



SANCTUARY LAKES CLUB LTD

**FINANCIAL STATEMENTS AND REPORTS
FOR YEAR ENDED
30 JUNE 2018**



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01 CORPORATE INFORMATION

Directors Ruy Franco (Appointed 27 February 2017)
 Craig Kennedy (Appointed 14 August 2014)
 Dale Roseburgh (Appointed 24 November 2015)
 Brandon Dodds (Appointed 23 November 2016)
 Anthony Flynn (Appointed 23 November 2016)

Secretary Andrew Metcalfe

Registered Office 70 Greg Norman Drive
 Sanctuary Lakes VIC 3030

Main Business Address 70 Greg Norman Drive
 Sanctuary Lakes VIC 3030

Auditors Frederik Eksteen
 Collins & Co
 127 Paisley Street
 Footscray VIC 3011

Key Personnel

General Manager Ian Crews

Assistant Manager Jessica Yong

Finance Officer Tara O'Shea

Administration Coordinator Kacey Dempsey

Marketing Coordinator Hannah Black

Hospitality Operations Sanctuary Lakes Function Centre Pty Ltd
 Director: Robert Merola & Nick Puopolo

Course Superintendent Mark Findlay

Golf Operations Daniel Cromie

Chairman's Report



It gives me great pleasure to present my first chairman's report on behalf of the board and the management team of Sanctuary Lakes Club. The Club continues to deliver great outcomes year on year since its transition from being development owned and operated. The team have achieved some fantastic outcomes in the last financial year that continues to bring us closer to our vision. These outcomes are consistent with the Club's critical initiatives:

- Growing membership subscriptions
- Growing corporate and social golf income
- Growing golf shop and driving range income
- Course curating services
- Improve hospitality offering

One of the largest projects completed this year was to bring curating services back in-house. For most members, their experience is centred around the course condition and therefore, managing this strategic asset internally was a must for the Board. After a short four months, the member feedback from our most recent survey confirms that 99% of members agree this decision was a positive step. The condition of the course has improved dramatically with SLC taking its position at 62 in the Australian top 100 courses and being selected to host the Victorian Open Final Qualifying in February 2019.

Bringing curating in-house has had a couple of major financial flow-on effects that position Sanctuary Lakes Club well into the future. Firstly, we have saved circa \$150,000 in our operating cost base to manage the course. Secondly, with our own staff, we have been able to resolve long-standing irrigation issues on the course, that allow us to better utilise water, one of our largest expenses each year. Last year alone, inefficient water utilisation and costs exceeded budget by over \$100,000.

The renewals process and outcomes in 2017 provided some insights into where we needed to focus as a team on the membership experience. A couple of these were, when new members joined and the experience in the golf shop. These areas both saw investment throughout the year in additional staff and resources to improve our offering to members. Improved induction of new members and communication saw us improve our retention of new members back in line with industry norms. This is important to us continuing to increase member numbers. Similarly focus on our existing members was important and the Club held its inaugural Foundation Members Golf day and Dinner to recognise and celebrate the group of members that have been with the Club from its foundation.

Growth is not always linear on our journey to long-term financial stability, leading membership and golfing experience. The investments made this year coupled with a lower than expected entry membership base, curating transition and water costs contributed to an operating loss of \$358,513. The improvements in course curating, water utilisation, membership and other golf incomes will flow through to the current financial year where the Club is forecast to post a profit in FY2019.

Whilst the current year and short-term financial outlook is positive, the Board have made the decision that 'a step change' is required in our underlying financial operating model. The Board released an Expression of

Interest with the aim to find a development consultant/partner that would help us identify potential long-term non-core income from our land assets.

Any potential development is aimed at ensuring that SLC continues to own its land assets, whilst building an income stream diverse from our current incomes.

This is about ensuring the long-term viability of the Club for all future members. All sports and recreational activities have their cycles. This strategy will provide the financial stability for SLC to see out any fluctuations in traditional golf participation, and give SLC the freedom to focus on participation in golf of various forms at our Club. This will be complemented by a refreshed strategic plan outlining our short, medium and long-term goals.

The Board would like to thank our major sponsor Melbourne City Lexus for their ongoing support and our gratitude to all sponsors of the Club.

I would like to thank my fellow Directors Anthony Flynn, Dale Roseburgh, and Brandon Dodds for the tireless work that they put into their positions as volunteers and Alex Franklin our Club Captain. Similarly, to all the people that volunteer on committees, we sincerely appreciate the work you put into helping make this a great Club.

On behalf of all members, I would like to thank the wonderful staff that are truly passionate about providing a leading experience for all members. We have a great leadership team across the Club now including Mark Findlay, Dan Cromie and Jessica Yong. Notably, Ian Crews our General Manager for his conviction and leadership in keeping all the facets of the Club running well.

Lastly, I would like to thank Craig Kennedy as he steps down from his Chairmanship and as a Director of the Club. Craig has been a driving force behind the Club for the last four years, ensuring that we kept all our major land assets and have been able to trade our way through challenging levels of debt and losses over the years. You leave with our gratitude and respect for the way you have carried yourself in office.



Ruy Franco

Chairman

General Manager's Report



It gives me great pleasure to provide my General Manager's Report for Sanctuary Lakes Club Limited (SLCL) for the 2018 Financial Year. The past 12 months have been both challenging and rewarding which have culminated in some structural changes, which have been implemented to underpin our future success. The most significant of these include;

- Bringing Course Operations back in house with the appointment of Mark Findlay as Superintendent, coupled with the addition of a new fleet of machinery, which has already provided the course with a new lease of life.
- A rejuvenated Match and Green Committee, led by Club Captain Alex Franklin, are delivering on the Strategic Plan developed in 2017.
- The appointment of PGA Professional Dan Cromie to head our Golf Operations team will continue to raise the level of service we aspire to, providing members and their guests with an experience worthy of our course.

Our strategy to focus on revenue growth and member's service levels has resulted in increases in golf operation's income through golf shop sales and teaching. Both have increased by 30% annualised year on year. This however, was more than offset by an increase in irrigation expenses and operational wages, which both increased in excess of \$100k, resulting in a greater than anticipated operating loss.

Our F2019 budget is projected to deliver a profit and our current year to date results have us tracking towards that goal. We have recently undertaken a course irrigation review. This has resulted in increased efficiencies, coupled with savings realised by bringing course operations in house.

We will continue to build on our revenue streams with managed corporate and social golf, investment in our driving range and teaching facilities to strive to create a leading golf teaching facility in Melbourne's West that attracts golfers of all levels to our great golf course.

Other highlights over the past year include:

- Men's & Colts VGA Pennant Teams remaining in Division 2 of this prestigious competition
- A successful 2018 Club Championships, which we aim to improve on each year
- The continued success of Australia Day and ANZAC Day on our golfing calendar
- Listed in Australian Golf Digest's Top 12 courses in Metropolitan Melbourne, being the highest rated course outside the traditional sandbelt
- Awarded Final qualifying for the Victoria Open to be held in February 2019

I would like to take this opportunity to thank the following, who all play a part in our past and future successes;

- Our Staff – from administration, golf shop and recently added course curating staff. Thank you for your efforts and you are all part of what form our ever improving Club

- Our Volunteers – from Directors through our range of Committees and to our driving range attendants. Volunteers are the backbone of a strong Club and its culture. Your efforts do not go unnoticed, and are appreciated.
- Our Corporate Sponsors – in particular Melbourne City Lexus, all of your continued support is appreciated.

I would like to thank the Directors and Members for your continued support and encouragement. Our Club continues on the path to success, and we can look to the immediate future with optimism as we implement the next phase of our innovative and inclusive strategies.

Ian Crews

General Manager

Club Captain's Report



2018 has been my first full year acting as the Club Captain and it has coincided with a number of other exciting new appointments with Mark Findlay Head Superintendent, Ruy Franco Chairman, and Dan Cromie Head of Golf Operations.

I believe each appointment will lead to positive changes at the Club, and I look forward to working closely with Mark, Ruy and Dan along with the rest of the Match and Green committee, and Ian and his team.

I am happy with the following initiatives we have implemented in 2018, namely:

- Improving speed of play by:
 - introducing 'Ready Golf',
 - cutting back the long rough,
 - analysing all competition round times to identify trends and our slower groups,
 - handing accountability back to members with the lowest handicapper in each group being responsible for their speed of play, and lastly,
 - changing the events calendar to have less black tee and stroke rounds.
- Being closely involved in the decision to bring back the Greenkeeping function in-house. This crucial and courageous decision has allowed us as a committee to execute on a number of action items from our 2017 Course Strategic Plan:
 - managing the height of our rough;
 - removing lomandras around the course;
 - cleaning up around hazards like the 18th hole;
 - cleaning up around the 1st and 10th tees and the 9th green and the putting green;
 - re-shaping some bunkers;
 - recovering greens that have shrunk in size, and also,
 - adding mounding on right side of 18 to protect balls from ricocheting off the path into the apartments.
- Improving the communications with members by introducing the 'Around the Greens' newsletter and sending out regular updates to our members
- Engaging with a volunteer group to help Mark's team with clearing of hazards and around 1/9/10 & putting green

There are many areas still to improve around our Club, and our areas of focus for 2019 will be to:

- Improve our Pennant team management and focus on recruiting better Junior/Colts/ Women players to the Club
- Host successful qualifying day for the Victorian Open on February 4 and host another successful round of VGA Pennants in March
- Continue to improve the events calendar and improve the management of our Board events
- Discipline poor member behaviour by implementing a zero-tolerance stance with disrespectful and inconsiderate members
- Communicate minimum course care expectations with all social and guest players visiting our Club
- Continue with course improvements:
 - We will continue to focus on further removal of remaining lomandras;
 - working with Mark's team to make green surrounds more playable;
 - improving playability of bunkers (matting and re-shaping);
 - reducing any weed infestation;
 - continuing to stay on top of rough height and management to make it more playable; and,
 - reducing or managing poa grasses on greens, tees and fairways

I have been very pleased with the rapid changes and improvements we have seen in the latter half of 2018, and I look forward to continuing to focus on providing all our members with a premium golfing and Club experience that will see us remain the best golf Club in the West.

See you around the Club.

Alex Franklin

Sanctuary Lakes Club Captain

Honorary Mentions & Acknowledgements

The Board wishes to acknowledge and thank the following individuals who sat on the various committees throughout this year.

Match and Green Committee

Alex Franklin, Stephen Kennedy, Shaun Smith, Dale Roseburgh, Janice McCormack, Mark Findlay, Daniel Cromie, Ian Crews, Trevor Hillier and Garreth Bohanes

Membership Committee

Ruy Franco, Ian Crews, Jeanne Burbidge, Mark Winter, Bernard Malcolm, Kacey Dempsey and Michael McDade

Ladies Committee

Jeanne Burbidge, Janice McCormack, Kaoru Curmi, Kacey Dempsey, Ian Crews and Daniel Cromie

Pennant Committee

Jason Box, Alex Franklin, Byron Dodds and Steve Piesley

House and Social Committee

Barbara Lawn, Ian Crews and Kacey Dempsey

Junior Committee

Helen Frost, Byron Dodds, Ian Crews, Suzi Wesley and Anthony Di Battista

Ground Crew

Mark Findlay and his ground staff

The Vets

Thank you for all your effort during the year, including filling divots, repairing, picking up balls along the driving range and all other bits and pieces you volunteer for and support.

Hospitality

Thanks to SLFC and staff.

The Board would also like to thank all those volunteers and other individuals who have contributed to the Club over the year in review.

Major Event Winners 2017-2018

Club Championships Gross Winner

Men's Club Champion 2017: Mark Grimsditch

A Grade Champion 2017: Keith Bottomley

B Grade Champion 2017: Colm Molloy

C Grade Champion 2017: Craig Quinn

Ladies Club Champion 2017: Kiandra Hughes

Junior Club Champion 2017: Tommi Wesley

Foursomes Championships 2017

Mens Foursomes Champions 2017: Ryan McMurtrie & Stephen Kennedy

Ladies Foursomes Champions 2017: Sarah Piper & Kaoru Curmi

Mixed Foursomes Champions 2017: Seonghwan Kang & Cho Hong

Mens Foursomes Nett Champions 2017: Mark Hunt & Jason McClintock

Best Nett Mixed 2017: Andrew Morgan & Sally Schott

4 Ball Better Ball Matchplay Championship

2017 Men 4BBB Matchplay: Colin Burton & Michael Roper

2017 Ladies 4BBB Matchplay: Sue Law & Penny Heron

Matchplay Champion

A Grade Matchplay Winner 2017: Johan Gwee

B Grade Matchplay Winner 2017: Tommi Wesley

C Grade Matchplay Winner 2017: Robert McMain

Ladies Matchplay Winner 2017: Janice McCormack

Hole in One

Kee Lim 2nd Hole 12th July 2017
 Robert McGregor 11th Hole 9th August 2017
 Greg Charlton 2nd Hole 14th September 2017
 Tommi Wesley 6th Hole 1st October 2017
 Ken Davis 11th Hole 9th October 2017
 Elaine Belcher 11th Hole 24th October 2017
 Stephen Kennedy 6th Hole 22nd November 2017
 Constantine Ramantanis 6th Hole 16th December 2017
 Andy Baczkowski 2nd Hole 21st December 2017
 Stewart Clark 11th Hole 23rd December 2017
 Colm Molloy 6th Hole 2nd January 2018
 Robert Goegan 6th Hole 7th April 2018
 Shane Hooton 2nd Hole 25th April 2018
 Imran Muftarov 6th Hole 27th June 2018

Monthly Medal Winners

2017

July: Stephen Kennedy
 August: Gary House
 September: Mark Hunt
 October: Chi Ling Tian
 November: Michael Sarpi
 December: Joe Ahmad

2018

January: Imran Muftarov
 February: Imran Muftarov
 March: Neil Bradshaw
 April: Joshua Ridge
 May: Aungwin Tin
 June: Daniel Saykan

02 DIRECTORS' REPORT

The Directors of Sanctuary Lakes Club Ltd submit herewith their report together with the accounts of the Company for the year ended 30 June 2018. The following persons were Directors of the Company during the whole of the financial year and up to the date of this report:

Ruy Franco (Chair)	Appointed 27 February 2017
Craig Kennedy	Appointed 14 August 2014
Dale Roseburgh	Elected 24 November 2015
Brandon Dodds	Elected 23 November 2016
Anthony Flynn	Elected 23 November 2016

PRINCIPAL ACTIVITIES

The Company's principal activities have been the operation of a golf Club.

RESULTS

The Net Comprehensive Loss of the Company for the financial year was \$358,513 compared with a Net Comprehensive Income of \$1,468,110 for the 2017 financial year.

FINANCIAL PERFORMANCE

The Company sought to implement some strategic initiatives throughout the year to improve its underlying cost base and ability to manage ongoing costs into the future. These changes, along with increased water and staff costs led to a greater than expected financial loss.

The changes in operating cost base for curating and investment in resolving long standing irrigation issues give the Company greater control of its two largest costs that it has had in the past.

The Board's primary objective is for the Company to deliver an operating surplus and a strong financial position as a foundation for future growth.

STATE OF AFFAIRS

During the financial year, there was no other significant change in the Company's state of affairs.

LIKELY DEVELOPMENTS

In the opinion of the Directors, disclosure of information regarding likely developments in the Company's operations and the expected results of its operations in future financial years is likely to result in unreasonable commercial prejudice to the Company. Accordingly, this information has not been disclosed in this report.

SUBSEQUENT EVENTS

There were no events of material nature to report.

DIRECTORS' INTERESTS AND BENEFITS

No Director of the Company has received or become entitled to receive any benefit (because of a contract made by the Company or a related body corporate with the Director, a firm of which the Director is a member or a company in which the Director has a substantial financial interest) other than:

- i. A benefit included in the aggregate amount of remuneration received or due and receivable by Directors; or
- ii. Amounts paid or payable as disclosed in the notes to the accounts.

DIVIDENDS

Pursuant to Clause 5.1 of the Company's Constitution, the Company cannot pay or declare dividends.

DIRECTORS' MEETINGS

The number of Directors' meetings held and attended by each Director of the Company during the financial period up to and including the date of this report were: -

Director	Number of Meetings attended	Number of Meetings held whilst in office
Ruy Franco	4	4
Craig Kennedy	4	4
Dale Roseburgh	4	4
Anthony Flynn	4	4
Brandon Dodds	4	4

OTHER MATTERS

There are no unissued shares under option as at the date of this report.

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company: -

- i. indemnified them or made any relevant agreement for indemnifying them against a liability including costs and expenses in successfully defending legal proceedings; or
- ii. paid or agreed to pay a premium for them in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

ENVIRONMENTAL ISSUES

The Company's operations are believed to be in accordance with all significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Signed in accordance with a resolution of the Directors made pursuant to the Corporations Act., on behalf of the Directors.



Ruy Franco

Chairman



Anthony Flynn

Director

03 AUDITOR'S INDEPENDENCE DECLARATION

TOWARDS A VISION SHARED



ABN 15 893 818 045

127 Paisley Street,
Footscray Vic 3011
Australia

Phone (03)9680 1000
Fax (03)9689 6605

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
SANCTUARY LAKES CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 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.



Name of Auditor: Frederik R.L. Eksteen

Date: 30 October 2018

Address: Collins & Co
127 Paisley Street
Footscray VIC 3011

04 INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SANCTUARY LAKES CLUB LTD

TOWARDS A VISION SHARED



ABN 15 893 818 045

127 Paisley Street
Footscray VIC 3011
Australia

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www.collinsco.com.au

SANCTUARY LAKES CLUB LTD INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of Sanctuary Lakes Club Ltd (the company), which comprises the balance sheet as at 30 June 2018, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Board.

In my opinion, the financial report of the company is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1 and the Corporations Act 2001.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Going Concern

I note that the company incurred an operating loss of \$352,052 this year (2017: \$89,272) and that it is currently reliant on the sale of excess undeveloped land and other facilities to fund its operations (as detailed in the Directors Report, and Note 1 to the accounts). If such finance activities are not ongoing and strategies to increase trading revenue whilst reducing operating costs are unsuccessful, the company may not be able to operate as a going concern into the future, hence it may be unable to realize assets and discharge liabilities in the normal course of business, and/or this may occur at amounts different to those stated in the financial report. My opinion is not modified in respect of this matter.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Sanctuary Lakes Club Ltd to meet the requirements of the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the company 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 Group or to cease operations, or has no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 responsible entities.
- Conclude on the appropriateness of the responsible entities 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Name of Auditor: Frederik R.L. Eksteen

Address: Collins & Co
127 Paisley Street
Footscray VIC 3011

Date: 30 October 2018

05 DECLARATION BY DIRECTORS

As detailed in Note 1 to the financial report the Company is not a reporting entity because in the Directors' opinion, there is unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This financial report is therefore a "Special Purpose Financial Report" that has been prepared solely for the Directors and members of the Company.

The Directors of the Company declare that.-

- (i) The Statement of Comprehensive Income is drawn up so as to present fairly the results of the Company for the financial year ended 30 June 2018;
- (ii) The Statement of Financial Position is drawn up so as to present fairly the position of the Company for the financial year ended 30 June 2018;
- (iii) The Statement of Changes in Equity is drawn up so as to present fairly the position of the Company for the financial year ended 30 June 2018;
- (iv) The Statement of Cash Flows is drawn up so as to present fairly the results of the Company for the financial year ended 30 June 2018;
- (v) As indicated in Note 1, at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (vi) The accompanying accounts have been made out in accordance with applicable accounting standards and other mandatory professional reporting requirement in Australia except as set out in the Note 1 to the accounts.

On behalf of the Board



Ruy Franco
Chairman

30 October
2018



Anthony Flynn
Director

30 October
2018

06 STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Subscription Fees	2	1,388,745	1,486,486
Trading Revenue	2	1,024,577	893,842
Other Revenue from Ordinary Activities	2	444,236	532,041
		2,857,558	2,912,369
Employment Costs		(687,660)	(568,112)
Cost of Sales		(428,036)	(193,929)
Other Expenses from Ordinary Activities		(2,093,914)	(2,239,600)
		(3,209,610)	(3,001,641)
Operating Profit/(Loss) for the year		(352,052)	(89,272)
Non-operating items			
Profit from the Sale of Assets	3	-	1,572,813
Interest on finance facilities		(6,461)	(15,431)
		(358,513)	1,557,382
Total Comprehensive Income/(Loss) for the year		(358,513)	1,468,110

07 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash & Cash Equivalents	4	62,732	233,655
Trade & Other Receivables	5	471,240	451,434
Inventory	6	87,301	68,395
Total Current Assets		621,273	753,484
Non-Current Assets			
Land and Buildings	7	7,928,302	7,949,266
Plant & Equipment	7	356,971	215,588
Loan to Sanctuary Lakes Resort Services Ltd		300,000	600,000
Total Non-Current Assets		8,585,273	8,764,854
Total Assets		9,206,546	9,518,338
Current Liabilities			
Trade & Other Payables	8	934,579	970,820
Provisions	9	35,176	22,813
Financial Liabilities	10	16,622	7,418
Total Current Liabilities		986,377	1,001,051
Non-Current Liabilities			
Provisions	9	12,000	10,510
Financial Liabilities	10	59,905	-
Total Non-Current Liabilities		71,905	10,510
Total Liabilities		1,058,282	1,011,561
Net Assets		8,148,264	8,506,777
Members' Equity			
Members' Surplus		8,148,264	8,506,777
Total Members' Equity		8,148,264	8,506,777

08 STATEMENT OF CHANGES IN MEMBER'S EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Members' Surplus \$
Balance at 30 June 2016	7,038,667
Profit/ (Loss) attributable to Members	<u>1,468,110</u>
Balance at 30 June 2017	8,506,777
Profit/ (Loss) attributable to Members	<u>(358,513)</u>
Balance at 30 June 2018	<u>8,148,264</u>

The Statement of Changes in Members' Equity should be read in conjunction with the notes to and forming part of the accounts

09 STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
Cash Flow from Operating Activities		\$	\$
Receipts from customers		2,840,657	2,890,076
Payments to suppliers and employees		(3,168,821)	(2,923,803)
Interest Paid		(6,461)	(15,431)
Net Cash from Operating Activities	11(i)	<u>(334,625)</u>	<u>(49,158)</u>
Cash Flows from Investing Activities			
Proceeds on Sale of Land		-	1,674,000
Payments for Plant and Equipment		(200,930)	(74,144)
Net Cash (used in) Investing Activities		<u>(200,930)</u>	<u>1,599,856</u>
Cash Flows from Financing Activities			
Repayment of HP Liability		(19,122)	(6,792)
Proceeds from HP Liability		83,754	-
Proceeds/ (Payment) from SLRS Loan		300,000	(900,000)
Repayment of SLRS Loan		-	(500,000)
Net Cash (used in) Financing Activities		<u>364,632</u>	<u>(1,406,792)</u>
Net Increase/(Decrease) in Cash		(170,923)	143,906
Cash Held at the Beginning of the Financial Year		<u>233,655</u>	<u>89,749</u>
Cash Held at the End of the Financial Year	11(ii)	<u>62,732</u>	<u>233,655</u>

10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1 SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

This financial report is a special purpose financial report prepared for use by the Directors and Members of the Company. The Directors have determined that the Company is not a reporting entity, and therefore there is no requirement to apply all applicable accounting standards or other mandatory professional reporting requirements in the-preparation and presentation of this report. The Company is limited by guarantee, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Australian Accounting Standards and Accounting Interpretations:

AASB 107: Cash Flow Statements;

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;

AASB 110: Events after the Balance Sheet Date;

AASB 117: Leases;

AASB 1031: Materiality;

AASB 1048: Interpretation and Applicable Standards

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The 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.

The following is a summary of the material policies adopted by the Company in the preparation of the financial report. Taxation Pursuant to a review of the affairs of the Company by the Australian Taxation Office "ATO", the income tax exempt status of the Company was withdrawn on the basis that the ATO believed the Company's principal activity had not been the promotion of sport.

The Directors have since re-structured the business affairs of the Company, effective from 1 July 2010, to ensure the principal activity remains the promotion of sport, thereby facilitating the tax-exempt status of the Company.

Recognition

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

10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1 SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of settling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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

Financial Instruments

Held to maturity investments

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

Available for sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. Available for sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to Member's equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments using the effective interest rate method.

Fair Value

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1 SUMMARY OF ACCOUNTING POLICIES (CONT'D)

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statement.

Impairment

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

Impairment of Assets

At each reporting date, the Company 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.

Impairment testing is performed annually for intangible assets with indefinite lives.

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

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 short term borrowings in current liabilities on the balance sheet.

10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1 SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Revenue

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

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet 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 financial activities, which are disclosed as operating cash flows.

Comparative Figures

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

Property, Plant and Equipment

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

Depreciation

All assets, excluding freehold land, are depreciated on a reducing balance basis over their useful lives to the Company, rates generally varying between 20% and 40%.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

Critical Estimates and Judgments

The Directors evaluate estimates and judgments using historical knowledge and best available current information.

**10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2018**

2. Revenues	2018	2017
	\$	\$
Operating Revenue:		
Subscription Fees	1,352,680	1,456,334
Member Joining Fees	36,065	30,152
Golf Operations	869,169	678,232
Group Golf	155,408	215,610
Rental Income	389,227	454,944
Interest	-	418
Other	55,009	76,679
Total Operating Revenue	2,857,558	2,912,369
3. Non-Operating Revenue		
Profit from the Sale of Land	-	1,572,813
Total Non-Operating Revenue	-	1,572,813
4. CASH & CASH EQUIVALENTS		
Cash At Bank and On Hand	62,732	233,655
	62,732	233,655
5. TRADE & OTHER RECEIVABLES		
Current		
Trade Debtors	98,548	71,915
Provision for Doubtful Debts	(14,000)	(12,950)
Sundry Debtors	3,822	32,984
Accrued Income	21,407	-
Prepaid Expenses	61,463	59,485
Sanctuary Lakes Resort Services Ltd Loan	300,000	300,000
	471,240	451,434
6. INVENTORY		
Current		
Stock - at cost	87,301	68,395

10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
7. PROPERTY, PLANT & EQUIPMENT		
Golf Course & Clubhouse at valuation	7,177,885	7,177,885
<i>*Land Title Costs \$209,039 added to Land Value in 2015 Year</i>		
Buildings & Improvements	1,048,709	1,048,709
Accumulated Depreciation	(298,292)	(277,328)
	<u>7,928,302</u>	<u>7,949,266</u>
Plant and Equipment – cost	983,266	790,904
Accumulated Depreciation	(648,733)	(600,007)
	<u>334,533</u>	<u>190,897</u>
Office Equipment – cost	170,520	163,425
Accumulated Depreciation	(148,082)	(138,734)
	<u>22,438</u>	<u>24,691</u>
Total Property Plant and Equipment - Book Value	8,285,273	8,164,854
8. TRADE & OTHER PAYABLES		
Current		
Trade Creditors	263,157	291,036
Accruals	99,665	62,876
Other Payables	16,246	20,010
Prepaid Subscriptions	555,511	596,898
	<u>934,579</u>	<u>970,820</u>
9. PROVISIONS		
Current		
Provision for Annual Leave	35,176	22,813
Provision for Long Service Leave	-	-
	<u>35,176</u>	<u>22,813</u>
Non-Current		
Provision for Long Service Leave	12,000	10,510
	<u>12,000</u>	<u>10,510</u>

10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
10. FINANCIAL LIABILITIES		
Current		
HP Liabilities	16,622	7,418
	16,622	7,418
Non-Current		
HP Liabilities	59,905	-
	59,905	-

11. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Net Cash from Operating Activities to Profit after Income Tax

i) Operating profit/(loss) after income tax		
<i>Non-Cash Items:</i>	(358,513)	1,468,110
Depreciation	93,028	26,785
Profit from the Sale of Assets	-	(1,572,813)
Doubtful Debts	1,050	-
<i>Change in operating assets and liabilities:</i>		
Receivables (net of impairment)	(16,901)	(22,293)
Inventories	(18,906)	(68,395)
Payables	(48,236)	115,623
Provisions	13,853	3,825
Net Cash from Operating Activities	(334,625)	(49,158)

ii) Reconciliation of Cash

Cash includes cash on hand, short term deposits, net of bank overdrafts and is reconciled to the statement of financial position as follows:

Cash	62,732	233,655
	62,732	233,655

10 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		2018 \$	2017 \$
12. AUDITOR'S REMUNERATION			
Audit		13,350	25,000
		13,350	25,000
13. HIRE PURCHASE COMMITMENTS			
Gross Hire Purchase Payments< 1 year		20,743	7,418
Future Finance Charges< 1 year		(4,121)	-
		16,622	7,418
Gross Hire Purchase Payments 1- 5 years		66,443	-
Future Finance Charges 1- 5 years		(6,538)	-
		59,905	-

14. RELATED PARTIES

The Directors of the Company are named in the Directors' Report.

During the year, the Company did not have any transactions with related entities.

15. SHARE CAPITAL

The Company is limited by guarantee (i.e. it has no share capital). Each Member does not have a right to vote at any general meeting until Completion Date (as defined in the Constitution). On winding up of the Company, any surplus assets (after all debts are settled) will be distributed to a company with similar objects and similar constitutional restrictions.