten years or more service. No adjustment is made for inflation of wage rates or discounting of expected future payments as the net effect is not expected to be material.

(iii) *Superannuation*

The company sponsors the following plans for employees; Club Plus Superannuation Fund. Types of Benefits: Accumulation of contributions of employees providing a lump sum or annuity benefits upon retirement, death or disability. Contributions: Employees 9.5% of base salary of employee. The company has a legal obligation to contribute to this fund.

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2017

i) Income Tax

The Income Tax Assessment Act (amended) provides that under the concept of Mutuality, Clubs are only assessed for income tax on that proportion derived from non-members and other external sources.

In view of these special circumstances, it is neither appropriate to compare income tax payable with operating profit as disclosed in the Statement of Financial Performance, nor adopt the principle of tax affect accounting.

(j) Goods and Services Tax GST

Revenues, expenses and assets are recognised net of the amount of GST in the financial statements with the exception:

Where the GST incurred on purchases of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as a part of the cost of acquisition of the asset or as a part of the expense item as applicable.

Receivables and payables are stated inclusive of GST

Cash flows are presented in the statement of cash flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

Net poker machine revenue, which is presented on a GST inclusive basis, with the GST component treated in the financial accounts as an expense. This method provides Directors and members with information on the additional impost of GST on gaming revenue.

Effective 1 July 2004, the New South Wales State Government (Office of State Revenue) agreed to reimburse all Clubs in NSW the GST impost, less an OSR "management" fee, on the first \$200,000 of net gaming revenue.

The net amount of GST recoverable from, or payable to the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

(k) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs directly related to acquisition, such as freight and delivery charges, and liquor taxes where applicable. Cost is based on first-in, first-out principal. Net realisable value is determined on an item by item basis.

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2017

2. REVENUE FROM CONTINUING OPERATIONS

	2017	2016
	\$	\$
Operating Activities		
<u>Sale of Goods Revenue</u>		
Bar Sales	258,724	206,806
	<u>258,724</u>	<u>206,806</u>
<u>Rendering Services</u>		
Poker Machines	75,113	63,971
Keno	1,392	896
Competition Fees	51,218	49,650
Subscriptions	86,825	74,591
Golf Sponsorship	-	(3,100)
Raffles	8,136	7,394
Functions	7,794	1,571
Write off - 17 Vouchers - Bar Levies	4,461	-
Write off - Old vouchers (Member Attrition)	4,441	-
Other	548	1,649
	<u>239,928</u>	<u>196,622</u>
<u>Other Revenue</u>		
Commission	517	936
Donations	181	250
Telstra Rental	7,344	7,344
Interest	1,991	3,338
	<u>10,033</u>	<u>11,868</u>
Total revenue from continuing operations	<u>508,685</u>	<u>415,296</u>

3. EXPENSES FROM OPERATING ACTIVITIES

Cost of Goods Sold		
Bar	115,207	95,912
	<u>115,207</u>	<u>95,912</u>
Finance Costs		
Interest on finance costs	-	-
	<u>-</u>	<u>-</u>
Poker machine payouts	128,923	111,851
Depreciation of plant & equipment	52,574	52,837
Auditors Remuneration	9,800	9,800

BARNWELL PARK GOLF CLUB LIMITED**ABN: 51 000 645 974***(A Company Limited by Guarantee)***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
4. Cash assets		
Cash at bank and on hand	85,790	16,749
Other Financial Investments	56,270	138,286
	<u>142,060</u>	<u>155,035</u>
5. Inventories		
<u>Current</u>		
Stock on Hand	<u>17,702</u>	<u>8,800</u>
6. Other assets		
<u>Current</u>		
Prepayments	12,816	11,657
Sundry Debtors	4,038	1,139
	<u>16,854</u>	<u>12,796</u>
7. Property, plant & equipment		
Land - at cost	<u>68,749</u>	<u>68,749</u>
Buildings - at cost	1,309,147	1,309,147
<u>Less: Accumulated depreciation</u>	<u>(438,723)</u>	<u>(405,993)</u>
	<u>870,424</u>	<u>903,154</u>
Plant and equipment, at cost	603,179	593,917
<u>Less: Accumulated depreciation</u>	<u>(503,612)</u>	<u>(490,921)</u>
	<u>99,567</u>	<u>102,996</u>
Furniture and fittings, at cost	228,688	224,820
<u>Less: Accumulated depreciation</u>	<u>(116,028)</u>	<u>(108,875)</u>
	<u>112,660</u>	<u>115,945</u>
	<u>1,151,400</u>	<u>1,190,844</u>

Land and Buildings consist of Core Assets of the Club, all other Core Assets are considered Non Core, this declaration Pursuant to Section 41 J (a) of the Registered Clubs Act 1976.

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are: (see attached)

	Freehold Land	Buildings	Plant & Equipment	Furniture & Fittings	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	<u>68,749</u>	<u>903,154</u>	<u>102,996</u>	<u>115,945</u>	<u>1,190,844</u>
Additions	-	-	9,262	3,868	13,130
Disposals	-	-	-	-	-
Depreciation expense	-	(32,730)	(12,691)	(7,153)	(52,574)
Carrying amount at the end of the year	<u>68,749</u>	<u>870,424</u>	<u>99,567</u>	<u>112,660</u>	<u>1,151,400</u>

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
8. Payables		
<u>Current</u>		
Trade creditors and accruals	<u>27,125</u>	<u>13,490</u>
9. Provisions		
<u>Current</u>		
Provision for employee sick and leave entitlements	2,288	-
Provision for micropower subscription - Power Plus Golf package	9,244	16,637
Provision for Legal and Audit fees	4,000	2,500
	<u>15,532</u>	<u>19,137</u>
10. Other Liabilities		
<u>Current</u>		
Subscriptions in advance	32,374	17,429
GST	4,502	5,653
Telstra - Rent in advance	169,200	176,544
Other	10,576	13,825
	<u>216,652</u>	<u>213,451</u>
11. Statutory status		
The club is incorporated as a Company Limited by Guarantee in accordance with the Memorandum of Association.		
12. Related Party Transactions		
(a) There were no related Party Transactions		
(b) Directors' Remuneration		
There was no remuneration of any director during the year. Directors expenses were re-imbursed for the cost of food and beverage and attending Board meetings or businesses on behalf of the club		
Directors expenses for the year	<u>-</u>	<u>-</u>
13. Key Performance Indicators		
Bar		
Gross Profit Percentage	55.47	53.62
Poker Machines		
Net receipts after payouts to turnover	38.01	37.60
Employee Benefits - percentage of total revenue	32.47	37.63
EBITDAD as a Percentage of Total Revenue	0.01	(11.83)

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2017

14. Key Management Personnel Compensation

(a) Key Management Personnel

The names and positions held of key management personnel in office at any time during the financial year are:

McGUINNESS, Raymond William	President
GRIEVE, Barbara	Treasurer
MARSHALL, Grant	Vice President
CRITTENDEN, Diane	Director
MARTLEW, Wade	Director
VAN DEN BOOGAARD, Dale	Director
DINGLE, Rick	Director
SMITH, Andrew	Director
CASHMAN, David	Director

Other Key Management Personnel

- (b)** Roderick Hetherington Secretary and Manager

Key Management Personnel Compensation

	Short Term Benefits Cash, salary & commissions	Allowances	Post Employment Benefits Superannuation	Total
	\$		\$	\$
Total Compensation - 2017	55,121		5,236	60,357
Total Compensation - 2016	61,206		5,838	67,044

BARNWELL PARK GOLF CLUB LIMITED

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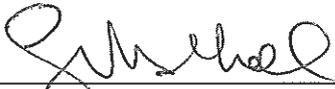
DIRECTORS' DECLARATION

The Directors of the company declare that:

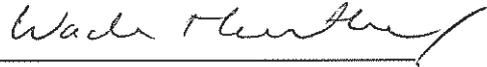
1. the financial statements and notes, as set out on pages 6 to 17 are in accordance with the Corporation Act 2001:
 - (a) comply with Accounting Standards - reduced disclosures requirements and the Corporation Regulations 2001; and
 - (b) give true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company;
2. in the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and When they become due and payable.

Dated at Five Dock this 25th day of August 2017.

Signed in accordance with a resolution of Directors



DIRECTOR - GRANT MARSHALL



DIRECTOR - WADE MARTLEW

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Barnwell Park Golf Club Limited (the Registered entity), which comprises the statement of financial position as at 30th June 2017, the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Barnwell Park Golf Club Limited, has been prepared in accordance with the Corporations Law – Reduced Disclosure Requirements under the Corporations Law and the Registered Clubs Act, including:

- (a) Giving a true and fair view of the registered entity's financial position as at 30th June 2017, and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

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 registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30th June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements under the Corporations Law and Registered Clubs Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

BARNWELL PARK GOLF CLUB LIMITED

ABN: 51 000 645 974

(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity'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 registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DATED AT SYDNEY
THIS 25TH DAY OF
AUGUST 2017


.....
HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered entity Auditor