

# Golf Queensland Limited

## **ANNUAL REPORT**

Year Ended 31 December 2018

Golf Queensland Limited

A.C.N. 126 091 450

A.B.N. 54 126 091 450

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## CHAIR'S REPORT

Following significant work and consideration over the past years by the Golf Queensland Board a service agreement with Golf Australia was put in place last September. Then for five Australian jurisdictions, Victoria, Queensland, South Australia, Tasmania and the Northern Territory, One Golf officially commenced on Monday, 1 October 2018. It gives me great pleasure to present this Golf Queensland Chair report under the new One Golf Management Model.

Our Queensland District Members must be acknowledged for their support through this time, notably the unanimous vote of support for the One Golf model in May last year was recognised across Australia and highlighted a strength of the States commitment to the growth of golf both locally and across the country.

I would like to thank the previous staff of Golf Queensland who are now employed by Golf Australia. Despite the challenges created through organisational change which naturally lead to both personal and professional concerns, the Queensland staff transitioned into the new model no worse off and have at the same time continued to drive all of their various operations across the State. For this the Board and I would like to thank each individual staff member for their understanding and continued high level work through this evolution.

Specifically I recognise the change in role of Lindsay Ellis from Golf Queensland CEO to the Golf Australia - Governance, Risk Management & Compliance Senior Manager. Lindsay had a distinguished career as CEO of Golf Queensland. For the past 10 years he has steered Golf Queensland admirably and grown the organisation and its ability to service Queensland Golfers significantly over this time and we wish Lindsay all the best in his new National role.

I would also like to acknowledge Luke Bates who has transitioned from Golf Queensland - Manager of Golf Operations to the role of Golf Australia - Golf Operations and State Senior Manager - Queensland. Luke's leadership and friendship to us all has been a feature of the success and on behalf of the Board I would like to personally thank Luke.

I sincerely thank my fellow Board Directors for their support and guidance over the past 12 months. As volunteers they commit significant amounts of personal time to travel and meet in Brisbane and attend function across the State. I would also like to thank the many other volunteers involved in our operations and committees who have provided a significant amount of time to Golf Queensland in this past period.

Finally, as Golf in Queensland continues to evolve both on and off the golf course, it is imperative that strong communication is maintained. I encourage all Districts to continue to raise any matter either directly to myself, with other Golf Queensland Board members or relevant Golf Australia staff to ensure that golf's success in Queensland continues.

David Brett

Chair

**Golf Queensland Limited and Controlled Entity**

**ACN: 126 091 450**

**Financial Report**

**For the Year Ended 31 December 2018**

# Golf Queensland Limited ACN 126 091 450 and Controlled Entity

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# Golf Queensland Limited ACN 126 091 450 and Controlled Entity

## Directors' Report

Your directors present their report on the company and its controlled entity for the financial year ended 31 December 2018.

### Directors

The names of each person who has been a director during the year and to the date of this report are:

- Matthew Joseph Toomey
- Carmel Joan O'Keeffe
- Lorraine Catherine Matthews - resigned 20 February 2018
- Judith Ann Logan
- David Colin Brett
- David James Alexander Bell
- Patrick Joseph Twomey
- Andrew Gerard Slack - resigned 21 January 2019
- Michele Dale Stanley - appointed 7 March 2018

### Secretary

- Matthew Thomas Sedgman

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

### Objective

Golf Queensland aims to promote and foster the game of golf, preserve its traditions and encourage existing golfers to realise their potential and athletic abilities and develop golfing talent.

### Strategy

The strategies employed to achieve those objectives utilise the following drivers:

- we will strive to attract, introduce and keep people in the game;
- we will provide opportunities for talented Queensland golfers to excel;
- we will optimise our operations through diligent and best practice management while assisting clubs and districts to do the same; and
- to achieve sustained organisational performance we will actively grow and develop our resources inclusive of finances, facilities, partnerships and other infrastructure.

### Principal Activities

The principal activities during the year were the provision of Participation and Development programs, Tournaments, High Performance programs, and Technical programs. These activities were developed in line with our key drivers as supporting strategies within the business plan. The success of these activities in achieving their desired outcome is assessed against Key Performance Indicators linked to the business plan's supporting strategies.

### Review of Operations

On 4 April 2018 the subsidiary company, Joint Venture Golf Holdings Pty Ltd, was wound up. The net assets of this company were distributed to Golf Queensland Limited.

On 6 September 2018, Golf Queensland Limited entered into a Services Agreement with Golf Australia Limited. Golf Australia Limited will manage and administer the principal activities previously managed by Golf Queensland. The results of this are disclosed in the attached financial report.

## Golf Queensland Limited ACN 126 091 450 and Controlled Entity

### Operating Results

The profit for the year of the consolidated group amounted to \$75,888 (2017 Loss: \$63,584).

### Future Developments

The consolidated group expects to maintain the present status and level of operations and hence there are no likely developments in the consolidated group's operations.

### Information on Directors

|                                    |   |
|------------------------------------|---|
| <b>David Colin Brett</b>           | Elected Director (Chair)  |
| Qualifications                     | Advanced Diploma of Agribusiness (The University of Sydney)<br>Human Resource Management (Macquarie University Sydney)  |
| Experience                         | Head of Client Coverage Queensland, Corporate and Institutional Banking, National Australia Bank<br>Member at Royal Queensland Golf Club.   |
| <b>David James Alexander Bell</b>  | Elected Director  |
| Qualifications                     | Bachelor of Laws / Bachelor of Business (Accountancy) - Queensland University of Technology<br>Master of Sport Management - Griffith University   |
| Experience                         | Management and sub-committee experience with Golf Queensland, Virginia Golf Club, University of Queensland Tennis Club Inc. and Queensland Athletics Ltd.<br>Admitted as a solicitor to the Supreme Court of Queensland and the High Court of Australia   |
| <b>Judith Ann Logan</b>            | Elected Director  |
| Experience                         | Management experience with Golf Queensland.<br>Golf Queensland Delegate and President of Brisbane & District Ladies Golf Association, Committee positions including President and Treasurer with Laidley Golf Club for over 28 years, Committee positions including Secretary and Treasurer with the Moreton District Golf Association for over 20 years, over 29 years working at Commonwealth Bank of Australia in clerical to lending positions. |
| <b>Lorraine Catherine Matthews</b> | Elected Director (resigned 20 February 2018)  |
| Qualifications                     | Australian Health Practitioner Regulation Agency - Registered General Nurse & Midwife<br>Bachelor of Administration - University New England (Armidale)   |
| Experience                         | Committee member Cairns Golf Club, Women's Captain & Club Vice-President Gordonvale, Vice-President & President FNQDLGA. Manager for the FNQDLGA Junior Jug & Meg Nunn teams 2012.  |
| <b>Carmel Joan O'Keeffe</b>        | Elected Director  |
| Experience                         | Management experience with Golf Queensland, Delegate to Women's Golf Central Qld, Secretary Golf Central Highlands through amalgamation, executive committee Springsure Golf Club for the last 25 years, CQ Meg Nunn Team for the last 7 years.   |

## Golf Queensland Limited ACN 126 091 450 and Controlled Entity

|                              |  |
|------------------------------|--|
| <b>Matthew Joseph Toomey</b> | Elected Director   |
| Qualifications               | Graduate Diploma of Chartered Accounting - Institute of Chartered Accountants in Australia<br>Bachelor of Commerce - University of Queensland  |
| Experience                   | Management and sub-committee experience with Golf Queensland and Virginia Golf Club. Graduate Member of Australian Institute of Company Directors.   |
| <b>Patrick Joseph Twomey</b> | Appointed Director   |
| Qualifications               | Graduate Diploma of Superannuation - Australian Superannuation Funds Association<br>Graduate Diploma of Financial Planning - Australian Superannuation Funds Association<br>Masters of Business Administration - University of Queensland  |
| Experience                   | General Manager, Growth and Development - Sunsuper<br>Member of Royal Queensland Golf Club<br>Associate of Australian Superannuation Funds Association   |
| <b>Andrew Gerard Slack</b>   | Appointed Director (Resigned 21 January 2019)  |
| Qualifications               | Diploma of Education   |
| Experience                   | Sports Editor Channel Nine News Brisbane<br>Wallabies Captain and National Selector (Australian Rugby Union)<br>Queensland Reds Coach<br>Member of The Brisbane Golf Club<br>Vice President of the Queensland Rugby Union  |
| <b>Michele Dale Stanley</b>  | Director (Appointed 7 March 2018)  |
| Experience                   | Committee positions for 8 years at Redland Bay Golf Club including President of the Ladies Committee. Active member of Golf Qld Tournament Support Group since 2013. On Management Committee of Brisbane and Districts Ladies Golf Association for 2 years. Committee positions at Redlands Lawn Tennis Association including Vice-President. Work experience includes 14 years as Manager of a school canteen and uniform shop and 7 years as an administrative officer with Telstra. |

## Golf Queensland Limited ACN 126 091 450 and Controlled Entity

### Meetings of Directors

During the financial year ended 31 December 2018, 7 meetings of directors were held. Attendances by each director were as follows:

|                             | Directors Meetings    |                 |
|-----------------------------|-----------------------|-----------------|
|                             | No eligible to attend | Number attended |
| David James Alexander Bell  | 7                     | 6               |
| Judith Ann Logan            | 7                     | 7               |
| Lorraine Catherine Matthews | 2                     | 2               |
| Carmel Joan O'Keefe         | 7                     | 5               |
| Matthew Joseph Toomey       | 7                     | 7               |
| David Colin Brett           | 7                     | 7               |
| Patrick Joseph Twomey       | 7                     | 6               |
| Andrew Gerard Slack         | 7                     | 5               |
| Michele Stanley             | 6                     | 6               |

### Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

### Dividends Paid or Recommended

The company is prohibited from paying a dividend.

### Proceedings on Behalf of the Consolidated group

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

### Environmental Issues

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### After Balance Date Events

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

### Members' Guarantee

The parent entity is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 31 December 2018 the number of members was 18.

### Auditor's Independence Declaration

The lead auditor's independence declaration for the financial year ended 31 December 2018 has been received and can be found on page 6 of the directors' report.



**Golf Queensland Limited ACN 126 091 450 and Controlled Entity**

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

Director



David Brett

Dated this

11th

day of

MARCH.

2019

Golf Queensland Limited ACN 126 091 450  
Auditor's Declaration of Independence



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**DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF GOLF QUEENSLAND LIMITED**

As lead auditor of Golf Queensland Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Golf Queensland Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'D P Wright', written over a white background.

D P Wright  
Director

**BDO Audit Pty Ltd**

Brisbane, 11 March 2019

Golf Queensland Limited ACN 126 091 450

Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the Year Ended 31 December 2018

|   | Note  | Group         |                 |
|---|-------|---------------|-----------------|
|   |       | 2018          | 2017            |
|   |       | \$            | \$              |
| Revenue   | 2     | 3,736,732     | 4,183,935       |
| Employee benefits expense   | 3     | (860,188)     | (1,250,241)     |
| Affiliation fees  |       | (1,071,154)   | (1,055,571)     |
| Service fee to Golf Australia   |       | (573,041)     | -               |
| Project and program expenses  | 3     | (934,787)     | (1,644,386)     |
| Administration  |       | (130,779)     | (193,064)       |
| Depreciation and amortisation   | 3     | (90,895)      | (104,257)       |
| <b>Surplus (Loss)</b>   |       | <u>75,888</u> | <u>(63,584)</u> |
| Income tax expense  | 1 (l) | -             | -               |
| <b>Surplus (Loss)</b>   |       | <u>75,888</u> | <u>(63,584)</u> |
| <b>Other comprehensive income</b>   |       |               |                 |
| <i>Items that will not be reclassified subsequently to Profit or Loss</i> |       |               |                 |
| Gain on revaluation of land and buildings, net of tax                     |       | -             | -               |
| <b>Other comprehensive income, net of tax</b>                             |       | <u>-</u>      | <u>-</u>        |
| <b>Total comprehensive income for the year</b>                            |       | <u>75,888</u> | <u>(63,584)</u> |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Golf Queensland Limited ACN 126 091 450**

**Consolidated Statement of Financial Position  
as at 31 December 2018**

|                                      | Note | Group            |                  |
|--------------------------------------|------|------------------|------------------|
|                                      |      | 2018<br>\$       | 2017<br>\$       |
| <b>ASSETS</b>                        |      |                  |                  |
| <b>CURRENT ASSETS</b>                |      |                  |                  |
| Cash and cash equivalents            | 4    | 3,576,528        | 3,014,675        |
| Trade and other receivables          | 5    | 934,211          | 978,136          |
| Inventories                          |      | -                | 5,557            |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>4,510,739</b> | <b>3,998,368</b> |
| <b>NON-CURRENT ASSETS</b>            |      |                  |                  |
| Financial assets                     | 6    | 1                | 1                |
| Property, plant and equipment        | 7    | 1,772,260        | 1,887,764        |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>1,772,261</b> | <b>1,887,765</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>6,283,000</b> | <b>5,886,133</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>CURRENT LIABILITIES</b>           |      |                  |                  |
| Trade and other payables             | 8    | 2,483,601        | 2,078,997        |
| Provisions                           | 9    | -                | 49,947           |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>2,483,601</b> | <b>2,128,944</b> |
| <b>NON-CURRENT LIABILITIES</b>       |      |                  |                  |
| Provisions                           | 9    | -                | 33,678           |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>-</b>         | <b>33,678</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>2,483,601</b> | <b>2,162,622</b> |
| <b>NET ASSETS</b>                    |      | <b>3,799,399</b> | <b>3,723,511</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Retained Earnings                    |      | 2,648,507        | 2,572,619        |
| Reserves                             |      | 1,150,892        | 1,150,892        |
| <b>TOTAL EQUITY</b>                  |      | <b>3,799,399</b> | <b>3,723,511</b> |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Golf Queensland Limited ACN 126 091 450

Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2018

|   | Retained<br>Earnings | Asset<br>Revaluation<br>Reserve | Total            |
|---|----------------------|---------------------------------|------------------|
|   | \$                   | \$                              | \$               |
| <b>Balance at 1 January 2017</b>              | 2,636,203            | 1,150,892                       | 3,787,095        |
| Surplus after income tax expense for the year | (63,584)             | -                               | (63,584)         |
| Revaluation of Land and Building              | -                    | -                               | -                |
| Transfer from Reserves                        | -                    | -                               | -                |
| <b>Balance at 31 December 2017</b>            | <u>2,572,619</u>     | <u>1,150,892</u>                | <u>3,723,511</u> |
| <b>Balance at 1 January 2018</b>              | 2,572,619            | 1,150,892                       | 3,723,511        |
| Surplus after income tax expense for the year | 75,888               | -                               | 75,888           |
| Revaluation of Land and Building              | -                    | -                               | -                |
| Transfer from Reserves                        | -                    | -                               | -                |
| <b>Balance at 31 December 2018</b>            | <u>2,648,507</u>     | <u>1,150,892</u>                | <u>3,799,399</u> |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Golf Queensland Limited ACN 126 091 450

Consolidated Statement of Cash Flows  
for the Year Ended 31 December 2018

|   | Note  | 2018<br>\$       | 2017<br>\$       |
|---|-------|------------------|------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                    |       |                  |                  |
| Receipts from customers                                       |       | 3,751,975        | 3,944,852        |
| Payments to suppliers and employees                           |       | (3,277,239)      | (4,145,015)      |
| Interest received   |       | 63,469           | 68,136           |
| <b>Net cash generated by / (used in) operating activities</b> | 16(b) | <u>538,205</u>   | <u>(132,027)</u> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                    |       |                  |                  |
| Proceeds from sale of property, plant and equipment           |       | 39,202           | 38,087           |
| Payment for property, plant and equipment                     |       | (15,554)         | (120,217)        |
| <b>Net cash generated by / (used in) investing activities</b> |       | <u>23,648</u>    | <u>(82,130)</u>  |
| Cash at the beginning of the financial year                   |       | 3,014,675        | 3,228,832        |
| Net increase / (decrease) in cash held                        |       | 561,853          | (214,157)        |
| <b>Cash at the end of the financial year</b>                  | 16(a) | <u>3,576,528</u> | <u>3,014,675</u> |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Golf Queensland Limited and controlled entities ('Consolidated Group' or 'Group'). Golf Queensland Limited is a company limited by guarantee, incorporated and domiciled in Australia.

On 4 April 2018 the subsidiary company, Joint Venture Golf Holdings Pty Ltd, was wound up. From this date forward, the financial statements reflect Golf Queensland Limited as a standalone company.

The financial statements were authorised for issue in accordance with a resolution of directors on 11 March 2019. The directors have the power to amend and reissue the financial statements.

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

For financial reporting purposes, Golf Queensland Limited and controlled entities is considered a "not for profit" entity.

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

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### a. Revenue

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

Non-reciprocal grant revenue is recognised in the Statement of Comprehensive Income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the Statement of Financial Position as a liability until such conditions are met or services provided.

The consolidated group charges capitation fees to its affiliated members in June for the next twelve months based on the number of members in the prior financial year. Only fees applicable to the financial period July - December are recognised as income, with January to June fees recognised as deferred revenue (note 1(j)).

Entry fees are recognised upon enrolment into the event and receipt of monies.

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

#### b. Inventories

Inventories are measured at cost, adjusted when applicable for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

#### c. Property, Plant and Equipment

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

##### Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

# Golf Queensland Limited ACN 126 091 450

## Notes to the Financial Statements for the Year Ended 31 December 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Plant and Equipment

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 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.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line and diminishing value basis over the asset's useful life to the group 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 - Diminishing value |
|------------------------------|---------------------------------------|
| Buildings                    | 2%                                    |
| Office furniture & equipment | 11.25% - 40%                          |
| Motor vehicles               | 30%                                   |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

Asset class carrying amounts are written down immediately to their 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 Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.



## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### d. Principles of Consolidation

A controlled entity is any entity over which Golf Queensland Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 21 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

##### e. Leases

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

##### f. Impairment of Assets

At each reporting date, the group 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 Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the group would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the group estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

##### g. Employee Benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to Statement of Financial Position date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the group to an employee superannuation fund and are charged as expenses when incurred.

##### h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments, and bank overdrafts.

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### i. 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

##### j. Deferred Revenue

The group bills affiliation fees to its affiliated members in June based on the number of members in the prior financial year for the next twelve months. It is the policy of the group to treat affiliation fees received in advance as deferred revenue in the Statement of Financial Position where the group is contractually obliged to provide the services in a subsequent financial period.

##### k. Contributions

Golf Queensland receives non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the Statement of Financial Position and revenue in the Statement of Comprehensive Income.

##### l. Income Tax

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

##### m. Provisions

Provisions are recognised when the group 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.

##### n. 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 group.

###### *Key estimates – Impairment*

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

##### o. New and Amended Standards Adopted

AASB 9 Financial Instruments became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the new standard.

The impact of this standard and the new accounting policies are disclosed in the following note. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

The adoption of AASB 9 from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in the note below. In accordance with the transitional provisions in AASB 9 (7.2.15) and (7.2.26), comparative figures have not been restated.

#### *Classification and Measurement*

On 1 January 2018 (the date of initial application of AASB 9), the Group's management has assessed which business models to apply to the financial assets held by the Group and has classified its financial instruments into the appropriate AASB 9 categories. There was no change to the classification of these assets or to the measurement of these assets.

#### *Impairment of financial assets*

The Group has one type of financial asset that is subject to AASB 9's new expected credit loss model, being trade and other receivables.

The Group was required to revise its impairment methodology under AASB 9. There was no material impact of the change in impairment methodology on the Group's retained earnings and equity.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

AASB 9 Financial Instruments - accounting policies applied from 1 January 2018

- *Investments and other financial assets*

#### *Classification*

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI, or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### *Measurement*

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transition costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### *Debt Instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### *Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### *Impact of adoption*

As a result of the changes in the Group's accounting policies, prior year financial statements had to be restated. AASB 9 was adopted without restating comparative information. There was no impact on any new standards adopted to the Balance Sheet.

#### **p. Accounting Standards Issued But Not Yet Effective**

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for the financial years ended 31 December 2018. They have not been adopted in preparing the financial statements for the year ended 31 December 2018 and are expected to impact the Group in the period of initial application. In all cases the Group intends to apply these standards from application date as listed below.

##### **AASB 15 Revenue**

AASB 15 Revenue from Contracts with Customers encourages entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of the goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue. The Standard is effective 1 January 2019, and the group does not expect the standard to have a material impact.

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### AASB 16 Leases

This Standard requires all leases, aside from those less than 12 months from commencement date and 'low value items', to be capitalised in the financial statements by recognising a 'right-of-use' asset and a lease liability for the present value of the obligation. Therefore, there will no longer be a straight-line 'rental' expense in profit or loss (with the two exceptions noted above). All leases will incur a frontend loaded expense, comprising of depreciation on the right-of-use asset and interest on the lease liability. When initially measuring the right-of-use asset and lease liability, non-cancellable lease payments, as well as payments on option periods with the entity is reasonably certain to exercise, must be included in the present value calculation. There will be no changes to accounting for leases as a lessor, and no changes to accounting for the two exceptions noted above. The Standard is effective 1 January 2019, and the group does not expect the standard to have a material impact.

##### AASB 1058 Income for Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities establishes principles and guidance when accounting for:

- i. Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFP to further its objectives, and
- ii. The receipt of volunteer services.

AASB 1058 supersedes all current income recognition requirements for private sector not-for-profit entities (NFPs), and most of the requirements for public sector NFPs currently contained in AASB 1004 Contributions. The Standard is effective 1 January 2019, and the group does not expect the standard to have a material impact.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

|   | Group            |                  |
|---|------------------|------------------|
|   | 2018             | 2017             |
|   | \$               | \$               |
| <b>NOTE 2: REVENUE</b>                  |                  |                  |
| <b>Operating Activities</b>             |                  |                  |
| Capitation fees                         | 2,866,391        | 2,665,068        |
| Grants                                  | 312,875          | 459,309          |
| Entry fees                              | 333,601          | 564,890          |
| Interest                                | 63,470           | 68,136           |
| Sponsorship                             | 125,609          | 369,440          |
| Donations                               | 11,708           | 28,986           |
| Profit on sale of asset                 | -                | 17,724           |
| Other                                   | 23,078           | 10,382           |
| <b>Total Revenue</b>                    | <b>3,736,732</b> | <b>4,183,935</b> |
| <b>NOTE 3: EXPENSES</b>                 |                  |                  |
| Project and program expenses            |                  |                  |
| - Employment expenses                   | 36,410           | 39,148           |
| - Member support services               | 253,768          | 584,567          |
| - Accommodation & travel                | 259,720          | 333,881          |
| - Communications                        | 16,578           | 42,224           |
| - Advertising & promotion               | 66,890           | 152,442          |
| - Contractor fees                       | 276,993          | 471,123          |
| - Grants                                | 24,428           | 21,001           |
| Total project and program expenses      | 934,787          | 1,644,386        |
| Depreciation and amortisation           |                  |                  |
| - Buildings                             | 33,300           | 33,300           |
| - Motor vehicles                        | 38,516           | 37,765           |
| - Furniture & equipment                 | 19,079           | 33,192           |
| Total Depreciation expense              | 90,895           | 104,257          |
| Total employee benefits expense         | 860,188          | 1,250,241        |
| - Superannuation expense included above | 71,429           | 102,245          |
| Auditor remuneration                    |                  |                  |
| - for audit of financial report         | 13,500           | 13,000           |
| - for other services                    | -                | -                |

**Golf Queensland Limited ACN 126 091 450**

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

|  | <b>Group</b> |             |
|--|--------------|-------------|
|  | <b>2018</b>  | <b>2017</b> |
|  | <b>\$</b>    | <b>\$</b>   |
| <b>NOTE 4: CASH AND CASH EQUIVALENTS</b>     |              |             |
| CURRENT                                      |              |             |
| Cash at bank                                 | 3,576,328    | 3,014,475   |
| Cash on hand                                 | 200          | 200         |
|  | 3,576,528    | 3,014,675   |
| <b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>   |              |             |
| CURRENT                                      |              |             |
| Trade receivables                            | 639,107      | 537,209     |
| Provision for impairment of receivables 1(o) | -            | -           |
|  | 639,107      | 537,209     |
| Prepayments                                  | 294,304      | 439,927     |
| Sundry debtors                               | 800          | 1,000       |
|  | 934,211      | 978,136     |
| <b>NOTE 6: FINANCIAL ASSETS</b>              |              |             |
| NON CURRENT                                  |              |             |
| Investment in Club Plus Pty Ltd              | 1            | 1           |
|  | 1            | 1           |

**Golf Queensland Limited ACN 126 091 450**

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

|  | Notes | Group     |           |
|--|-------|-----------|-----------|
|  |       | 2018      | 2017      |
|  |       | \$        | \$        |
| <b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b> |       |           |           |
| <b>LAND AND BUILDINGS</b>                    |       |           |           |
| Buildings at valuation                       |       | 1,665,000 | 1,665,000 |
| Less accumulated depreciation                |       | (66,600)  | (33,300)  |
| Total land and buildings                     |       | 1,598,400 | 1,631,700 |
| <b>OFFICE EQUIPMENT &amp; FURNITURE</b>      |       |           |           |
| Office equipment and furniture - at cost     |       | 269,364   | 397,695   |
| Less accumulated depreciation                |       | (203,636) | (288,279) |
|  |       | 65,728    | 109,416   |
| Trophies owned                               |       | 18,257    | 18,257    |
| Total office equipment and furniture         |       | 83,985    | 127,673   |
| <b>MOTOR VEHICLES</b>                        |       |           |           |
| Motor Vehicles - at cost                     |       | 189,216   | 189,216   |
| Less accumulated depreciation                |       | (99,341)  | (60,825)  |
| Total motor vehicles                         |       | 89,875    | 128,391   |
| Total property, plant and equipment          |       | 1,772,260 | 1,887,764 |

**Valuation of Land and Buildings:**

The valuation of Land and Buildings was at director valuation based independent valuations by John Martin Valuations on 31 December 2016. The valuation assumes that the property is free of encumbrances, restrictions or other impairments of an onerous nature, the property is free of mortgages, charges and other financials liens, there is no surface to sub-surface soil problems, the existing improvements are Council approved/certified.

The fair value of the land and building market value as at the date of the inspection for financial reporting purposes.



**Golf Queensland Limited ACN 126 091 450**

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

|   | Land and<br>Buildings | Motor<br>Vehicles | Office<br>Equipment<br>and<br>Furniture | Total            |
|---|-----------------------|-------------------|---|------------------|
|   | \$                    | \$                | \$                                      | \$               |
| <b>2017</b>   |                       |                   |   |                  |
| <b>Movements in Carrying Amounts</b>  |                       |                   |   |                  |
| Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year: |                       |                   |   |                  |
| Balance at the beginning of the period  | 1,665,000             | 89,662            | 137,238                                 | 1,891,900        |
| Additions at cost   | -                     | 96,590            | 23,627                                  | 120,217          |
| Disposals   | -                     | (20,096)          | -                                       | (20,096)         |
| Depreciation expense  | (33,300)              | (37,765)          | (33,192)                                | (104,257)        |
| Revaluation*  | -                     | -                 | -                                       | -                |
| Carrying amount at end of period  | <u>1,631,700</u>      | <u>128,391</u>    | <u>127,673</u>                          | <u>1,887,764</u> |

**2018**

**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:

|  |                  |               |               |                  |
|--|------------------|---------------|---------------|------------------|
| Balance at the beginning of the period | 1,631,700        | 128,391       | 127,673       | 1,887,764        |
| Additions at cost                      | -                | -             | 15,554        | 15,554           |
| Disposals                              | -                | -             | (40,163)      | (40,163)         |
| Depreciation expense                   | (33,300)         | (38,516)      | (19,079)      | (90,895)         |
| Revaluation*                           | -                | -             | -             | -                |
| Carrying amount at end of period       | <u>1,598,400</u> | <u>89,875</u> | <u>83,985</u> | <u>1,772,260</u> |

\* On 31 December 2016 all buildings were independently revalued.

**Golf Queensland Limited ACN 126 091 450**

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2018</b>  | <b>2017</b> |
|   | <b>\$</b>    | <b>\$</b>   |
| <b>NOTE 8: TRADE AND OTHER PAYABLES</b> |              |             |
| CURRENT                                 |              |             |
| Trade payables                          | -            | 452         |
| Other current payables                  | 1,020,803    | 447,165     |
| Deferred income                         | 1,462,798    | 1,442,978   |
| Employee benefits                       | -            | 188,402     |
| Total Trade and other Payables          | 2,483,601    | 2,078,997   |

**NOTE 9: PROVISIONS**

CURRENT

|                    |   |        |
|--------------------|---|--------|
| Long service leave | - | 49,947 |
|--------------------|---|--------|

NON-CURRENT

|                    |   |        |
|--------------------|---|--------|
| Long service leave | - | 33,678 |
| Total              | - | 83,625 |

Employees were transferred to Golf Australia Limited on 6 September 2018.

**NOTE 10: RESERVES**

**Asset Revaluation Reserve**

This reserve records the revaluation of land and buildings.

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2018</b>  | <b>2017</b> |
|   | <b>\$</b>    | <b>\$</b>   |
| <b>NOTE 11: CAPITAL AND LEASING COMMITMENTS</b>   |              |             |
| <b>a. Operating Lease Commitments</b>   |              |             |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements |              |             |
| Payable – minimum lease payments  |              |             |
| - not later than 12 months  | 2,837        | 6,809       |
| - later than 12 months but not later than 5 years   | -            | 2,837       |
|   | 2,837        | 9,646       |

Operating leases are for office equipment which includes the photocopier.

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### NOTE 12: CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities.

#### NOTE 13: EVENTS AFTER THE BALANCE DATE

As at the date of this report there are no matters or circumstances that have significantly affected, or may significantly affect the group's operations in future financial years, the group's results in the future period, or the group's state of affairs during future financial years.

#### NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

|                    | Short Term<br>Benefits | Post-<br>employment<br>Benefits | Total   |
|--------------------|------------------------|---------------------------------|---------|
|                    | \$                     | \$                              | \$      |
| <b>2018</b>        |                        |                                 |         |
| Total compensation | 101,516                | 9,469                           | 110,985 |
| <b>2017</b>        |                        |                                 |         |
| Total compensation | 140,822                | 13,342                          | 154,164 |

#### NOTE 15: RELATED PARTY TRANSACTIONS

The names of the directors who have held office during the year are

- Matthew Joseph Toomey
- Carmel Joan O'Keeffe
- Lorraine Catherine Matthews
- Judith Ann Logan
- David Colin Brett
- David James Alexander Bell
- Patrick Joseph Twomey
- Andrew Gerard Slack
- Michele Dale Stanley

The directors are not remunerated for their services provided to the consolidated entity, other than normal reimbursement type costs for travel etc.

**Golf Queensland Limited ACN 126 091 450**

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2018</b>  | <b>2017</b> |
|   | <b>\$</b>    | <b>\$</b>   |
| <b>NOTE 16: CASH FLOW INFORMATION</b>   |              |             |
| <b>a. Reconciliation of Cash</b>  |              |             |
| Cash at bank  | 3,576,328    | 3,014,475   |
| Other cash  | 200          | 200         |
|   | 3,576,528    | 3,014,675   |
| <b>b. Reconciliation of Cashflow from Operations with Profit after Income Tax</b> |              |             |
| (Profit)/Loss after income tax  | 75,888       | (63,584)    |
| <b>Non cash flows</b>   |              |             |
| Depreciation and amortisation   | 90,895       | 104,257     |
| Loss/(Gain) on disposal of fixed assets   | 960          | (17,722)    |
| <b>Changes in assets and liabilities</b>  |              |             |
| (Increase)/decrease in trade and other receivables                                | 43,925       | (331,183)   |
| (Increase)/decrease in inventory  | 5,557        | (1,319)     |
| Increase/(decrease) in trade and other payables                                   | (1,750)      | (1,695)     |
| Increase/(decrease) in deferred revenue   | 19,820       | 163,679     |
| Increase/(decrease) in other creditors and accruals                               | 574,937      | (20,617)    |
| Increase/(decrease) in employee entitlements                                      | (272,027)    | 36,157      |
| Cash flows provided by operating activities                                       | 538,205      | (132,027)   |

**NOTE 17: FINANCIAL RISK MANAGEMENT**

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

The totals for each category of financial instruments, measured in accordance with the accounting policies as recorded in the notes to these financial statements, are as follows:

|   |   | <b>2018</b> | <b>2017</b> |
|---|---|-------------|-------------|
| <b>Financial Assets</b>                 |   |             |             |
| Cash and cash equivalents               | 4 | 3,576,528   | 3,014,675   |
| Trade and Other Receivables             | 5 | 934,211     | 978,136     |
| <b>Total Financial Assets</b>           |   | 4,510,739   | 3,992,811   |
| <b>Financial Liabilities</b>            |   |             |             |
| Financial liabilities at amortised cost |   |             |             |
| - Trade and other payables              | 8 | 2,483,601   | 2,078,997   |
| <b>Total Financial Liabilities</b>      |   | 2,483,601   | 2,078,997   |

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Financial Risk Management Policies

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

The group does not have any derivative instruments at 31 December 2018.

#### i. Treasury Risk Management

The Directors have overall responsibility for the determination of the Group's risk management objectives. The Group's risk management policies and objectives are designed to minimise the potential impacts of financial instruments risks on the results of the Group where such impacts may be material.

#### ii. Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

##### Interest rate risk

The group'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.

##### Liquidity risk

The group manages liquidity risk by regularly monitoring the management accounts.

##### Credit 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, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

#### Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

#### a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the group.

The group does not have any material credit risk exposure as its major source of revenue is the receipt of affiliation fees.

##### Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

The group has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

**Golf Queensland Limited ACN 126 091 450**

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

**NOTE 17: FINANCIAL RISK MANAGEMENT (continued)**

|                           | <b>Group</b> |             |
|---------------------------|--------------|-------------|
|                           | <b>2018</b>  | <b>2017</b> |
|                           | <b>\$</b>    | <b>\$</b>   |
| Cash and cash equivalents |              |             |
| - AA rated                | 3,576,528    | 3,014,675   |
| 4                         | 3,576,528    | 3,014,675   |

**b. Liquidity risk**

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

***Financial liability and financial asset maturity analysis***

|   | <b>Within 1 Year</b> |             | <b>Total</b> |             |
|---|----------------------|-------------|--------------|-------------|
|   | <b>2018</b>          | <b>2017</b> | <b>2018</b>  | <b>2017</b> |
|   | <b>\$</b>            | <b>\$</b>   | <b>\$</b>    | <b>\$</b>   |
| <b>Financial liabilities due for payment</b>                                    |                      |             |              |             |
| Trade and other payables (excluding estimated annual leave and deferred income) | 1,020,803            | 447,617     | 1,020,803    | 447,617     |
| Total expected outflows   | 1,020,803            | 447,617     | 1,020,803    | 447,617     |
| <b>Financial Assets – cash flows realisable</b>                                 |                      |             |              |             |
| Cash and cash equivalents   | 3,576,528            | 3,014,675   | 3,576,528    | 3,014,675   |
| Trade and other receivables   | 934,211              | 978,136     | 934,211      | 978,136     |
| Total anticipated inflows   | 4,510,739            | 3,992,811   | 4,510,739    | 3,992,811   |
| Net (outflow)/inflow on financial instruments                                   | 3,490,052            | 3,545,194   | 3,490,052    | 3,545,194   |

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### c. Market Risk

##### i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The group is also exposed to earnings volatility on floating rate instruments.

The financial assets of the group consisted of cash and cash equivalents and trade and other receivables.

##### ii. Sensitivity Analysis

The following table illustrates sensitivities to the group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

|                             | Profit<br>\$ | Equity<br>\$ |
|-----------------------------|--------------|--------------|
| Year ended 31 December 2018 |              |              |
| +/- 2% in interest rates    | +/- 71,531   | +/- 71,531   |
| Year Ended 31 December 2017 |              |              |
| +/- 2% in interest rates    | +/- 60,294   | +/- 60,294   |

#### d. Net Fair Values

##### 1. Fair value estimation

The net fair values of all financial assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

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.

##### 2. Financial instruments measured at fair value

There are no financial instruments recognised at fair value in the statement of financial position.

## Golf Queensland Limited ACN 126 091 450

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Note 18: INFORMATION RELATING TO GOLF QUEENSLAND LIMITED (“the parent ENTITY”)

|   | 2018 | 2017      |
|---|------|-----------|
|   | \$   | \$        |
| Current assets                                  | -    | 3,998,170 |
| Total assets                                    | -    | 5,885,935 |
| Current liabilities                             | -    | 1,953,991 |
| Total liabilities                               | -    | 3,066,421 |
| Retained earnings                               | -    | 1,668,623 |
| Reserves  | -    | 1,150,892 |
| <br>  |      |           |
| Profit or loss of the parent entity             | -    | (63,584)  |
| Other comprehensive income                      |      |           |
| Total comprehensive income of the parent entity | -    | (63,584)  |

On 4 April 2018 the subsidiary company, Joint Venture Golf Holdings Pty Ltd, was wound up. The net assets of this company were distributed to Golf Queensland Limited. As such, no separate Parent Entity exists at 31 December 2018 requiring separate disclosure above.

#### NOTE 19: ENTITY DETAILS

The registered office and principal place of business of the entity is:

Golf Queensland Limited  
Unit 2, 14 Wren Street  
BOWEN HILLS, QLD 4006

#### NOTE 20: MEMBERS' GUARANTEE

The parent is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the entity. At 31 December 2018 the number of members was 18.

#### NOTE 21: CONTROLLED ENTITIES

|  | Country of<br>Incorporation | Parent Entity |      |
|--|-----------------------------|---------------|------|
|  |                             | 2018          | 2017 |
|  |                             | %             | %    |
| <b>Controlled Entities Consolidated</b>  |                             |               |      |
| Subsidiaries of Golf Queensland Limited: |                             |               |      |
| Joint Venture Golf Holdings Pty Ltd      | Australia                   | -             | 100  |



**Golf Queensland Limited ACN 126 091 450**

**Directors' Declaration**

The directors of the consolidated group declare that:

1. The financial statements and notes, as set out on pages 8 to 29 are in accordance with the *Corporations Act 2001*
  - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
  - b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the group.
2. In the directors' opinion there are reasonable grounds to believe that the group 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.

  
\_\_\_\_\_  
David Brett (Director)

Dated this 11<sup>th</sup> day of March 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Golf Queensland Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Golf Queensland Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Golf Queensland Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

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

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

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

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.

### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Report

The directors of the 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 group 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.

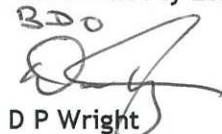
### Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

BDO Audit Pty Ltd



D P Wright  
Director

Brisbane, 11 March 2019