



PHILLIP ISLAND GOLF CLUB INC.

Inc. A0024473 F | Registered No. A 499 | ABN 28 410 445 203

ANNUAL REPORT 2022-2023

Phillip Island Golf Club Inc.

Registered Office : 34-44 Settlement Road, Cowes PO Box 851, Cowes, Vic,
3922

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Email: office@pigc.com.au

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Office Bearers:

CHAIRMAN: Mark Jamieson

VICE CHAIRMAN: Liz Gleeson

TREASURER: Greg Williams

BOARD MEMBERS: Craig O'Neill, Ross Payne, Stacey Meder, Mark Reid

SECRETARY MANAGER: Doug O'Keeffe

MENS CAPTAIN: Phil Ellard

LADIES CAPTAIN: Helen Coughlan

ADMINISTRATION: Doug O'Keeffe & Carly Coote

GOLF SHOP: Lesley Meadowcroft

COURSE SUPERINTENDANT: Ryan Hall

Chairmans Report

Dear Members,

I am pleased to present the Chairman's report for the period ending 30 June 2023. This report outlines the key developments, achievements, and challenges that PIGC has faced during this period.

I am pleased to provide to you the strong financial position of the club along with the capital expenditure undertaken this year. Another considerable profit was achieved after expenses were deducted. We did this through our General Manager Doug O'Keeffe, who has been instrumental in the operations of PIGC, along with the Board of Management who work hard to serve the members.

We have not increased any fees or bar prices and that should be commended as we watch everything increase. Increasing fees would be the "easy way" to achieve a better result but with your support we can keep increases to a minimum. This has been enabled by strong membership numbers, and good earnings from the bar and golf shop, a most satisfying outcome.

The significant expenses to the club have been:

1. stage 2 of the back nine drainage at \$105K,
2. the cart storage shed at \$85K and
3. concrete works alongside the first tee, \$24K.

The Board is committed to completing the drainage on the back nine and we are very pleased with the results so far. This year is the first time we have not closed the back nine for a long time.

Ryan Hall and his staff have turned the course into an example of what can be achieved with finances that allow him to prepare the course to members expectations. Ryan and his staff have taken pride in how the course is presented and I have heard many positive comments regarding the course.

Works undertaken this year were:

1. the installation of a new back nine irrigation controller (\$10K),
2. the pond on the 1st tee,

3. the diesel pump on the 14th hole (\$5K),
4. a new tractor and coring machine (\$46K).

We also used the \$20k Queen's Jubilee grant for tree beautification.

To the Monday boys and "Volunteers" in general, we love your enthusiasm and commitment to PIGC. Without you we would be in a different financial state. You do an awesome job, well done all.

I would also like to acknowledge the passing of a former Life member and dear friend who got me involved with PIGC, Jim Groves. Jim asked me to join the social committee back in the eighties. Where we sold raffle tickets for a chook raffle, twenty cents per ticket, checked bingo tickets and had two pool teams - the Birdies and Eagles, fun days. I would also like to acknowledge some long- term members in Ian Wenham (Dec), and Greg Dean. Their health has been poor of late, and we will miss his questions at the AGM. We also wish our past Treasurer Greg Dean all the best.

Early in the year we were presented with a proposal for the kitchen, hence the Putters Café was born. We have seen the café in operation for a while now and the benefits to members and guests have been fantastic, along with great food and coffee. It is important that members support Nancy and Greg in their endeavour to make it successful, as they work long hours and employ local staff which is a credit to them. The club benefits are also tremendous.

During the year the Board members attended a workshop for the next Strategic Plan for the club. This will be presented to members once it is finalised. Moving forward we need to plan and set aside finances to fund these projects i.e. carpark, clubhouse, course. We also need to prioritise these major projects and look to grants for funding. I am sure we all have a project we would like to see completed.

On the golfing side I am pleased to see junior golfers learning and playing the game. A huge thank you to Ron Young, Morgan Ward and Shaun O'Brien for teaching the kids. What an awesome effort.

Since Covid we have seen a strong interest in golf which we are delighted with. The course is busy, and we could not wish to be in a better position. We reached a milestone for our Men's Captain, Phillip Ellard, notching up 10 years

as Captain. This is a fantastic achievement, and I ask everyone to say thank you to Phil and Ladies' Captain Helen the next time you see them. These roles involve a lot of work. MI Club has made this role easier however someone still has to do it! We wish to say thank you to the Men's and Ladies' golf committees.

The ladies' golf membership numbers have increased to levels we have never seen before at PIGC, with great fields on a Wednesday. The Board would also like to thank those members who mentor the newbies and give lessons to those in need – the Monday madness on the course is amazing. I'm not sure whether the ladies don't like being at home or they just love "Golf" and the interaction. I'm suspecting it's the coffee and chat. Keep up the great work.

I would like to take this opportunity to thank our General Manager Doug O'Keeffe on the way he handles the day-to-day operations of the club. This year has seen an upgrade to the club's telephone system and now it actually works! We upgraded the server to a cloud-based system so all our club records, files and information is safe and can be accessed remotely if required. We also purchased two laptop computers for each of the Captains to assist them further in their respective roles.

A huge thankyou to all our staff and all our sponsors for your support over the year. Also, thanks to Board members for your ongoing support and direction - it has been a great year.

In conclusion, I am proud of the progress our club has made during this reporting period. Our team's hard work, dedication, and commitment have been instrumental in achieving our goals. However, we acknowledge that challenges and uncertainties persist. With our collective effort and a clear vision for the future, we are confident that we will continue to succeed.

I would like to extend my gratitude to our members for their continued support and trust in our leadership.

Mark Jamieson

Chairman

Treasurer's Report

The Club's operations during 2022-2023 returned a Net Profit of \$133,432 (cf. \$297,529 for 2021-2022). Whilst in numeric terms this is a significant reduction on the previous year's results, some important factors and strategies need to be mentioned to assist in the year on year comparison.

1. No Covid subsidy was received. In 2021-2022 this item amounted to \$75,700.
2. Golf course expenditure has risen by almost 50% - up from \$137,095 to \$204,374.
3. Staff wages have increased by 36% - up from \$567,084 to \$776,102. This is as a result of a number of factors but importantly - given a continued strategy to improve the course, ground staff numbers have been increased during the year, golf shop shifts increased to meet considerable rise in green fee demand, admin wages included first full year of our Manager plus an extra employee to maintain our buildings.
4. Expenditure on the new cart shed and the much needed 1st tee concreting also were completed.
5. Mi Club & IT Costs of over \$70,000.

The following table from the Club's year's end accounts is provided for further detail:

Further extraction of business unit numbers provides more insight into the Club's activities.

| | 2023 | 2022 | Movement |
|--|------------------|------------------|----------------|
| | \$ | \$ | % |
| Income | | | |
| Member Subscriptions | 494,975 | 498,252 | - 0.7 |
| Green Fees | 364,632 | 281,515 | + 29.5 |
| Competition Fees & Other Golf | 155,380 | 145,862 | + 6.5 |
| Bar & Catering | 402,992 | 230,949 | + 74.5 |
| Golf Shop | 387,294 | 302,477 | + 28.0 |
| Hire Equipment | 105,891 | 66,260 | + 59.8 |
| Kimbies | - | 2,934 | - |
| Other Income | 33,989 | 18,239 | + 321.1 |
| Bequests, Interest & Other Member | 19,243 | 14,478 | + 32.9 |
| Sale of Assets | - | 455 | - |
| Grants | 26,750 | 2,273 | + Large |
| COVID Business Support | - | 75,700 | - |
| Apprentice Subsidy | 24,580 | 17,833 | + 37.8 |
| Total Income | 2,015,726 | 1,681,377 | + 19.9 |
| Cost of Goods Sold | | | |
| Bar & Catering | 169,538 | 124,732 | + 35.9 |
| Golf Shop | 254,916 | 181,966 | + 40.1 |
| Kimbies | - | 954 | - |
| | 424,454 | 307,652 | + 38.0 |
| Expenses | | | |
| Member - Golf Australia Affiliation | 40,941 | 36,340 | + 12.7 |
| MiClub | 23,414 | - | - |
| Golf | 160,286 | 51,700 | + 310.0 |
| Course | 469,822 | 388,167 | + 21.0 |
| Bar & Catering | 113,362 | 80,839 | + 40.2 |
| Golf Shop | 164,063 | 165,520 | + 9.8 |
| Hire Equipment | 4,577 | 396 | + Large |
| Admin & Clubhouse | 312,311 | 179,870 | + 73.6 |
| Donations | 17,979 | 9,756 | + 84.3 |
| Insurance | 32,791 | 31,849 | + 3.0 |
| Interest | 966 | 2,366 | - 245.0 |
| Depreciation | 117,328 | 129,393 | - 10.3 |
| Total Cost of Goods Sold & Expenses | 1,457,840 | 1,383,848 | + 5.3 |
| Net Profit | 133,432 | 297,529 | - 223.0 |

Bar

Cash profit before depreciation - \$107,440*

Income/cost sharing adjustments have been made with "Golf Shop" in regard to alcohol sales via Golf Shop.

Golf Shop

Cash Profit before depreciation - \$45,762**

Salary sharing adjustments have been made with “Golf” to properly recognise staff costs associated with collecting and management of green fee players and competition fees.

Membership

Membership demand continues to be high and Captain, Phil Ellard manages the intake of 5 & 6 day members and the promotion of those categories into the full time ranks. The priority is to ensure we strike a balance between fulfilling demand and at the same time maintaining accessibility to competition tee times. It is also pleasing to see the junior and sub junior categories at slightly higher levels and it is noted that more juniors are competing in Club competitions.

The following table summarises membership numbers over the past 4 years, as at 30 June and numbers at 30 September 2023 –

| Membership Category | Sept.2023 | 2023 | 2022 | 2021 | 2020 |
|---------------------|------------|------------|------------|------------|------------|
| Full – Traditional | 395 | 408 | 403 | 449 | 412 |
| Full - Pay-to-Play | 83 | 93 | 92 | 95 | 95 |
| 6-Day | 52 | 48 | 38 | - | - |
| 5-Day | 75 | 58 | 54 | - | - |
| Bronze | 19 | 19 | 17 | 15 | 7 |
| Corporate | 2 | 2 | 10 | 12 | 10 |
| Intermediate | 15 | 6 | 8 | 12 | 8 |
| Junior | 27 | 20 | 20 | 27 | 15 |
| Sub-Junior | 18 | 18 | 6 | 4 | 20 |
| Honorary Life | 4 | 5 | 5 | 5 | 6 |
| Member for Life | 1 | 1 | 1 | 1 | 1 |
| Temporary | - | - | - | - | 1 |
| Trial | 5 | 9 | 2 | 44 | 17 |
| Medical Suspension | 2 | 10 | 17 | - | - |
| Social | - | - | 1 | - | - |
| Total | 698 | 697 | 674 | 681 | 592 |

Summary

Looking back over the year under review –

- Phase 3 of our Back 9 Drainage Program was completed at a cost of \$102,474. Phase 4 is scheduled for completion early in 2024.

This is the final scheduled phase and includes the 11th fairway, part of 16th fairway and area adjacent to 13th green.

- All computers in the clubhouse were upgraded, new laptops were purchased for Club, Mi Club was introduced and a much needed upgrade to the phone system was completed.
- The Fixed Asset position, after depreciation, has increased during the reporting period by \$116,811 (6.00%).
- Our course equipment portfolio will, by the end of November 2023 be fully owned by the Club. The Board and Management will continue to look at necessary upgrades of dated machinery and can do so from a current position where no monthly financing costs are being paid for machinery. In particular, the Board is considering terms for the purchase of replacement fairway and rough mowers.
- Our asset register has been fully integrated onto the Club's Xero accounting system to improve efficiency regarding proper maintenance of the register, as well as providing easier oversight by our auditors.
- The Club's capital expenditure account continues to operate well and has been used to facilitate payments for the drainage works and the cart shed during 2022/23. As at end of October it has a balance of \$195,000. The Board is actively considering and prioritising projects to be included in our planned spending budget.

I look forward to continued growth of the Club's financials. The advent of the Putters Cafe, 6 day per week bar trading and a well stocked golf shop has undoubtedly increased amenities to members. The Board will continue to focus on Golf Course improvements which will provide an even better playing environment for year round enjoyment of both Members and our valued visitors.

Greg Williams

Treasurer

Managers' Report

First and foremost, I would like to thank all of our members. It is because of each and every one of you that our club not only exists but is currently thriving. Your loyalty year after year plays a pivotal role in improving the golf course and the services we offer.

During my relatively short tenure, I've had the privilege of witnessing improvements on our course. This has been led by our Course Superintendent, Ryan Hall and his team, supported by the many dedicated volunteers who continuously maintain and improve the course. The ongoing back-nine drainage program has improved the playability during the winter months. This, combined with increased resources dedicated to course maintenance, has resulted in our course being in as good condition as it has been in quite some time.

The inclusion of Putter's Café has been a welcomed addition for our club and is proving to be very popular amongst members and visitors. Not only has the Café improved our offerings, but it has also streamlined catering for our functions, eliminating the need for ad hoc catering companies. Congratulations to Nancy and Greg for their hard work.

Over the past year, the Golf Shop led by Lesley Meadowcroft, has played a crucial role in enhancing our members' and guests' experience at the club. The Golf Shop is very well equipped and our partnership with Titleist enhances the offerings we can provide to members. In the past 12-months, we have had approximately 44,000 rounds of golf played at the club.

We've extended our bar's opening hours from four to six days a week during most of the year and even trade seven days a week during the peak summer season. Thank you, Sharon Davis, for managing the bar operations.

The presentation in and around the clubhouse has improved significantly since we brought on a dedicated maintenance person. The introduction of new furniture in the clubhouse has further elevated the look and feel, and the new concreting works near the 1st tee has also been a welcomed addition.

Over the last year, our administration staff has seen changes. Debra Sadlier joined the team, taking over from Erin Kelsall in late 2022 after Erin's

retirement. Regrettably, Debra had to step down due to an illness. However, we are now fortunate to have Carly Coote in the accounts and administration role, and she has proven to be a valuable asset to the club.

We unveiled our new website in September 2022, coinciding with the launch of the new competition management software, MiClub. The MiClub system has moved us into the 21st century, complemented by the MiScore app, which most members now use to score with. Alongside software upgrades, we've invested in new computers and installed a new phone system earlier this year to improve reliability.

A big thank you goes out to our community instructors who have rolled out our adult and junior development programs. We were the recipients of a grant from the Australian Golf Foundation geared towards connecting more girls in the game of golf. The ongoing success of our development programs will be pivotal in engaging new members to the club. Encouragingly, our membership numbers remain good, with a steady waiting list for those wanting to join as seven-day members.

Finally, I'd like to finish by expressing my appreciation to our dedicated staff and selfless volunteers for their unbelievable contributions. Our staff work so hard to provide wonderful service to members and guests, for this I applaud their willingness, enthusiasm and passion. I would also like to acknowledge the Board of Directors led by our Chair, Mark Jamieson, and the various committee members for all their hard work through the year. The backbone of this club is its people, and your ongoing efforts don't go unnoticed.

In closing, I hope that the next 12 months will bring many more positives to the club, and we will have further good news to report.

Doug O'Keeffe

General Manager

PHILLIP ISLAND GOLF CLUB INC.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

| | NOTE | 2023 | 2022 |
|--|------|--------------------|--------------------|
| Revenue from ordinary activities | 2 | 1,999,004 | 1,587,844 |
| Cost of goods sold | | (424,454) | (307,652) |
| Borrowing expense | 3 | (966) | (2,366) |
| Clubhouse expense | | (71,353) | (49,942) |
| Course expense | | (204,374) | (137,095) |
| Depreciation expense | 3 | (117,328) | (129,393) |
| Donations paid | | (17,979) | (9,756) |
| Employee benefits expense | | (776,102) | (567,084) |
| Golf expense | | (77,058) | (51,700) |
| Insurance expense | | (32,791) | (31,849) |
| Loss on disposal of assets | | (3,682) | - |
| Other expenses from ordinary activities | | (139,485) | (97,011) |
| Total operating expenses | | (1,441,118) | (1,076,196) |
| Operating surplus | | 133,432 | 203,996 |
| Add COVID-19 income: | | | |
| State Government business support | | - | 75,700 |
| Apprentice wage subsidy | | - | 17,833 |
| Total COVID-19 income received | | - | 93,533 |
| Net surplus | | 133,432 | 297,529 |
| Other comprehensive income | | - | - |
| Total comprehensive income attributable to members of the association | | 133,432 | 297,529 |

The accompanying notes form part of these financial statements.

PHILLIP ISLAND GOLF CLUB INC.

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

| | NOTE | 2023 | 2022 |
|--------------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 655,286 | 717,301 |
| Trade and other receivables | 5 | 8,261 | 5,715 |
| Prepayments | | 35,528 | 19,634 |
| Inventory | | 110,968 | 96,261 |
| Total current assets | | 810,043 | 838,911 |
| NON-CURRENT ASSETS | | | |
| Property, plant & equipment | 6 | 2,068,952 | 1,952,141 |
| Total non-current assets | | 2,068,952 | 1,952,141 |
| TOTAL ASSETS | | 2,878,995 | 2,791,052 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 117,857 | 108,213 |
| Income received in advance | 8 | 28,867 | 26,029 |
| Short term borrowings | 9 | 19,335 | 65,806 |
| Employee provisions | 10 | 22,186 | 15,523 |
| Total current liabilities | | 188,245 | 215,571 |
| NON-CURRENT LIABILITIES | | | |
| Long term borrowings | 9 | - | 19,335 |
| Employee provisions | 10 | 5,986 | 4,814 |
| Total non-current liabilities | | 5,986 | 24,149 |
| TOTAL LIABILITIES | | 194,231 | 239,720 |
| NET ASSETS | | 2,684,764 | 2,551,332 |
| EQUITY | | | |
| Asset revaluation reserve | | 893,350 | 893,350 |
| Accumulated surplus | | 1,791,414 | 1,657,982 |
| ACCUMULATED FUNDS | | 2,684,764 | 2,551,332 |

The accompanying notes form part of these financial statements.

PHILLIP ISLAND GOLF CLUB INC.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

| | Accumulated surplus | Asset Revaluation Reserve | Total |
|---------------------------------|------------------------|---------------------------------|-----------|
| Balance at 1 July 2021 | 1,360,453 | 893,350 | 2,253,803 |
| Surplus attributable to members | 297,529 | - | 297,529 |
| Balance at 30 June 2022 | 1,657,982 | 893,350 | 2,551,332 |
| Surplus attributable to members | 133,432 | - | 133,432 |
| Balance at 30 June 2023 | 1,791,414 | 893,350 | 2,684,764 |

The accompanying notes form part of these financial statements.

PHILLIP ISLAND GOLF CLUB INC.

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

| | NOTE | 2023 Inflows/ (Outflows) | 2022 Inflows/ (Outflows) |
|---|------------|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from members and customers | | 2,191,699 | 1,745,763 |
| COVID-19 receipts | | - | 93,533 |
| Payments to suppliers and employees | | (1,955,963) | (1,413,665) |
| Interest paid | | (966) | (2,366) |
| Interest received | | 6,842 | 386 |
| Net cash provided by operating activities | 11b | 241,612 | 423,651 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for property, plant & equipment | | (237,821) | (127,926) |
| Proceeds from sale of property, plant & equipment | | - | 455 |
| Net cash used in investing activities | | (237,821) | (127,471) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of finance lease | | (65,806) | (68,468) |
| Repayment of bank loan | | - | - |
| Net cash used in financing activities | | (65,806) | (68,468) |
| NET INCREASE / (DECREASE) IN CASH HELD | | (62,015) | 227,712 |
| Cash at the beginning of the financial year | | 717,301 | 489,589 |
| Cash at the end of the financial year | 11a | 655,286 | 717,301 |

The accompanying notes form part of these financial statements.

PHILLIP ISLAND GOLF CLUB INC.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Phillip Island Golf Club Inc. as an individual entity and is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act (Vic) 2012*. The General Management Board has determined that the association is not a reporting entity.

The financial report was authorised for issue by the General Management Board on 17 October 2023.

Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a) Income tax

No provision for income tax has been raised as the association is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

b) Property, plant and equipment

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

Property

Land is shown at its fair value based on the present value of the future net income stream derived from the association's golfing activities.

Increases in the carrying amount arising on reassessment of the future net income stream are credited to a revaluation reserve in equity. Decreases that offset previous increases are charged against fair value reserves directly in equity.

Buildings, course improvements, plant and equipment

Buildings, course improvements, plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight-line basis over their useful lives 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.

Depreciation

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

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

| Class of fixed asset | Depreciation Rate |
|---------------------------------|-------------------|
| Buildings | 2.5% |
| Equipment & fittings | 5 – 33.3% |
| Course improvements | 2 - 10% |
| Finance leased course equipment | 16% |

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

c) Impairment of assets

At each reporting date, the association 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

d) Leases

The association assesses at contract inception, whether the contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A single recognition and measurement approach are applied to all leases, except for short-term leases and leases of low-value assets. The association recognises liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The association has not recognised any right-of-use assets.

(ii) Lease Liabilities

At the commencement date of the lease, the association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

(iii) Short term leases and lease of low value assets

The short-term lease recognition exemption is applied to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

f) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Revenue

Revenue from membership fees is recognised on a straight-line basis over the financial year to which the membership fee relates. The membership year is the same as the financial year.

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

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

Donations and sponsorships are recognised as revenue when received.

h) Goods and Services Tax

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

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

i) Comparative figures

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

j) Critical accounting estimates and judgments

The association's General Management Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates — impairment

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

Key judgments — doubtful debts provision

The association's General Management Board has estimated the value of debt which may not be recoverable, and no doubtful debt provision has been made accordingly at 30 June 2023.

k) New, revised or amending Accounting Standard and Interpretations adopted

There has been no significant change in accounting policy during the financial year.

Any new, revised or amending Australian Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

| NOTE 2: REVENUE | 2023 | 2022 |
|--------------------------------|------------------|------------------|
| Operating activities | | |
| Members' subscriptions | 494,975 | 498,252 |
| Green fees | 364,632 | 281,515 |
| Other golf revenue | 155,380 | 145,862 |
| Sale of goods | 852,068 | 626,770 |
| Grant income | 26,750 | 2,273 |
| Apprentice scheme income | 24,580 | - |
| Other income received | 55,288 | 18,239 |
| Interest received | 6,842 | 386 |
| Bequest/donations received | 18,489 | 14,092 |
| Profit on sale of fixed assets | - | 455 |
| TOTAL | 1,999,004 | 1,587,844 |
| Interest from: | | |
| Other persons | 6,842 | 386 |

NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES

The surplus from operations has been determined after:

Borrowing costs:

| | | |
|------------------------------|------------|--------------|
| Equipment leases | 966 | 2,332 |
| Australian Taxation Office | - | 34 |
| Total borrowing costs | 966 | 2,366 |

Depreciation of non-current assets:

| | | |
|---------------------------------------|----------------|----------------|
| Buildings | 11,461 | 11,799 |
| Plant & equipment | 58,696 | 70,423 |
| Amortisation of finance leased assets | 47,171 | 47,171 |
| Total depreciation | 117,328 | 129,393 |

Bad and doubtful debts:

| | | |
|---------------|---|-------|
| Trade debtors | - | 1,832 |
|---------------|---|-------|

Remuneration of auditor:

| | | |
|-------------------------------|-------|-------|
| Audit of the financial report | 6,000 | 5,000 |
| Other services | - | - |

Remuneration for other services to related practices of the auditor

| | |
|-------|-------|
| 3,400 | 2,300 |
|-------|-------|

| | | |
|--|----------------|----------------|
| NOTE 4: CASH AND CASH EQUIVALENTS | 2023 | 2022 |
| Cash at bank | 651,156 | 713,431 |
| Cash on hand | 4,130 | 3,870 |
| Total | 655,286 | 717,301 |

NOTE 5: TRADE AND OTHER RECEIVABLES

| | | |
|-------------------|--------------|--------------|
| Trade receivables | 8,261 | 5,715 |
| Total | 8,261 | 5,715 |

NOTE 6: PROPERTY, EQUIPMENT AND FITTINGS

| | | |
|--|------------------|------------------|
| Land at fair value (recorded in 2007) | 846,000 | 846,000 |
| Buildings | 711,728 | 659,745 |
| Accumulated depreciation | (311,924) | (302,058) |
| Written down value | 399,804 | 357,687 |
| Course improvements | 862,154 | 760,345 |
| Accumulated depreciation | (335,642) | (315,435) |
| Written down value | 526,512 | 444,910 |
| Equipment and fittings | 1,056,161 | 1,080,281 |
| Accumulated depreciation | (864,466) | (928,849) |
| Written down value | 191,695 | 151,432 |
| Financed leased course machinery | 282,970 | 282,970 |
| Accumulated amortisation | (178,029) | (130,858) |
| Written down value | 104,941 | 152,112 |
| Total property, plant & equipment at written down value | 2,068,952 | 1,952,141 |

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial reporting period.

| | Land | Buildings | Course Improvements | Equipment | Total |
|-----------------------|----------------|----------------|------------------------|----------------|------------------|
| Balance at start | 846,000 | 357,687 | 444,910 | 303,544 | 1,952,141 |
| Additions | - | 53,578 | 104,102 | 80,141 | 237,821 |
| Depreciation | - | (11,461) | (21,653) | (84,214) | (117,328) |
| Disposals (net) | - | - | (847) | (2,835) | (3,682) |
| Balance at end | 846,000 | 399,804 | 526,512 | 296,636 | 2,068,952 |

| NOTE 7: TRADE AND OTHER PAYABLES | 2023 | 2022 |
|--|----------------|----------------|
| <i>CURRENT – unsecured</i> | | |
| Trade payables and accrued expenses | 83,943 | 81,343 |
| Accrued salaries and wages | 25,946 | 21,188 |
| PAYG withholding payable | 7,968 | 5,682 |
| Total | 117,857 | 108,213 |
| | | |
| NOTE 8: INCOME RECEIVED IN ADVANCE | | |
| Income received in advance | 4,456 | 2,690 |
| Memberships received in advance | 997 | 3,339 |
| Members account balances | 23,414 | - |
| Queen's Jubilee grant | - | 20,000 |
| Total | 28,867 | 26,029 |
| | | |
| NOTE 9: BORROWINGS | | |
| <i>CURRENT</i> | | |
| Bank overdraft | | - |
| Finance lease liability | 19,335 | 65,806 |
| | 19,335 | 65,806 |
| <i>NON-CURRENT</i> | | |
| Finance lease liability | - | 19,335 |
| | - | 19,335 |
| Total | 19,335 | 85,141 |
| | | |
| (a) Total current and non-current secured liabilities | 19,335 | 85,141 |
| | | |
| (b) The carrying amounts of non-current assets pledged as security for chattel mortgage loan repayments are: | | |
| Course equipment | 104,941 | 152,112 |
| | | |
| NOTE 10: PROVISIONS | | |
| <i>CURRENT</i> | | |
| Employee benefits | 22,186 | 15,523 |
| | | |
| <i>NON-CURRENT</i> | | |
| Employee benefits | 5,986 | 4,814 |
| Aggregate employee entitlement liability | 28,172 | 20,337 |
| | | |
| Number of employees at the end of the reporting period | 8 | 7 |

| | | |
|---------------------------------------|-------------|-------------|
| NOTE 11: CASH FLOW INFORMATION | 2023 | 2022 |
|---------------------------------------|-------------|-------------|

a) Reconciliation of cash for purposes of cash flows:

| | | |
|--------------|----------------|----------------|
| Cash on hand | 4,130 | 3,870 |
| Cash at bank | 651,156 | 713,431 |
| Total | 655,286 | 717,301 |

b) Reconciliation of net cash provided by operating activities to operating surplus

| | | |
|---|----------------|----------------|
| Surplus from ordinary activities | 133,432 | 297,529 |
| <i>Non-cash flows in surplus from ordinary activities:</i> | | |
| Depreciation | 117,328 | 129,393 |
| Net (profit)/loss on disposal of property plant and equipment | 3,682 | (455) |
| <i>Changes in assets & liabilities:</i> | | |
| (Increase) / decrease in receivables/prepayments | (18,440) | 4,025 |
| (Increase) / decrease in inventories | (14,707) | (28,545) |
| Increase / (decrease) in payables | 9,644 | 65,734 |
| Increase / (decrease) in provisions | 7,835 | (47,359) |
| Increase / (decrease) in income in advance | 2,838 | 3,329 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 241,612 | 423,651 |

- c) The association has an unused overdraft facility with the Bendigo Bank of \$100,000 at 30 June 2023 (2022: \$100,000). This facility is secured by a mortgage held over the property owned by the association. No charges arise from the facility until it is accessed.
- d) There were no non-cash financing or investing activities during the reporting period.

NOTE 12: RELATED PARTY TRANSACTIONS

Members of the association's General Management Board act in an honorary capacity apart from circumstances where a member may act in a special capacity and receive an honorarium. Total honorariums paid were Nil. (2022 - Nil).

Save for free storage of their golf equipment within the association's storage room, members of the association's General Management Board do not receive any benefit other than those available to any member of the association.

NOTE 13: CAPITAL COMMITMENTS

The specialist contractor, who successfully completed Phase 1, 2 and part of 3 of the association's back 9 drainage programs, has been scheduled to undertake the balance of Phase 3 in February 2024. This will include draining the 11th fairway and the area between the 16th green and the creek. In addition, there are also plans to construct the spare (19th hole) in early 2024. The club is also exploring opportunities to upgrade its existing fleet of course machinery.

The cost of these projects will be managed to fall within the association's existing capital expenditure cash reserves. At the date of this report there are no other significant capital commitments.

NOTE 14: FUTURE LEASE COMMITMENTS

| Finance lease commitments: | 2023 | 2022 |
|---|---------------|---------------|
| Payable - Not later than 1 year | 19,413 | 66,767 |
| - Between 1 year and 2 years | - | 19,413 |
| - Between 2 years and 5 years | - | - |
| | 19,413 | 86,180 |
| Less future finance charges | (78) | (1,039) |
| Present value of minimum lease payments | 19,335 | 85,141 |
| Represented in the statement of financial position as a liability: | | |
| Current | 19,335 | 65,806 |
| Non-current | - | 19,335 |
| Total finance lease liability | 19,335 | 85,141 |

NOTE 15: FINANCIAL INSTRUMENTS

The association's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable and leases.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Financial risk management policies

The associations' Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The treasurer monitors the association's financial transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring financial risk exposures are held on a regular basis and minuted by the General Management Board.

Financial risk exposures

(a) Interest rate risk

The association's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is not material.

(b) Credit rate risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The association does not have any material credit risk exposure to any single debtor or group of debtors.

(c) Liquidity risk

Liquidity risk arises from the possibility that the association may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by regularly reviewing available cash and future cash inflows and ensuring appropriate levels of cash and credit are available to meet financial liabilities.

Net fair values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

NOTE 16: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

NOTE 17: ASSOCIATION DETAILS

The association was registered on 30 January 1992.

The registered office and principal place of business is:

Phillip Island Golf Club Inc.
Settlement Road
COWES VIC 3922

PHILLIP ISLAND GOLF CLUB INC.

A0024473F

STATEMENT BY MEMBERS OF THE GENERAL MANAGEMENT BOARD

The General Management Board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the General Management Board the financial report as set out on pages 2 to 14:

1. Presents a true and fair view of the financial position of Phillip Island Golf Club Inc. as at 30 June 2023 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Phillip Island Golf Club Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the General Management Board and is signed for and on behalf of the General Management Board by:



Mark Jamieson
Chairman



Greg Williams
Treasurer

17 October 2023

Independent Auditor's Report

TO THE MEMBERS OF PHILLIP ISLAND GOLF CLUB INC.

Audit Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Phillip Island Golf Club Inc., which comprises the statement of financial position at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the declaration by members of the General Management Board.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Phillip Island Golf Club Inc. at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Section 100(2) of the Associations Incorporation Reform Act (Vic) 2012 and the accounting policies described in Note 1 to the financial report.

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 Phillip Island Golf Club Inc. 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. **Emphasis of Matter - Basis of accounting**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling Phillip Island Golf Club Inc.'s financial reporting responsibilities under the Associations Incorporation Reform Act (Vic) 2012. As a result, the financial

report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the members of the General Management Board for the Financial Report

The General Management Board of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report, is appropriate to meet the requirements of the Associations Incorporation Reform Act (Vic) 2012. This responsibility also includes such internal control as the General Management Board determine 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, the General Management Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the General Management Board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so. The General Management Board are responsible for overseeing the association'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 it 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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, other 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relates disclosures made by the General Management Board.
- Conclude on the appropriateness of the General Management Board'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 association'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 association 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 General Management Board 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 from our audit.

Other Information

The General Management Board of the association is responsible for other information. The other information comprises the information included in the association's annual report for the financial year ended 30 June 2023 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.

CARDELL ASSURANCE & AUDIT



Lyndal J. McKenzie
3A Billson Street
WONTHAGGI VIC 3995

19 October 2023