MORUYA GOLF CLUB LTD

ABN: 45 000 402 424

ANNUAL FINANCIAL REPORT
For the year ended
30 June 2013

CONTENTS

Moruya Golf Club Limited

ABN: 45 000 402 424

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2013.
The names of the directors in office at any time during the year together with their qualifications and any special allocated responsibilities are as follows:-

MALAVEY, Greg	Consultant	President Finance Committee Strategic Planning Committee
SETTER, Kevin	Retired	Building Committee Greens Committee
PARKER, Donald	Retired	Captain Match Committee (chair)
LUDLOW, Jeffrey	Job Network	Resigned 01/02/2013
BATT, Kym	Consultant	Resigned 01/05/2013
PICKETT, Pam	Retired	Resigned 01/11/2012
CARLSON, Martin	GP	Greens Committee
SMITH, Ian	Retired	Appointed 1/11/2012 Greens Committee (chair)
MOORE, Brett	Retired	Appointed 1/05/2013

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

Director	Meetings Eligible to Attend	Meetings Attended
G. Malavey	12	12
K. Setter	12	12
D. Parker	12	10
J Ludlow	5	4
K. Batt	9	5
P. Pickett	2	0
M. Carlson	12	7
I. Smith	10	9
B. Moore	4	4

Club's Objectives

To promote and conduct the game of golf and such other pastime and recreations as the club may deem expedient.

The Club's short term objectives include increasing the level of membership and patronage of the Club while ensuring compliance with legislative and regulatory obligations. In the long term, the Club's objectives include asset replacement, increased member services and lower dependency on gaming through diversification of facilities and services.

Strategies to meet objectives
The Club has developed a strategic plan to deliver the objectives of the club.

Principal activities
The nature of operations and principal activities of the club during the financial year were to conduct a golf club and licensed operations.

Achievement of objectives
The ongoing operation of the Club and business development activities will assist the Board to deliver the strategic plan

Measurement of performance
Key performance indicators are approved by the Board and reported on by the CEO to the Board on a monthly basis. The key performance indicators include financial and non-financial measures.

Financial results
The Club reported a profit for the year of $14,250 (2012 profit $45,852).

Auditor's Independence Declaration
The lead auditor's independence declaration for the year ended 30 June 2013 has been received and is set out on page 5.

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

Director: G. Malavey

Dated this 16th day of September 2013

Auditor's Independence Declaration
To The Directors of Moruya golf Club Ltd
Under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 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.

Gleeson & Partners
Joseph O'Sullivan

Date: 16th September 2013

19/49 Vulcan Street
Moruya NSW 2537

Moruya Golf Club Limited

ABN: 45 000 402 424

Statement of Profit or Loss and Comprehensive Income

for the year ended 30 June 2013

	Note	2013 $	2012 $
Revenue	2	2,401,751	2,472,301
Other income	2	-	3,945
Changes in inventories		(1,698)	2,412
Raw materials and consumables used		(265,298)	(289,209)
Employee benefits expense		(804,447)	(808,403)
Depreciation and amortisation expenses		(248,628)	(271,777)
Promotion expenses		(221,881)	(247,933)
Golf expenses		(336,252)	(324,759)
Audit, legal and consulting expenses		(12,144)	(16,451)
Administration expenses		(270,155)	(274,768)
Finance costs		(11,387)	(21,922)
Other expenses		(215,611)	(177,584)
Profit (loss) before income tax		14,250	45,852
Income tax expense			
Profit (loss) for the year		14,250	45,852
Other Comprehensive Income:			
Other comprehensive income for the year, net of tax			**-**
Total Comprehensive Income/(Loss) for the year		14,250	45,852

The accompanying notes form part of these financial statements.

Moruya Golf Club Limited
ABN: 45 000 402 424

Statement of Financial Position
as at 30 June 2013

	Note	2013 $	2012 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	192,322	260,416
Trade and other receivables	5	12,717	4,547
Inventories	6	40,969	42,667
Other assets	7	7,037	13,990
Total Current Assets		253,045	321,620
Non-current Assets			
Property, plant and equipment	8	2,388,558	2,430,381
Intangible assets	9	57,300	57,300
Total Non-current Assets		2,445,858	2,487,681
Total Assets		2,698,903	2,809,301
LIABILITIES			
Current Liabilities			
Trade and other payables	10	313,962	300,249
Borrowings	11	53,453	190,966
Provisions	12	102,349	139,836
Total Current Liabilities		469,764	631,051
Non-current Liabilities			
Borrowings	11	71,309	22,129
Provisions	12	5,162	17,703
Total Non-current Liabilities		76,471	39,832
Total Liabilities		546,235	670,883
Net Assets		2,152,668	2,138,418
EQUITY			
Retained earnings		2,152,668	2,138,418
Total Equity		2,152,668	2,138,418

The accompanying notes form part of these financial statements.

Moruya Golf Club Limited
ABN: 45 000 402 424

Statement of Changes in Equity
for the year ended 30 June 2013

	Retained Earnings $	Total $
Balance at 1 July 2011	2,092,566	2,092,566
Comprehensive income		
Profit for the year	45,852	45,852
Total comprehensive income attributable to members of the company for the year	45,852	45,852
Balance at 30 June 2012	2,138,418	2,138,418
Balance at 1 July 2012	2,138,418	2,138,418
Comprehensive income		
Profit for the year	14,250	14,250
Total comprehensive income attributable to members of the company	14,250	14,250
Balance at 30 June 2013	2,152,668	2,152,668

The accompanying notes form part of these financial statements.

Moruya Golf Club Limited
ABN: 45 000 402 424

Statement of Cash Flows
for the year ended 30 June 2013

	Note	2013 $	2012 $
Cash flows from operating activities			
Receipts from customers		2,385,457	2,473,046
Payments to suppliers and employees		(2,190,652)	(2,172,147)
Interest received		2,130	5,204
Finance costs		(11,387)	(21,922)
Net cash provided by operating activities		185,548	284,181
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		11,091	-
Purchase of property, plant and equipment		(176,400)	(113,799)
Net cash used in investing activities		(165,309)	(113,799)
Cash flows from financing activities			
Increase in finance lease & borrowings		114,124	31,383
Repayment of finance lease & borrowings		(62,384)	(153,383)
Net cash (used in)/provided by financing activities		51,740	(122,000)
Net (decrease)/ increase in cash held		71,979	48,382
Cash at beginning of financial year		120,343	71,961
Cash at end of financial year	4	192,322	120,343

The accompanying notes form part of these financial statements.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation
Moruya Golf Club Limited has elected to early adopt the Australian Accounting Standards Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 20102: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. Accordingly, the entity has also early adopted AASB 20112: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project Reduced Disclosure Requirements* and AASB 20127: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* in respect of AASB 20106: *Amendments to Australian Accounting Standards Disclosures on Transfers of Financial Assets* and AASB 20119: *Amendments to Australian Accounting Standards presentation of Items of other Comprehensive Income.*

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

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, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 16th September 2013 by the directors of the company.

Accounting Policies

a. **Income Tax**
The company is considered exempt from income tax under div 50 of the Income Tax Assessment Act 1997.

b. **Inventories**
Inventories are measured at the lower of cost and net realisable value.

c. **Property, Plant and Equipment**
Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment are measured on the cost basis.

The carrying amount of property, plant and equipment is reviewed annually by directors 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, excluding freehold land, is depreciated on a straight-line and diminishing value basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	1-10%
Plant and equipment	5 – 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 or losses are included in the income statement.

d. **Leases**

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

Finance leases are capitalised by recording the asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

e. **Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at cost. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Loans and receivables

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

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are measured at cost.

f. **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 goodwill and 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.

g. **Intangibles**

Poker Machine entitlements purchased are valued at purchase price, and are not considered to be depreciable assets. The carrying amount of the assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amount of those assets.

h. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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.

i. **Provisions**
Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j. **Cash and Cash Equivalents**
Cash and cash equivalents include cash on hand, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

k. **Revenue**
Revenue from sale of goods is recognised upon the delivery of goods to customers.

Subscription revenue is recognised on a proportional basis taking into account the period for which it represents.

Interest revenue is recognised as received.

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

l. **Borrowing Costs**
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

m. **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 Taxation 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 financing activities, which are disclosed as operating cash flows.

n. **Comparative Figures**
Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

o. **Going Concern**
The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In the event that the Club is unable to continue as a going concern, the Club may not be able to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements.

p. *Critical accounting estimates and judgments*
The directors evaluate 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 company.

Key estimates – Valuation of intangibles
No impairment loss has been recognised in respect of intangibles for the year ended 30 June 2013 as the company believes that the intangibles are supported by current market trends.

Key estimates – Provision for Impairment of Receivables
The directors believe that the full amount of receivables is recoverable and no provision of impairment of receivables has been made at 30 June 2013.

Notes to the financial statements
for the year ended 30 June 2013

Note 2: Revenue and Other Income

	Note	2013 $	2012 $
Sales Revenue			
- Bar sales		589,628	600,230
- Poker machine revenue		1,099,911	1,125,698
- Café bar		52,953	65,763
- Keno commission		23,646	24,347
- TAB commissions		8,526	4,328
- Other income		93,658	105,771
- Golfing receipts		230,588	253,475
- Cart and storage receipts		70,795	64,656
- Subscriptions		224,933	207,505
- Tournament receipts		4,983	15,324
		2,399,621	2,467,097
Other Revenue			
- interest received on financial assets not at fair value through profit or loss		2,130	5,204
		-	5,204
Total revenue		2,401,751	2,472,301
Other income			
- gain on disposal of property, plant and equipment		-	3,945
Total other income		-	3,945
Total revenue and other income		2,401,751	2,476,246

Note 3: Profit for the Year

a. **Expenses**

	2013 $	2012 $
Cost of sales	266,966	286,797
Interest expense on financial liabilities not at fair value through profit & loss:	11,387	21,922
Rental expense on operating leases	29,690	19,654
Loss on disposal of property, plant and equipment	843	-

Note 4: Cash and Cash Equivalents

	Note	2013 $	2012 $
CURRENT			
Cash at bank		144,254	192,429
Cash on hand		48,068	67,987
		192,322	260,416

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents		192,322	260,416
Bank overdraft	11	-	(140,073)
		192,322	120,343

Note 5: Trade and Other Receivables

	2013 $	2012 $
CURRENT		
Trade receivables	12,717	4,547
	12,717	4,547

Note 6: Inventories

	2013 $	2012 $
CURRENT		
At cost		
- Trading stock	40,969	42,667
	40,969	42,667

Note 7: Other Assets

	2013 $	2012 $
CURRENT		
Prepayments	7,037	13,990
	7,037	13,990

Note 8: Property, Plant and Equipment

	2013 $	2012 $
LAND AND BUILDINGS		
Freehold land at:		
- cost	33,652	33,652
Total land	33,652	33,652
Buildings at:		
- cost	2,367,843	2,367,843
Less accumulated depreciation	(830,346)	(760,946)
Total buildings	1,537,497	1,606,897
Total land and buildings	1,571,149	1,640,549
PLANT AND EQUIPMENT		
Plant and equipment:		
- at cost	2,814,082	2,675,297
Accumulated depreciation	(1,996,673)	(1,885,465)
Accumulated impairment losses	-	-
	817,409	789,832
Total plant and equipment	817,409	789,832
Total property, plant and equipment	2,388,558	2,430,381

The company's land and buildings were valued on 30/6/13, at $2,200,000 by directors. Valuations were made on the basis of open market value.

a. **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 year:

	Freehold Land	Improvements & Buildings	Plant and Equipment	Total
	$	$	$	$
Balance at 1 July 2012	33,652	1,606,897	789,832	2,430,381
Additions	-	-	218,739	218,739
Disposals	-	-	(11,934)	(11,934)
Depreciation expense	-	(69,400)	(179,228)	(248,628)
Balance at 30 June 2013	33,652	1,537,497	817,409	2,388,558

Note 9: Intangible Assets

	2013	2012
	$	$
Poker machine entitlements at cost	57,300	57,300
Accumulated impairment losses	-	-
Net carrying value	57,300	57,300
Reconciliation of Intangibles		
Balance at beginning of year		57,300
Amortisation charges		-
Closing carrying value at 30 June 2013		57,300

Note 10: Trade and Other Payables

		2013	2012
		$	$
CURRENT			
Unsecured liabilities			
- Trade payables		119,511	144,395
- Sundry payables and accrued expenses		86,168	41,577
- Deferred income		108,283	114,277
	10a	313,962	300,249

a. Financial liabilities at amortised cost classified as trade and other payables

	2013	2012
	$	$
Trade and other payables		
- total current	313,962	300,249
- total non current	-	-
Less deferred income	(108,283)	(114,277)
Financial liabilities as trade and other payables	205,679	185,972

Note 11: Borrowings

		2013 $	2012 $
CURRENT			
Bank overdraft secured	11c	-	140,073
Lease liability	13	53,453	25,893
Bank loan	11c	-	25,000
		53,453	190,966
NON-CURRENT			
Lease liability	13	71,309	22,129
		71,309	22,129

a. Total current and non-current secured liabilities:

	2013	2012
Bank overdraft	-	140,073
Bank loan	-	25,000
	-	165,073

b. The carrying amounts of current and non-current assets pledged as security are:

	2013 $	2012 $
First mortgage		
- Freehold land and buildings	1,571,149	1,640,549
Floating charge		
- other assets	253,045	321,620
	1,824,194	1,962,169

c. The bank overdraft and loans are secured by a registered first mortgage over the freehold properties of the company and a floating charge over the receivables and assets of the company. The loan facility expired 31/12/2012.

Hire purchase/lease liabilities are secured over the plant and equipment subject to hire purchase/lease.

Note 12: Provisions

	2013 $	2012 $
CURRENT		
Provision for employee benefits: annual leave	56,758	87,025
Provision for employee benefits: long service leave	45,591	52,811
	102,349	139,836
NON-CURRENT		
Provision for employee benefits: long service leave	5,162	17,703
	5,162	17,703
	107,511	157,539

	Employee Benefits $	Total $
Analysis of total provisions:		
Opening balance at 1 July 2012	157,539	157,539
Additional provisions raised during the year	66,091	66,091
Amounts used	(116,119)	(116,119)
Balance at 30 June 2013	107,511	107,511

Provision for Employee Benefits
Provision for employees benefits represents accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlement that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note1(h).

Note 13: Capital and Leasing Commitments

a. **Finance Lease Commitments**

	2013 $	2012 $
Payable		
- not later than 12 months	53,453	25,893
- between 12 months and five years	71,309	22,129
Minimum lease payments	124,762	48,022

The hire purchase/lease liabilities are for periods of between 2 and 5 years at rates varying from 6.90% to 10.07%.

b. **Operating Lease Commitments**
Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2013 $	2012 $
Payable		
- Not later than 12 months	34,573	31,378
- Between 12 months and 5 years	101,757	98,941
	136,330	130,379

The company leases the golf course for a current annual rental $10,781 plus outgoings. The lease expires June 2025. An annual rental of $4,206 is also paid for storage facilities. The company holds a perpetual lease for the clubhouse land. The annual rental is $9,622 plus outgoings. The company has leased golf cars until October 2014. The yearly rental is $9,964.

c. **Capital Expenditure Commitments**
The company is to construct a machinery and storage shed at an approximate cost of $450,000. The commencement date is uncertain but is likely to begin before 30 June 2014. It is intended to finance the cost through bank loans.

Note 14: Contingent Liabilities and Contingent Assets

The company has no contingent liabilities or assets.

Note 15: Events After the Reporting Period

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

Note 16: Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2013	**2012**
	$	**$**
Key management personnel compensation	129,723	130,306

Note 17: Other Related Party Transactions

Other related parties include family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

During the year a company controlled by Greg Malavey, a director, provided advertising space for $1,636.

The wife of Martin Carlson, a director, is an employee and received $29,406 in employment benefits for the year.

Note 18: Financial Risk Management

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	**2013**	**2012**
		$	**$**
Financial Assets			
Cash and cash equivalents	4	192,322	260,416
Loans and receivables	5	12,717	4,547
		205,039	264,963
Financial Liabilities			
Financial liabilities at amortised cost			
- trade and other payables	10	205,679	185,972
- borrowings	11	124,762	213,095
		330,441	399,067

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the *Corporations Act 2001*:

    a. comply with Australian Accounting Standards; and

    b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: G. Malavey

Dated this 16th day of September, 2013

Moruya Golf Club Limited

ABN: 45 000 402 424

Independent Auditor's Report
to the members of Moruya Golf Club Limited

We have audited the accompanying financial report of Moruya Golf Club Limited, which comprises the statement of financial position as at 30 June 2013 and the statement of profit or loss and comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors declaration.

Directors responsibility for the Financial Report

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

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Moruya Golf Club Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

Auditors Opinion

In our opinion, the financial report of Moruya Golf Club Ltd is in accordance with the *Corporations Act 2001,* including

a. giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

b. complying with Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001.

Gleeson and Partners

Joseph O'Sullivan

19/49 Vulcan Street
Moruya NSW 2537
Dated this 16th day of September, 2013