

Golf Queensland Limited

ANNUAL REPORT

Year Ended 31 December 2021

Golf Queensland Limited

A.C.N. 126 091 450

A.B.N. 54 126 091 450

14 Walden Lane

BOWEN HILLS QLD 4006

PO Box 50 RBH

HERSTON QLD 4029

www.golf.org.au

CHAIR'S REPORT

Reflecting on the turbulent past 12 months it is hoped that the up and downs caused by the impact of the Covid-19 Pandemic is largely behind us and we can plan ahead with more certainty across all aspects of life.

Over this time for Golf in Queensland once again we were fortunate to be allowed to continue to play the game we love albeit under strict restrictions. The impact of restriction did see many of the larger events that are run at Club, District, State and National level affected with many being postponed to the following year.

Despite the restrictions golf has continued to thrive and in Queensland we witnessed an increase of 6.4% in membership across our Golf Clubs

During this period it was timely that we joined Golf Australia (GA) in developing an Australian Golf Strategy that was launched in December 2021. I thank all Queenslanders that provided input into the strategy sessions GA conducted over the year. The Golf Queensland Board look forward to working with GA on the implementation of this strategy across Queensland, an area of land that we all know is so large and varied. In the upcoming years one of the key roles for the Board will be to review the local outcomes of programs under the strategy and we have confidence in GA for future success.

I am pleased to report that in March the sale of the Golf Queensland office at Bowen Hills (units 1,2 and 3) was completed and the revenue received from the sale along with the monies from the 2016 sale of Golf Queensland Training Centre has been invested in a GQ Investment fund. The GQ Investment fund will be seeded with an initial investment of \$4.7 million which represent the sale of the two properties. The objective of the fund is to provide long-term capital growth as well as a stable annual income stream in perpetuity to be used to invest into Golf in Queensland.

As a Board we continued to monitor the performance of services provided by GA under the One Golf Service Agreement and I would like to thank the GA staff involved with the financial and operational reporting which is provided to the Board in a robust and timely manner.

Despite the challenges of Covid-19, our operations continued to deliver strongly in the State. I would like to take this opportunity to thank all of the Queensland GA staff for their contribution to the game over this time.

Throughout the year we had numerous highlights, these included:

- The second edition of the Isuzu Queensland Open taking place at Pelican Waters Golf Club which was for the first time televised live on the weekend via Fox Sports.
- After a break in 2020 due to the pandemic the Outback Queensland Masters had an extremely successful second staging of the event, with sell-outs across all 6 venues.
- Our MyGolf and sporting schools' programs again lead the country in participants and active centres. The Get into Golf national program was also launched with a number of Clubs already utilising this resource and seeing fabulous results.
- Our Clubs and Facility Program continued to deliver expert advice across a range of areas including governance, audits, and reviews. Due to the pandemic this program also provided a significant amount of communication to Clubs on the ever-changing requirements needed to remain open under Covid-19 restrictions.

As a Board we welcomed Cathy Connellan and Brooke O'Keeffe at our July AGM. Both women bring an array of experiences from both off the golf course and on the golf course and have already both contributed greatly in meetings. With Cathy and Brooke joining the Board it also allowed for an equal 50/50 gender split.

I sincerely thank my fellow Directors for their support and guidance over the past 12 months. Specifically, I would like to express my thanks to Carmel O'Keeffe. Carmel resigned at the July AGM after providing ten years of service to the Board, over this period she did an outstanding job in representing regional Districts and specifically golf in the Central West.

I would also like to thank the many Clubs and facilities who have hosted State and National events, activities and competitions over the last 12 months, and to the many wonderful volunteers involved in our operations who have provided a significant amount of time to golf in Queensland over this past period.

Finally, I thank the input and time provided by all our Queensland Districts in a year which did not allow us to meet face to face. I encourage Districts to continue to raise any matter either directly to myself, with other Golf Queensland Board members or relevant Golf Australia staff and I look forward to hopefully seeing you soon.

A handwritten signature in black ink, appearing to read 'David Brett', with a stylized, cursive script.

David Brett
Chair

Golf Queensland Limited

ACN: 126 091 450

Financial Report

For the Year Ended 31 December 2021

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Directors' Report

Your directors present their report on the company for the financial year ended 31 December 2021.

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 - resigned 9 July 2021
- Judith Ann Logan
- David Colin Brett
- Patrick Joseph Twomey
- Michele Dale Stanley
- Peter Ward Reeves
- Catherine Ann Connellan - elected 9 July 2021
- Brooke Anne O'Keeffe - elected 9 July 2021

Secretary

- Matthew Thomas Sedgman - resigned 31 August 2021
- Luke Graham Bates - appointed 31 August 2021

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

In the 2021 financial year, there has been no further changes in the operations for Golf Queensland Limited.

Operating Results

The profit for the year of the entity amounted to \$1,449,416 (2020 Loss: \$29,321).

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Future Developments

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

Information on Directors

David Colin Brett	Elected Director (Chair)
Qualifications	Advanced Diploma of Agribusiness (The University of Sydney) Human Resource Management (Macquarie University Sydney)
Experience	Head of Client Coverage Queensland, Corporate and Institutional Banking, National Australia Bank Member at Royal Queensland Golf Club.
Judith Ann Logan	Elected Director
Experience	Management experience with Golf Queensland. 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.
Carmel Joan O'Keeffe	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.
Catherine Ann Connellan	Elected Director
Qualifications	Associate Diploma in Business Management Commerce Certificate Advanced Certificate in Insurance RG146 and ASFA 200 certified
Experience	General Manager, Client Services - IFAA Group Pty Ltd Over 40 years' experience in the superannuation and financial services industry Member of The Brisbane Golf Club Affiliate of Australian Institute of Company Directors
Brooke Anne O'Keeffe	Elected Director
Qualifications	Bachelor of Business (Human Resource Management). Certificate II in Sports and Recreation
Experience	Business and Retail Credit Risk Advisor, Suncorp Bank. Previous roles include Relationship Manager/Agribusiness Manager for both Suncorp and NAB. Executive committee experience with Central Highlands Golf for 3 years as Vice President and then President.

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	<p>Previously Ladies Captain and Vice Captain at Springsure Golf Club.</p> <p>Five time winner of Qld Ladies Sandgreens Championship and 2 time winner of Qld Ladies Foursomes (2021 & 2022).</p> <p>Member of Nudgee Golf Club.</p>
Matthew Joseph Toomey	Elected Director
Qualifications	<p>Graduate Diploma of Chartered Accounting - Institute of Chartered Accountants in Australia</p> <p>Bachelor of Commerce - University of Queensland</p>
Experience	Management and sub-committee experience with Golf Queensland and Virginia Golf Club. Graduate Member of Australian Institute of Company Directors.
Patrick Joseph Twomey	Appointed Director
Qualifications	<p>Graduate Diploma of Superannuation - Australian Superannuation Funds Association</p> <p>Graduate Diploma of Financial Planning - Australian Superannuation Funds Association</p> <p>Masters of Business Administration - University of Queensland</p>
Experience	<p>Head of Regions and Operations Australian Retirement Trust,</p> <p>Member of Royal Queensland Golf Club</p> <p>Fellow and Committee Member of National Member Engagement Committee of Australian Superannuation Funds Association</p> <p>Graduate Member of the Australian Institute of Company Directors</p> <p>ASIC Registered Financial Advisor</p>
Michele Dale Stanley	Elected Director
Experience	Committee positions for 8 years at Redland Bay Golf Club including President of the Ladies Committee. Active member of Golf Qld Tournament Support Entity 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.
Peter Ward Reeves	Appointed Director (Appointed 12 February 2020)
Qualifications	<p>Certified Practising Accountant</p> <p>Bachelor of Business (Accounting), Queensland University of Technology</p>
Experience	<p>Director, Asset Finance & Leasing, Corporate & Institutional Bank, National Australia Bank, 2018 - present</p> <p>Vice President, Structured Asset Finance, Commonwealth Bank of Australia, Brisbane, New York and Sydney, 2005 - 2017</p> <p>Member of Ashgrove Golf Club</p>

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Meetings of Directors

During the financial year ended 31 December 2021, 4 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings	
	No eligible to attend	Number attended
Judith Ann Logan	4	4
Carmel Joan O'Keefe	2	2
Matthew Joseph Toomey	4	3
David Colin Brett	4	2
Patrick Joseph Twomey	4	4
Michele Dale Stanley	4	4
Peter Ward Reeves	4	4
Catherine Ann Connellan	2	2
Brooke Anne O'Keefe	2	2

Indemnifying Officers or Auditor

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

Dividends Paid or Recommended

The company is prohibited from paying a dividend.

Proceedings on Behalf of the Entity

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

Environmental Issues

The entity'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 period which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state the state of affairs of the entity 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's and obligations of the entity. At 31 December 2021 the number of members was 18.

Auditor's Independence Declaration

The lead auditor's independence declaration for the financial year ended 31 December 2021 has been received and can be found on page 6 of the directors' report.

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

Director _____


Matthew Toomey

Dated this _____ 3rd _____ day of _____ May _____ 2022

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



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

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 2021, 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 year.

A handwritten signature in black ink, appearing to read 'D P Wright', is written over a horizontal line.

D P Wright
Director

BDO Audit Pty Ltd

Brisbane, 3 May 2022

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Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2021

	Note	2021	2020
		\$	\$
Revenue	2	3,694,266	3,564,784
Affiliation fees		-	(1,331,348)
One Golf services fee - QLD		(2,019,004)	(1,911,215)
District affiliation fees		-	(282,239)
Administration		(80,387)	(14,388)
Depreciation and amortisation	3 (a)	(15,943)	(54,915)
Other expenses	3 (b)	(129,516)	-
Surplus/(Deficit) before income tax expense		1,449,416	(29,321)
Income tax expense	1 (k)	-	-
Surplus/(Deficit) for the year		1,449,416	(29,321)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		1,449,416	(29,321)

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

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Statement of Financial Position
for the Year Ended 31 December 2021

	Note	2021	2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,117,176	2,044,118
Trade and other receivables	5	688,571	1,734,216
TOTAL CURRENT ASSETS		<u>1,805,747</u>	<u>3,778,334</u>
NON-CURRENT ASSETS			
Financial assets	6	4,769,579	-
Property, plant and equipment	7	84,631	1,636,101
TOTAL NON-CURRENT ASSETS		<u>4,854,210</u>	<u>1,636,101</u>
TOTAL ASSETS		<u>6,659,957</u>	<u>5,414,435</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,494,259	1,698,153
TOTAL CURRENT LIABILITIES		<u>1,494,259</u>	<u>1,698,153</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,494,259</u>	<u>1,698,153</u>
NET ASSETS		<u>5,165,698</u>	<u>3,716,282</u>
EQUITY			
Retained Earnings		5,165,698	2,565,390
Reserves		-	1,150,892
TOTAL EQUITY		<u>5,165,698</u>	<u>3,716,282</u>

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

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Statement of Changes in Equity
for the Year Ended 31 December 2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2020	2,594,711	1,150,892	3,745,603
Surplus after income tax expense for the year	(29,321)	-	(29,321)
Revaluation of Land and Building	-	-	-
Transfer from Reserves	-	-	-
Balance at 31 December 2020	2,565,390	1,150,892	3,716,282
Balance at 1 January 2021	2,565,390	1,150,892	3,716,282
Surplus after income tax expense for the year	1,449,416	-	1,449,416
Revaluation of Land and Building	-	-	-
Transfer from Reserves	1,150,892	(1,150,892)	-
Balance at 31 December 2021	5,165,698	-	5,165,698

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

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Statement of Cash Flows
for the Year Ended 31 December 2021

	Note	2021	2020
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,854,418	3,647,123
Payments to suppliers and employees		(3,208,637)	(3,828,270)
Interest received		7,162	21,446
Distribution received		44,878	-
Net cash generated by / (used in) operating activities	15(b)	<u>697,821</u>	<u>(159,701)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,100,000	-
Payment for investments		(4,724,763)	-
Net cash generated by / (used in) investing activities		<u>(1,624,763)</u>	<u>-</u>
Cash at the beginning of the financial year		2,044,118	2,203,819
Net increase / (decrease) in cash held		(926,942)	(159,701)
Cash at the end of the financial year	15(a)	<u>1,117,176</u>	<u>2,044,118</u>

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

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Notes to the Financial Statements for the Year Ended 31 December 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the financial statements and notes of Golf Queensland Limited ('the entity'). Golf Queensland Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue in accordance with a resolution of directors 3 May 2022. 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 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. Change in Accounting Policy

Revenue Recognition

In 2021, Golf Queensland changed its accounting policy in respect of fees relating to the operation of Golf Australia and District fees. In previous years these fees were shown in both income and expenditure. In 2021 these monies were netted off through a Balance Sheet account. The impact of the change is a decrease in both income and expenditure with no impact on Net Profit.

b. Revenue

The entity charges Queensland capitation fees to its affiliated clubs in March for the twelve months starting the next July to June period 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(i)).

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).

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 pentennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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Notes to the Financial Statements for the Year Ended 31 December 2021

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 entity 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.

d. 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.

Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial Instruments

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

During 2021 Golf Queensland Limited acquired an investment portfolio with Vanguard Investments Australia (note 6).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Entity classifies its financial assets into the following categories, those measured at:

- Amortised cost
- Fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Entity changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- The businesses model is to hold assets to collect contractual cash flows;
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Entity's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Entity has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

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Notes to the Financial Statements for the Year Ended 31 December 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Entity renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Entity measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

f. Impairment of Assets

At each reporting date, the entity 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 entity 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 entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

g. Employee Benefits

Provision is made for the entity'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 entity 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.

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Notes to the Financial Statements for the Year Ended 31 December 2021

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 entity bills Queensland 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 entity to treat Queensland affiliation fees received in advance as deferred revenue in the Statement of Financial Position where the entity is contractually obliged to provide the services in a subsequent financial period. Golf Queensland acts as an agent for Golf Australia and various districts within Queensland. Other affiliation fees that are collected but not yet disbursed by Golf Queensland in this capacity are recorded as payable amounts in the Statement of Financial Position.

k. Income Tax

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

l. New, revised or amended Accounting Standards and Interpretations

The principal accounting policies adopted in the preparation of the financial statements are set out in the notes above. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

m. 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 entity.

Key estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity 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.

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Notes to the Financial Statements
for the Year Ended 31 December 2021

	2021	2020
	\$	\$
NOTE 2: REVENUE		
a) Revenue from operating activities		
Affiliation Fees - QLD	2,019,004	1,935,095
District Fees	-	292,001
Golf Link & Golf Australia Affiliation Fees	-	1,299,750
Interest	7,162	21,446
Other	19,829	16,492
Total revenue from operating activities	<u>2,045,995</u>	<u>3,564,784</u>
b) Revenue from investing activities		
Distribution Income - Vanguard Investment	44,878	-
Gain on fair value - Vanguard Investment	35,193	-
Total revenue from investing activities	<u>80,071</u>	<u>-</u>
c) Other revenue		
Gain on sale of land and buildings	1,568,200	-
Total other revenue	<u>1,568,200</u>	<u>-</u>
NOTE 3: EXPENSES		
a) Depreciation and amortisation		
- Buildings	-	33,300
- Motor vehicles	10,655	15,222
- Furniture & equipment	5,288	6,393
Total depreciation expense	<u>15,943</u>	<u>54,915</u>
b) Other Expenses		
- Bad debts	41,592	-
- Utilities	33	-
- Legal Fees	17,891	-
- Commissions	60,000	-
- Grants and Donations	10,000	-
Total other expenses	<u>129,516</u>	<u>-</u>
<i>Auditor remuneration</i>		
BDO Brisbane for audit of financial report	<u>14,000</u>	<u>13,500</u>

Golf Queensland Limited ACN 126 091 450

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

	2021	2020
	\$	\$
NOTE 4: CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank	1,116,976	2,042,835
Cash on hand	200	1,283
	1,117,176	2,044,118
	1,117,176	2,044,118

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	160,490	34,612
Prepayments	564,542	1,646,728
Sundry debtors	-	800
GST Receivable	(36,461)	52,076
	688,571	1,734,216
	688,571	1,734,216

NOTE 6: FINANCIAL ASSETS

NON CURRENT		
Unlisted investments - fair value		
Vanguard Growth Index Fund	4,769,579	-
	4,769,579	-
	4,769,579	-

These investments are recorded in the accounts as “at fair value through profit and loss”, with revaluation increments/decrements recorded in profit/(loss) and the carrying value recognised at market value at reporting date.

GQ Investment Fund

Golf Queensland Limited has benefited financially from two significant asset sales - the Golf Queensland Training Centre at Brookwater in 2016 and the Golf Queensland Head Office at Bowen Hills in 2021.

The GQ Investment Fund has been created so the entity can preserve the proceeds from these asset sales to provide:

- a long-term stream of investment earnings which can be used to fund strategic initiatives for the benefit of golf in Queensland;
- a reserve to be drawn upon to absorb a large, unexpected financial shock (e.g. a significant reduction in affiliation fees); or
- a reserve to be drawn upon if the service agreement with Golf Australia Limited is terminated and Golf Queensland Limited is required to re-establish its operations.

Golf Queensland Limited is a small, not-for-profit entity and investment management is not core business. For this reason, a passive approach (as opposed to an active approach) has been adopted.

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**Notes to the Financial Statements
for the Year Ended 31 December 2021**

The benefits of this approach are low fees, transparency, portfolio diversification and the lack of active risk.

An annual distribution equal to 4.5% of the closing market value at 31 December will be made available from the GQ Investment Fund each year. The Board of Golf Queensland Limited will determine how these monies should be spent for the forthcoming financial year

	2021	2020
	\$	\$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
Buildings at valuation	-	1,665,000
Less accumulated depreciation	-	(133,200)
Total land and buildings	-	1,531,800
OFFICE EQUIPMENT & FURNITURE		
Office equipment and furniture - at cost	269,364	269,364
Less accumulated depreciation	(225,126)	(218,838)
	44,238	50,526
Trophies owned	18,257	18,257
Total office equipment and furniture	62,495	68,783
MOTOR VEHICLES		
Motor Vehicles - at cost	149,912	152,639
Less accumulated depreciation	(127,776)	(117,121)
Total motor vehicles	22,136	35,518
Total property, plant and equipment	84,631	1,636,101

Sale of Land and Buildings:

On the 31 March 2021 Golf Queensland Limited sold the property at 14 Wren Street, Bowen Hills to Fluent Projects Australia Pty Ltd for a sale price of \$3,100,000.

The gain on disposal of land and buildings totals \$1,568,200, see Note 2(c).

Golf Queensland Limited ACN 126 091 450

Notes to the Financial Statements
for the Year Ended 31 December 2021

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and Buildings	Motor Vehicles	Office Equipment and Furniture	Total
	\$	\$	\$	\$
2020				
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	1,565,100	50,740	75,177	1,691,017
Additions at cost	-	-	-	-
Disposals			(1)	(1)
Depreciation expense	(33,300)	(15,222)	(6,393)	(54,915)
Carrying amount at end of period	<u>1,531,800</u>	<u>35,518</u>	<u>68,783</u>	<u>1,636,101</u>

2021

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	1,531,800	35,518	68,783	1,636,101
Additions at cost	-	-	-	-
Disposals	(1,531,800)	(2,727)	-	(1,534,527)
Depreciation expense	-	(10,655)	(6,288)	(16,943)
Carrying amount at end of period	<u>-</u>	<u>22,136</u>	<u>62,495</u>	<u>84,631</u>

The loss on disposal of items of property, plant and equipment totals \$Nil (2020: \$Nil).

Golf Queensland Limited ACN 126 091 450

Notes to the Financial Statements
for the Year Ended 31 December 2021

	2021	2020
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	380,052	314
Credit notes	-	(6,491)
Other current payables	45,909	57,602
Deferred income	1,068,298	1,646,728
Total trade and other payables	<u>1,494,259</u>	<u>1,698,153</u>

NOTE 9: RESERVES

Asset Revaluation Reserve

This reserve records the revaluation of land and buildings.

Upon disposal of 14 Wren Street on 31 March 2021 the land and buildings reserve amount was transferred to retained earnings.

NOTE 10: CAPITAL AND LEASING COMMITMENTS

No lease commitments exist as at 31 December 2021.

NOTE 11: CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities.

NOTE 12: EVENTS AFTER THE BALANCE DATE

After Balance Date Events

At the date of this report there are no matters or circumstances that have arisen since 31 December 2021 that have significantly affected, or may significantly affect the entity's operations in future financial years, the entity's results in the future period, or the entity's state of affairs during future financial years.

NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION

No staff were employed during the period ended 31 December 2021

Golf Queensland Limited ACN 126 091 450

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

NOTE 14: RELATED PARTY TRANSACTIONS

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

- Matthew Joseph Toomey
- Carmel Joan O’Keeffe - resigned 9 July 2021
- Judith Ann Logan
- David Colin Brett
- Patrick Joseph Twomey
- Michele Dale Stanley
- Peter Ward Reeves
- Catherine Ann Connellan - elected 9 July 2021
- Brooke Anne O’Keefe - elected 9 July 2021

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

	2021	2020
	\$	\$
NOTE 15: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at bank	1,116,976	2,042,835
Other cash	200	1,283
	1,117,176	2,044,118
b. Reconciliation of Cashflow from Operations with Profit after Income Tax		
(Profit)/Loss after income tax	1,449,416	(29,321)
Non cash flows		
Depreciation and amortisation	16,943	54,915
Loss/(Gain) on disposal of fixed assets	(1,565,473)	-
Unrealised Loss/(gain) on investment	(35,193)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	1,045,646	72,750
Increase/(decrease) in trade and other payables	386,228	(326,311)
Increase/(decrease) in deferred revenue	(578,430)	46,401
Increase/(decrease) in other creditors and accruals	(21,316)	21,865
Cash flows provided by operating activities	697,821	(159,701)

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**Notes to the Financial Statements
for the Year Ended 31 December 2021**

NOTE 16: FINANCIAL RISK MANAGEMENT

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

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:

Financial Assets		2021	2020
Cash and cash equivalents	4	1,117,176	2,044,118
Trade and Other Receivables	5	688,571	1,734,216
Investments	6	4,769,579	-
Total Financial Assets		<u>6,575,326</u>	<u>3,778,334</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	1,494,259	1,698,153
Total Financial Liabilities		<u>1,494,259</u>	<u>1,698,153</u>

Golf Queensland Limited ACN 126 091 450

Notes to the Financial Statements for the Year Ended 31 December 2021

Financial Risk Management Policies

The entity's financial instruments consist mainly of deposits with banks, managed investment fund, accounts receivable and payable.

The entity does not have any derivative instruments at 31 December 2021.

i. Treasury Risk Management

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

ii. Financial Risk Exposures and Management

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

Interest rate risk

The entity'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 entity 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 entity 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 entity.

The entity 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 entity has no significant concentration of credit risk exposure to any single counterparty or entity 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 2021

NOTE 16: FINANCIAL RISK MANAGEMENT (continued)

	2021	2020
	\$	\$
Cash and cash equivalents		
- AA rated	1,117,176	2,044,118
	4 1,117,176	2,044,118

b. Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The entity 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

	Within 1 Year		Total	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables (excluding estimated annual leave and deferred income)	425,961	51,425	425,961	51,425
Total expected outflows	93,367	51,425	93,367	51,425
Financial Assets – cash flows realisable				
Cash and cash equivalents	1,117,176	2,044,118	1,117,176	2,044,118
Trade and other receivables	688,571	1,734,216	688,571	1,734,216
Investments	4,769,579	-	4,769,579	-
Total anticipated inflows	6,575,326	3,778,334	6,575,326	3,778,334
Net (outflow)/inflow on financial instruments	6,149,365	3,726,909	6,149,365	3,726,909

Golf Queensland Limited ACN 126 091 450

Notes to the Financial Statements for the Year Ended 31 December 2021

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 entity is also exposed to earnings volatility on floating rate instruments.

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

ii. Equity risk

The entity maintains a long-term managed investment portfolio called the GQ Investment Fund. Further information is contained in Note 6.

The portfolio is invested solely in the Vanguard Growth Index Fund which invests in a mix of cash, fixed interest securities, Australian shares and international shares. The target return is an average of 4.5 per cent plus CPI per annum (inclusive of all fund manager fees) over rolling 10-year periods.

By investing in an index fund, the entity manages the risk of fluctuations by having a well-diversified portfolio across a number of industry sectors.

NOTE 17: 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 18: 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 2021 the number of members was 18.

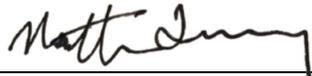
Golf Queensland Limited ACN 126 091 450

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 25 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 2021 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity 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.



Matthew Toomey (Director)

Dated this 3rd day of May 2022

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), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 Company's financial position as at 31 December 2021 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 Company 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 (including Independence Standards)* 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.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company 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/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO


D P Wright
Director

Brisbane, 3 May 2022