



# **NAROOMA GOLF CLUB LIMITED**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 APRIL 2010**

***NAROOMA GOLF CLUB LIMITED  
ABN 42 001 008 797  
A Company Limited by Guarantee***



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## OUR MISSION

To provide a superlative hospitality experience to all our Members and visitors.

## BOARD OF DIRECTORS 2009/2010

### OFFICE BEARERS

Position	Name	Appointed	Resigned/Ceased
President	David Shackleton, AO	24 August 2008	
Senior Vice President	Jock Munro	29 August 2004	
Junior Vice President	Philip Nadin	24 March 2009	
Captain	Peter Jones	28 August 2005	
Vice-Captain	Albert Donnelly	30 January 2007	
Honorary Treasurer	Joseph Gately	23 September 2001	
Directors	Bruce Day	28 August 2005	11 October 2009
	Angela McMillan	30 January 2007	
	Patricia James	24 May 2010	
	Bruce Light	27 August 2006	16 August 2009

### LIFE MEMBERS

Fred Braddock	John Burbidge	Ron Constable
John Emmott	Ken Gaffney	Geoff Marriott
Austin Hanna	Alan Lewis	Joan Michael
Patricia Murphy		

### BUSINESS DETAILS

<b>Registered Office and Principal Place of Business</b>	1 Ballingalla Street Narooma, NSW 2546
<b>Auditors</b>	Kothes Chartered Accountants 106 Auckland Street Bega, NSW, 2550
<b>Bankers</b>	Commonwealth Bank of Australia 131 Wagonga Street Narooma, NSW, 2546



# NAROOMA GOLF CLUB LIMITED

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## BOARD SUB COMMITTEE APPOINTMENTS

### MATCH SUB COMMITTEE

P J Jones	R Imberger
B Light	K Van Dam
A Donnelly	B Pateman
P Ingamels	G Marriott

### COURSE DEVELOPMENT SUB COMMITTEE

F J P Munro	M Commins
B R Day	W Durnan
P J Jones	N Ellis
A McMillan	B Pateman

### VOLUNTEERS SUB COMMITTEE

A Donnelly	M Commins	A Galloway
W Durnan	L Barker	T Gibbons
J Ryan	B Freeth	B Lee
B Pateman	R Shepherd	J Hasler
J Punnett	N Towers	G Holl
J Quinton	D Smith	A Osborne
P McIntosh	J Munro	L Holmes
R Morgan	R Holman	I Leech

### JUNIOR GOLF SUB COMMITTEE

B R Day	N Ellis
B Light	C Holmes
A McMillan	D Wilkes

### EVENTS & MARKETING SUB COMMITTEE

A McMillan	P N C Nadin
J P Gatley	R Shackleton.

### SURFBEACH HOLIDAY PARK SUB COMMITTEE

B Light	L Hartley.
B R Day	
A Donnelly	

### FINANCE & AUDIT SUB COMMITTEE

J P Gatley	R Bodell
F J P Munro	W Jackson
P N C Nadin	



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## PRESIDENT'S REPORT

It is my duty to present the annual report for the 'Narooma Golf Club and Surfbeach Holiday Resort' up to December 2009, and for the 'Narooma Golf Club' for the full financial year 2010.

During the past 12 months the Directors and Management have striven hard to deal with difficult economic circumstances while building on the work commenced in the previous year to improve our trading position. Our attention has been focussed on getting the basics of the Club's operations back on track and we have some optimism that this is occurring despite incurring a worse financial outcome this year. Our overall result for this year is a disappointing loss of \$535,548 which came about through a combination of unsatisfactory trading outcomes and a number of unexpected significant expenses. Details are provided in the Treasurer's Report and in the remainder of this report.

After considerable discussion and assessment of our options, the Holiday Park was sold in December 2009 for \$900,000. Subsequent to the sale the Club and the new owner of the Holiday Park are working closely together for mutual benefit.

The Club has generally followed its business plan introduced last year. Our process of conducting quarterly business reviews has continued. Club By-Laws have again been updated to reflect contemporary circumstances.

Through financial investment by the Club and excellent work by our grounds staff supported by volunteers, the additional storage dam on Glass House Rocks Road owned by the Club was connected to the main dam. This provided a much needed drought relief, although it was more than 50% used by the time the February downpour occurred.

In addition to maintaining our Club, investments have been made in this year in repairing the bridge crossing to the eighth hole, updating of all Club carts (the second group in May 2010), repairs to the Clubhouse, upgrading of our information technology, and changes to gaming facilities to comply with State regulations.

Without a doubt the efforts of the volunteers and greens staff have helped to make a significant difference to the state of the course, and it is testimony to the good will many members have to their Club. The Sub Committees formed last year have continued to demonstrate their value and have made a great contribution to the performance of the Club overall.

One of the major benefits of Clubs like ours is the support they provide to the local community, and this year we have donated cash or in kind to the value of \$43,601 which contributed toward the well-being of our community as a whole.

The Club operated for about six months under Mrs Tracey Vaughan as the Acting Manager and we wish to thank and recognise the work of Tracey and her contribution in difficult circumstances.

Since mid-February, Mr Dominic Connaughton has become our General Manager and in a short period has started to reinvigorate our business for which the Board is most pleased.

The interim management arrangements also brought a considerable work load to the Board of Directors and I would like to acknowledge and thank them all for their support and diligence over that period particularly. We look forward with a positive attitude.

David Shackleton, AO

President



# NAROOMA GOLF CLUB LIMITED

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## TREASURER'S REPORT

Our Club has posted an operating loss for the year ended 30th April 2010, of \$535,548 compared to an operating loss of \$104,002 recorded for the previous financial year.

It should be noted that \$303,781 (56.7% of the loss) is more correctly attributable to abnormal expenses and items relating to prior years dating from 2005 to 2009. Whilst our financial position is less than satisfactory, our trading is cash flow positive with a surplus of \$64,534 after borrowing costs and cash flow from financing activities increased cash at end of year to \$207,392.

Our operational trading is generally adequate and our future is not as bleak as the figures may portray.

Various details are listed below to illustrate this year's result.

Surfbeach Holiday Park was disposed of on 1/12/09, at a sale price higher than forecast by selling Brokers. As a result, at financial years end 30/4/10, income for that property was down by 174.44%, however this loss was for only 7 months of our usual full years trading.

Catering showed an improvement of 11.17% on the bottom line with lower sales and a drop in total expenses.

Poker machine contribution fell this year by 17.94%, compared to a decrease of 7.44% last year. Measures are being taken to revamp the smoking area to more correctly comply with current legislative requirements. There has also been investment in updating to new machines and games.

TAB & Keno profit fell by \$3,356, income increased by 14.06%, however expenses rose 107%.

Bar trading remained steady. Vending machine profit slipped to \$12,051, from \$16,809 in 2009.

Course trading income dropped 0.4%, whilst expenses rose 2.55% to show decreased revenue of \$18,654.

Golf Competition account gained a small increase of 1.63% on last year.

A brief analysis of revenue and expenditure to finalise this year's result:-

- Entertainment showed a loss of \$44,755; 2009 loss was \$36,188.
- Donations to registered charities and local organizations were \$43,601; 2009 was \$49,846.
- Total Depreciation and Amortisation was \$410,417; down 6.5% on 2009.
- Interest decreased by \$48,040, and Bank Charges increased by \$9,475.
- Insurance reduced by \$13,238 after the Holiday Park took up \$9,235 as its share of this expense.
- Bingo incurred a loss of \$18,402; 2009 loss was \$53,212.
- Raffles loss was \$40,691, compared to a loss last year of \$26,286.

Finally, GST paid to the Australian Tax Office was \$271,206.

J P Gately

Honorary Treasurer



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## GENERAL MANAGER'S REPORT

It is my duty and pleasure to submit my report on the Clubs Annual and Financial report of the Narooma Golf Club LTD ending 30<sup>th</sup> April 2010.

From the outset I would like to thank Tracey Vaughan, the Club's Assistant Manager, for the great effort she put in during most of this current financial year which I'm sure was under very trying circumstances for her. Well done Tracey.

I would also like to thank the Board for appointing me to the position of General Manager on the 15<sup>th</sup> Feb 2010, a day I remember well as I had to close the Club due to the heavy rainfall we experienced in the town. Some 800 plus ml over the week!!!!. Not the best start a manger can have by closing down the Club on his first day but it can only get better from here. I will be doing my very best to justify the Board's determination to make this Club one of the best on the South Coast, not just financially, but a Club where members can be proud and visitors feel welcome and want to return.

Being here only 2 months of the current financial year I think both the President and Treasurer have explained the last 12 months in detail in their respective reports so there is no need to go into more of the same here. However, the last 12 months has been a difficult year for the club with a number of one-off expenses having to be made, coupled with the global financial crisis and 20% to 25% downturn in sales experienced not only at our Club, but the town in general as reported by others.

On a positive note I believe we can turn this result around with some hard work from all concerned, and possibly some hard decisions which may have to be made in the short term relating to operations of the Club. We have numerous ideas which we will be looking to implement over the coming months and I believe they will attract more patrons, so keep your eyes open because I'm sure you will be pleased.

A new web site has been constructed during this last financial year, so I recommend people log on to [www.naroomagolf.com.au](http://www.naroomagolf.com.au) and keep up to date with what's happening at your Club. The web is a major tool in spreading the word about this magnificent Club with views second to none and marketing is an important part of the Clubs forward plan. We will be doing everything possible to attract new members and visitors from outside the town.

I would like to thank the Board of Directors for their commitment and dedication into working together on the Club's business plan and getting this Club heading in the right direction, Tracey for her tireless involvement and all the staff for a terrific effort during my short time here, Richard and his crew for doing a great job maintaining the course and especially the preparation for the Seahorse Classic which was a huge success. Finally a big thank you to all those people who have made Vicky and I very welcome since arriving in this most beautiful place by the sea.

Thank you.

Dominic Connaughton ACCM JP

General Manager



# NAROOMA GOLF CLUB LIMITED

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## CAPTAIN'S REPORT

Firstly I would like to thank Richard Goodridge and his staff for a job well done in some very trying conditions. We have had one of the wettest Februarys in a long time and Richard and his crew got the course playable in a very quick time, including repairing the bridge on the 8<sup>th</sup> so that carts could be used and we didn't have to play the front nine twice.

Again I would like to thank the volunteers that work so tirelessly on the course they have done a magnificent job on top dressing the bare spots on the fairways re-staking the trees and shrubs that need it and removing stakes from trees that no longer need them. This takes the uncertainty of where you don't get a drop and were you do.

I would like to thank all our pennant players for the year as they did a marvellous under trying conditions at times, the juniors did a fantastic job as they only had 4 players so they were 1 down before they stepped on the first tee. Thanks also go to Angie McMillan who either drove the bus or arranged someone else to do it to make sure the junior's got to their games on time.

I would also like to congratulate the Club Champion for 2009 who was Matt Corbett, the B Grade champion was Peter O'Kane, and the C Grade champion was Peter Jones.

I would also like to congratulate all the other winners for the year but neither space nor time will allow me to name them all.

I would also like to thank all the office staff for the wonderful job they do during the year, they bear the brunt of all the complaints as well as the accolades. They have to put up with the players that enter the Seahorse and Narooma Open that never bother to read the conditions and then complain when they can't get in or don't get the time slot they would like.

To our new General Manager Dominic Connaughton I've only worked with you for a short time but I hope we have a long and successful time together.

To my fellow Directors thank you for your support during the year and I look forward to working with you again.

To Colin Holmes and all his staff in the Pro shop you guys are at the front line when it comes to the idiosyncrasies of the players in both the Seahorse and the Open it is easy to see a lot of these players have never run a golf tournament.

To my handicapper Ralph Imberger who has done a magic job overseeing the new handicap changes we are all to endure and answering the questions of all who approach him. To the rest of the match committee thank you guys as without you we wouldn't be able to run our competitions as well as we do.

Lastly thanks to the entire bar and catering staff of the club, you people are the forefront of the club and as such both members and guests remember their experience with us.

Also to Tracey Vaughan well done Tracey you stepped in at an awfully hard time and did a marvellous job.

Peter J Jones

Captain



# NAROOMA GOLF CLUB LIMITED

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## LADY CAPTAINS REPORT

The ladies of Narooma Golf Club continue to enjoy their golf and the rewards that accompany all it has to offer. Those who continue to venture out every week are the ultimate winners as they enjoy our Course immensely and see the many changes that are being made by our Course Staff and the many wonderful Volunteers that give their time to benefit their Club.

Sylvia Donohoe continues to maintain her high standard of golf and since my last report has won her 6<sup>th</sup> Australian Seniors Women's Championship and her 6<sup>th</sup> NSW Seniors Women's Championship. We congratulate Sylvia and whilst recognising her past achievements, of which there are many, we are sure she will not rest on her laurels. Her determination to continue her assault on her peers is very evident. We wish her well.

The ladies of Narooma Golf Club continue to enjoy their Pennant season. The new format has changed the competitiveness of all Clubs and Narooma has certainly put themselves out there. It is difficult finding a format that suits all Clubs, allowing the greater number to compete and, whilst nothing is perfect, this year's format has allowed more teams to enter. We have been able to field two teams and be very competitive throughout which can only be a positive.

On the home front the ladies will shortly be going into the Club Championships, our premier event, and we wish all ladies good fortune in their endeavours. Sylvia is looking good for the Club Championship but all other trophies are up for grabs with quite a contingent of 'in form' players who will be looking to put some good rounds together.

The adoption of the USGA Slope Rating and Handicapping system has meant changes to how we play our game as we go forward. Chris Fader and myself have been selected to train as Course Raters, and it is anticipated that this will begin in July and will probably mean that Narooma will be our training ground as it is scheduled to be held here for our Region. This will give good insight as to how our course will be affected and we should get some good advice as to how we can gain the best outcomes.

On behalf of the ladies, I would like to thank Richard and his staff for their assistance in preparing the Course for our Open days and our weekly games. It would be remiss if we did not include the wonderful Volunteers who also work tirelessly in assisting wherever they can to make our Course one to be envied. We also thank Colin and his staff for their support of the ladies and to the many Club staff for their assistance with the needs of the lady members.

Finally, I would like to thank the ladies of Narooma Golf Club for supporting your Club and look forward to your continuity as a valued member.

Angie McMillan

Lady Captain



# NAROOMA GOLF CLUB LIMITED

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## DIRECTOR OF GOLF REPORT

The golf clubs New Year began considerably coloured, by the drought and its effect on the course.

The Narooma Volunteer Bush Fire Brigade led by their fire captain Michael Marchini had pumped some 80,000 litres of water from the dam on glasshouse rocks road across to the main dam on the 13<sup>th</sup>. This was to be the first of several pumpings of water across from the reserve dam.

It was agreed by the course committee, and the volunteers, that despite the drought there was plenty of work that could be done around the course.

The volunteers this year co-ordinated by Barry Pateman, contributed with attitude to the management of the course, supporting work being done by the course staff.

The first job was the planting of native grasses at the back of the 1<sup>st</sup> green, and between the bunkers to the left of the 4<sup>th</sup> green, and to the left of the 18<sup>th</sup> green.

Followed by planting of shrubs down the edges of the 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> fairways. And trimming of dead branches from bushes on the fairways.

Landscaping of the 7<sup>th</sup> tee, with replacement of the retainer walls by course staff, behind the tee. The volunteers established mulched native gardens to the men's and ladies tees. At the same time, a new rubbish bin, and sand bin were located at the 7<sup>th</sup> tee to complete the renovation.

This work was followed by grass plantings on parts of the 14<sup>th</sup> fairway. There is still work to be completed to this fairway by volunteers.

In September 2009, replacement of the decking to the bridge at the 8<sup>th</sup> was successfully completed. Bret Limon, Bruce Day, Lyle Barker, and two of the course staff, completed the work in two days. A job well done.

October – the cleaning out of the shed at the 4<sup>th</sup> tee, and its surrounds. Some four skip loads of rubbish from within and around the shed was taken away.

Tidying up of the edges of the 6<sup>th</sup>, 13<sup>th</sup>, 16<sup>th</sup>, and 18<sup>th</sup>, fairways by the volunteers.

During the year, coloured flags to denote pin locations on the greens were purchased.

December/January 2010, the two dams were connected. This being a great relief, reflecting considerable concern from Richard Goodridge trying to maintain the tees, greens, and keeping them alive.

January/February – poisoning of Parramatta grass by the volunteers. This work proved to be lengthy, all being done by hand. Next summer will be easier as there will be a selective herbicide on the market that can be sprayed on the Parramatta grass.

Fortunately in February, Narooma had very good rain. This was a blessing to the course. Richard Goodridge had been holding off spreading of fertiliser. As a result of the rain this work was done.

March/April – top dressing of the course with fine loam was done. With the help of volunteers, some 3 weeks of time was caught up for this work to be done.

In concluding this report my sincere thanks to my fellow course committee members for their contribution this year. I should mention here that Nigel Ellis one of the course committee members did an excellent job this year in preparing with contribution from Richard Goodridge, a very detailed Proposed Course Operations & Maintenance Program. This document was completed in February this year. Nigel then went on to prepare a second document headed Course Vision & Quality Standards/Objectives. These two documents will be good reference material in the future as to the management of the course.

Finally, to Richard Goodridge, and the course staff, my thanks for their work to the course during this last twelve months.

Jock Munro

Director of Golf



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## DIRECTORS' REPORT

The directors present their report on the company for the year ended 30 April 2010.

### **Directors:**

The names of the Directors in office during or since the end of the financial year are:

Bruce Ross Day	Albert Donnelly	Joseph Paul Gately
Patricia Anne James	Peter James Jones	Bruce Light
Angela McMillan	Finlay John Peden Munro	Philip Norman Charles Nadin
David John Shackleton		

### **Company Secretary:**

The company secretary is Mr Joseph Gately. Mr Gately was appointed to the position of company secretary on 8 August 2009. Mr Gately is currently a director of the company.

### **Principal Activities:**

The principal activities of the company in the course of the year were that of a Registered Club, provision of sporting facilities, and of providing resort accommodation, until sale of that Business was effected on 1/12/2009. No other significant changes in the nature of the entity's activity occurred during the financial year.

### **Result:**

The net operating deficit of the company for the financial year was \$535,548 (2009: \$104,002 deficit).

### **Dividends:**

Not applicable, as the company has no share capital.

### **Review of Operations:**

The Directors are not satisfied with the Club's trading result for the year and intend to continue working intensively with Management for improvement in the Club's business results.

### **Likely Development and Expected Results of Operations:**

The Directors expect to improve on current performance and increase the company's profitability, to work to reduce debt levels, and to continue to improve Club facilities and services for its members.

### **Significant Changes in the State of Affairs:**

Apart from the change in Principal Activities, no other significant changes in the entity's state of affairs occurred during the financial year.

### **Matters Subsequent to the End of the Financial Year:**

In the opinion of the directors there is no matter or circumstance, other than those referred to in the financial report which has arisen since 30 April 2010, that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in the financial years subsequent to 30 April 2010.

The rezoning of Glass House Rock Road is an issue in that it may affect future revenues. This needs to be reported but not in a way than engenders great concern at this stage.

### **Environmental Regulation:**

The company is subject to environmental regulations from various authorities. To the best of the director's knowledge all activities have been undertaken in compliance with all relevant regulations.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## DIRECTORS' REPORT (CONTINUED)

### Director's Benefits:

Since 30 April 2009, no director of the company has received or has become entitled to receive, a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary of a full-time employee of the company or a related corporation, by reason of a contract made by the company or a related corporation with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

### Director's Particulars:

Name	Position	Details
David John Shackleton, AO MBA, FAICD	President	Strategic Planning Consultant. Vice Admiral (Retired) Former Chief Of Royal Australian Navy.
Finlay John Peden Munro	Senior Vice President	Medical Practice Administrator 30 years. 3 years Narooma Pre School Committee. President Narooma School of Arts & Soldiers War Memorial Inc. since 1995. Chairman Course Committee.
Philip Norman Charles Nadin	Junior Vice President	Retired. Former businessman.
Joseph Paul Gately J.P. F.C.I.S.	Hon Treasurer	Retired. Former Registered Company Auditor & CPA. Former Company Secretary. Former State & Divisional Manager. Chair Finance & Audit.
Peter James Jones	Captain	Retired. 31 years Print Liaison Manager with Colonial. Vice Captain 8 years & Director 14 years Chirnside Country Club. Chair Match.
Albert Donnelly	Vice Captain	Retired. 37 years in Printing Industry. Engineering, Sales, Service and Production. 21 years as Managing Director of a medium size company.
Bruce Ross Day	Director	Self employed.
Patricia Anne James	Director	28 years in senior corporate management. 8 years with the Australian Red Cross Blood Service in strategic business and national project management. 20 years in Victorian Local government. Retired at Director level in 2008.
Bruce Light	Director	Retired. Former local government administrator and public relations employee. Senior Elder Narooma Uniting Church. Executive member Care Drop In Centre.



# NAROOMA GOLF CLUB LIMITED

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## DIRECTORS' REPORT (CONTINUED)

Angela McMillan	Director (Ladies Captain)	Counsellor in Youth Services with E.S.C. Formerly Printing & Packaging Industry 10 years as Senior Company Manager. 15 years Camden Valley Golf. Narooma Ladies Captain & Match F.S.C. & T.G.A. Chair Events and Marketing.
Joseph Ryan	Director	Retired. 11 years as Publican. 30 years employed in Construction Industry in Australia and New Zealand.

### 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.

### Members Details:

Details of the classification of financial members as at 30 April 2010 were as follows:

	2010	2009
Members	2,266	2,685
Junior Members	33	30
Life Members	10	10
	-----	-----
	2,309	2,725
	=====	=====

### Meetings of Directors:

The number of meetings of the company's directors (including meetings of committees of directors) held during the year ended 30 April 2010, and the number of meetings attended by each director were:

	Meetings Held	Number Attended
D J Shackleton	20	19
B R Day	7	5
A Donnelly	20	16
J P Gatley	20	17
P J Jones	20	17
B Light	5	4
A McMillan	20	17
F J P Munro	20	20
P N C Nadin	20	20
J Ryan	15	13



# NAROOMA GOLF CLUB LIMITED

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## DIRECTORS' REPORT (CONTINUED)

In addition to directors meetings, meetings of committees of directors during the financial year to 30 April 2010 were held and attendances were:

	Match		Course		Events		Finance	
	A	B	A	B	A	B	A	B
D J Shackleton							1	1
B R Day			3	2				
A Donnelly	8	4	10	5				
J P Gately					1	1	7	7
P J Jones	8	8						
B Light	2	2						
A McMillan			10	4	3	3		
F P J Munro			10	10			7	7
P N C Nadin					2	2	7	7
J Ryan			5	3				

Column A indicates number of meetings held during the period the director was a member of the committee. Column B indicates number of meetings attended during the period the director was a member of the committee.

### Insurance of Officers

During the financial year, the company paid premiums to insure all directors and executive officers of the company. The liabilities insured for are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal; costs and those relating to other liabilities. The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or of any related corporate against a liability incurred as auditor.

### Auditor:

Kothes, Chartered Accountants continue in office in accordance with Section 327 of the *Corporations Act, 2001*.

### Auditor's Independence Declaration:

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page of the financial report.

This report is made in accordance with a resolution of the directors on 28 June 2010.

D J SHACKLETON  
Director

J P GATELY  
Director



ABN 36 472 755 795

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

As auditor of Narooma Golf Club Limited for the year ended 30 April 2010, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

**KOTHES**  
**Chartered Accountants**

J.C. HUKINS  
Partner

NAROOMA  
28 June 2010



**Chartered  
Accountants**



Liability limited by a  
scheme approved  
under Professional  
Standards Legislation



ABN 36 472 755 795

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NAROOMA GOLF CLUB LIMITED

### **Report on the Financial Report**

We have audited the accompanying financial report of Narooma Golf Club Limited, which comprises the balance sheet as at 30 April 2010, and the statement of comprehensive income, statement of recognised income and expense and cash flow statement for the year ended that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### **Auditor's Opinion**

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

- (a) giving a true and fair view of the company's financial position as at 30 April 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

**KOTHES**  
Chartered Accountants

J.C. HUKINS  
Partner

NAROOMA  
28 June 2010



Chartered  
Accountants



Liability limited by a  
scheme approved  
under Professional  
Standards Legislation



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## DIRECTOR'S DECLARATION

In the director's opinion:

- (a) the financial statements and notes as set out in the financial report are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 30 April 2010 and of its financial performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

D J SHACKLETON  
Director

J P Gately  
Director

NAROOMA, 28 June 2010



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 APRIL 2010

	NOTE	2010	2009
<b>Revenue from ordinary activities</b>	2	5,188,833	6,054,021
Other income	3	--	44,409
Cost of sales		(854,933)	(976,972)
Bad debts written off	4	(221)	--
Borrowing costs	4	(127,530)	(189,758)
Employee expenses		(1,996,019)	(2,050,515)
Depreciation and amortisation expense	4	(410,417)	(438,871)
Repairs and maintenance		(356,966)	(349,926)
Advertising expenses		(46,330)	(82,491)
Bank charges		(88,092)	(73,947)
Contract cleaning		(576)	(1,895)
Donations		(43,601)	(49,846)
Entertainment expenses		(135,797)	(121,490)
Equipment rental		(43,831)	(75,965)
Functions expenses		(44,546)	(47,630)
Golf competition expenses		(81,638)	(78,203)
Insurance		(123,759)	(121,033)
Land tax		(35,804)	--
Light, fuel and gas		(187,239)	(198,791)
Loss on sale of property, plant and equipment	4	(16,304)	--
Poker machine tax		(219,445)	(280,485)
Printing, postage, and stationery		(44,749)	(54,766)
Promotions expenses		(193,026)	(218,170)
Raffle expenses		(107,697)	(82,607)
Rent		(84,451)	(120,658)
Other expenses from ordinary activities		(481,410)	(588,413)
		-----	-----
<b>Operating (deficit) before income tax</b>		(535,548)	(104,002)
Income tax attributable to operating (deficit)	1(b)	--	--
		-----	-----
<b>Total comprehensive income</b>		(535,548)	(104,002)
		=====	=====

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDING 30 APRIL 2010

Total equity at the beginning of the financial year	2,727,082	2,831,084
Total comprehensive income	(535,548)	(104,002)
	-----	-----
<b>Total equity at the end of the financial year</b>	2,191,534	2,727,082
	=====	=====

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## BALANCE SHEET 30 APRIL 2010

	NOTE	2010	2009
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	207,392	86,963
Trade and other receivables	6	118,087	105,567
Stock on hand		68,298	62,811
<b>Total Current Assets</b>		<b>393,777</b>	<b>255,341</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	4,734,491	5,555,316
<b>Total Non-Current Assets</b>		<b>4,734,491</b>	<b>5,555,316</b>
<b>Total Assets</b>		<b>5,128,268</b>	<b>5,810,657</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	483,774	393,086
Short term provisions	9	137,419	139,869
Short term interest bearing liabilities	10	217,428	209,734
<b>Total Current Liabilities</b>		<b>838,621</b>	<b>742,689</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term payables	8	100,740	--
Long term provisions	9	78,144	75,754
Long term interest bearing liabilities	10	1,919,229	2,265,132
<b>Total Non-Current Liabilities</b>		<b>2,098,113</b>	<b>2,340,886</b>
<b>TOTAL LIABILITIES</b>		<b>2,936,734</b>	<b>3,083,575</b>
<b>NET ASSETS</b>		<b>2,191,534</b>	<b>2,727,082</b>
<b>MEMBERS' EQUITY</b>			
Share capital	11	--	--
Retained earnings		2,191,534	2,727,082
<b>Total Members' Equity</b>		<b>2,191,534</b>	<b>2,727,082</b>

The above balance sheet should be read in conjunction with the accompanying notes.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2010

	NOTE	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and members - inclusive of goods and services tax		5,696,822	6,595,657
Payments to suppliers and employees - inclusive of goods and services tax		(5,507,156)	(6,054,835)
		-----	-----
		189,666	540,822
Interest received		2,398	3,393
Borrowing costs		(127,530)	(189,758)
		-----	-----
<b>Net cash inflow from operating activities</b>	16	64,534	354,457
		-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(303,710)	(159,561)
Proceeds from sale of property, plant and equipment		936,549	12,545
		-----	-----
<b>Net cash (outflow) from investing activities</b>		632,839	(147,016)
		-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of equipment loans		(252,380)	(149,955)
Repayment of leasing liabilities		(17,900)	(12,299)
Repayment of bank loan		(300,000)	(10,000)
		-----	-----
<b>Net cash (outflow) from financing activities</b>		(570,280)	(172,254)
		-----	-----
Net increase in cash held		127,093	35,187
<b>Cash at beginning of year</b>		80,299	45,112
		-----	-----
<b>CASH AT END OF YEAR</b>	5	207,392	80,299
		=====	=====
<b>Non-cash financing and investing activities</b>			
Acquisition of plant and equipment by equipment loan		238,735	99,196
Acquisition of plant and equipment by insurance recovery		--	31,864
		-----	-----
		238,735	131,060
		=====	=====

The above cash flow statement should be read in conjunction with the accompanying notes.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010

### 1. **Statement of Significant Accounting Policies**

The company was incorporated on 6 June 1972 (# 001 008 797) under the NSW Companies Act, 1961, NSW. It is registered with the Australian Business Register - Australian Business Number 42 001 008 797 and is registered for Goods & Services Tax purposes. The company accounts for Goods & Services Tax quarterly using the accruals basis of accounting. The registered office and principle place of business is 1 Ballingalla Street, Narooma, NSW, 2546.

#### (a) ***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 (Cth)*. 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 is presented in Australian dollars.

#### *Reporting Basis and Convention*

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.

#### *Adoption of New and Revised Accounting Standards*

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2009. The adoption of these new Standards and Interpretations has not resulted in any changes to the Company's accounting policies that have affected the amounts reported for the current or prior years other than the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of recognised income and expense. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the company had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

#### *Compliance with IFRSs*

As the Company is a Not-For-Profit entity it is not required to comply with all International Financial Reporting Standards (IFRSs). The financial report of the Company is prepared in accordance with Australian Equivalents to International Financial Reporting Standards applicable to Not-For-Profit entities.

#### *Comparative Figures*

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

#### *Critical Accounting Estimates*

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas that involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements other than those described in following accounting policies.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### (b) **Income Tax**

The Board has reviewed its income tax status and have assessed the company to be exempt from income tax under section 50-45 of the *Income Tax Assessment Act, 1997* (Cth). Consequently, no provision for taxation has been made in the financial statements.

#### (c) **Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue and are net of taxes paid. Revenue is recognised for the major business activities as follows:

##### *Sale of Goods*

Revenue is taken to account when the control of the goods has passed to the buyer.

##### *Interest*

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

##### *Subscriptions*

Subscriptions for annual membership are recognised in revenue over the membership year.

#### (d) **Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

#### (e) **Acquisition of Assets**

The purchase method of accounting is used to account for all acquisitions of assets regardless of what assets are acquired. Cost is measured as the fair value of assets given up as the date of acquisition plus costs directly attributable to the acquisition. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. As per the Company accounting policy, only property, plant & equipment assets with an acquisition cost above \$500.00 (excluding GST) are capitalised. All other fixed asset acquisitions with a cost below this are expensed in the period in which they relate to.

#### (f) **Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

#### (g) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### (h) **Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade debtors is reviewed on an on-going basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

#### (i) **Inventories**

All inventories are stated at the lower of cost and net realisable value. The "First In First Out" method has been used to assign cost to individual items of stock.

#### (j) **Property, Plant and Equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Plant & equipment	3-15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income.

#### (k) **Leasehold Improvements**

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the company, whichever is the shorter. Leasehold improvements are being amortised over 40 years.

#### (l) **Trade and Other Creditors**

These amounts represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### (m) **Members' Subscriptions in Advance**

Subscriptions received in advance for the financial year have been carried forward as a current liability.

#### (n) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### (o) **Borrowing Costs**

Borrowing costs are recognised as expenses in the period in which they are incurred.

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings; and
- finance lease charges.

#### (p) **Employee Benefits**

##### (i) *Wages and Salaries, Annual Leave and Sick Leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

##### (ii) *Long Service Leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

##### (iii) *Superannuation*

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



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### (q) Financial Instruments

##### *Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

##### *Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

##### *Classification and Subsequent Measurement - Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

##### *Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

##### *Impairment*

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

#### (r) 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 Balance Sheet are shown inclusive of GST.

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



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### (s) Net Current Deficit

At 30 April 2010, the company was in a net current liability position of \$444,844 (2009: net current liability \$487,348). Notwithstanding this, management have prepared the accounts on a going concern basis on the basis of the following:

- The company owns freehold land valued at \$2,550,000. It is booked in the financial statements at cost at \$469,098. It is anticipated that a proportion of this land will be sold in the future which will increase cash reserves and reduce borrowings.
- The company has recorded positive operating cash flows for the prior three financial years.
- There were significant "one off" items which contributed to the operating deficit for the 30 April 2010.
- The Board and management are introducing initiatives to decrease operating expenses and increase revenues to improve the operating results of the company in future financial periods.

	2010	2009
<b>2. Revenue</b>		
<u>Operating Activities</u>		
Bar sales	899,009	966,122
Poker machine net receipts	1,617,448	1,868,456
Course trading income	566,732	615,495
Golf competition trading income	148,281	145,838
Vending machine sales	39,696	48,244
TAB and KENO commission	41,550	38,064
Catering income	1,118,218	1,297,383
Resort income	221,969	622,574
Resort shop income	2,864	6,113
	-----	-----
	4,655,767	5,608,289
<u>Non-Operating Activities</u>		
Interest received – bank deposits	2,398	3,393
Grant income	36,705	--
Subscriptions and joining fees	264,861	222,446
Other revenue	229,102	219,893
	-----	-----
	5,188,833	6,054,021
	=====	=====
<b>3. Other Income</b>		
Net gain on disposal of property, plant & equipment	--	12,545
Fair value of insurance recovery for course plant	--	31,864
	-----	-----
	--	44,409
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

	2010	2009
<b>4. Expenses</b>		
Profit before income tax expense includes the following specific expenses:		
Depreciation		
Clubhouse and course plant and equipment	228,768	229,204
Motor Vehicles	2,998	2,997
Holiday park plant and equipment	5,256	11,215
Amortisation		
Clubhouse – Buildings	116,867	111,895
Course, greens and grounds	22,791	21,819
Holiday park – Buildings	27,928	47,884
Plant and equipment under hire purchase	5,809	13,857
	-----	-----
Total depreciation and amortisation	410,417	438,871
	-----	-----
Loss on sale of property, plant and equipment	16,304	--
Bad debts written off	221	--
Borrowing costs		
Interest on bank overdrafts and loans	126,798	187,647
Interest on obligations under finance leases	732	2,111
	-----	-----
Borrowing costs expensed	127,530	189,758
	-----	-----
<b>5. Current Assets – Cash and Cash Equivalents</b>		
Cash at bank	130,742	5,610
Cash on hand	76,650	81,353
	-----	-----
	207,392	86,963
	=====	=====
The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:		
Cash as above	207,392	86,963
Bank overdraft (Note 10)	--	(6,664)
	-----	-----
	207,392	80,299
	=====	=====
<b><i>Cash not available for use</i></b>		
Cash on hand is held for general trading operations of the Club. This amount is restricted for this purpose and is not available for general use.		
<b>6. Current Assets – Trade and Other Receivables</b>		
Trade and sundry receivables	39,424	26,316
Prepayments	78,663	79,251
	-----	-----
	118,087	105,567
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

	2010	2009
<b>7. Non-Current Assets - Property, Plant and Equipment</b>		
<b><i>Core Property</i></b>		
Club buildings and site - at cost	4,258,713	4,224,184
Accumulated depreciation	(1,364,453)	(1,247,586)
	-----	-----
	2,894,260	2,976,598
	-----	-----
Greens and course - at cost	713,542	707,042
Accumulated depreciation	(334,352)	(311,560)
	-----	-----
	379,190	395,482
	-----	-----
<b><i>Non-Core Property</i></b>		
Glasshouse rocks road Land - at cost	469,098	421,202
	-----	-----
Holiday park buildings and site - at cost	--	1,362,905
Accumulated amortisation	--	(481,403)
	-----	-----
	--	881,502
	-----	-----
<b><i>Plant &amp; Equipment</i></b>		
Course plant & equipment - at cost	846,547	740,295
Accumulated depreciation	(540,613)	(520,763)
	-----	-----
	305,934	219,532
	-----	-----
Clubhouse plant & fittings - at cost	1,615,798	1,551,934
Accumulated depreciation	(1,288,416)	(1,219,409)
	-----	-----
	327,382	332,525
	-----	-----
Course plant & equipment - under hire purchase	--	69,300
Accumulated amortisation	--	(44,340)
	-----	-----
	--	24,960
	-----	-----
Poker Machines - at cost	1,349,796	1,493,634
Accumulated depreciation	(997,666)	(1,259,990)
	-----	-----
	352,130	233,644
	-----	-----
Motor vehicles - at cost	64,340	64,340
Accumulated depreciation	(57,843)	(54,845)
	-----	-----
	6,497	9,495
	-----	-----
Holiday park plant and equipment - at cost	--	225,893
Accumulated depreciation	--	(165,517)
	-----	-----
	--	60,376
	-----	-----
Total Property, Plant and Equipment	4,734,491	5,555,316
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 7. Non-Current Assets - Property, Plant and Equipment (Continued) **BUILDINGS**

Buildings and associated fixtures and fittings were valued for insurance (replacement cost) purposes at \$11,363,636 as at 14 May 2008 by Mr J. Langford, AAPI (CPV), Registered Valuer No. 972. This value far exceeds the book value that is carried in the financial statements.

#### **Land**

Land at cost is situated at Lot 31, Glasshouse Rocks Road, Narooma. This land has been valued at \$2,550,000 as at 1 July 2008 by the land and Property Management Authority. This value far exceeds the book value that is carried in the financial statements. The land associated with the clubhouse and surrounding grounds is under perpetual lease with the Eurobodalla Shire Council.

### **NON-CURRENT ASSETS PLEDGED AS SECURITY**

Refer to Note 10 for information on non-current assets pledged as security by the Company. Additional security is pledged for poker machines purchased as per Note 8.

#### **Poker Machine Entitlements**

As at the end of the financial year the Club held entitlements to operate 86 Poker Machines. Subsequent to the financial year end the Club sold 15 of these entitlements for \$200,000 less selling costs. As per prior years, no value has been booked in the financial statements for the market value of these entitlements. Any proceeds from the sale of poker machine entitlements will be booked as income when received. At this time it is not the intention of the Company to trade in or sell any entitlements other than the 15 entitlements sold subsequent to the end of the financial year.

#### **Reconciliations**

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out as follows:

	Land - at cost	Buildings - at cost	Course plant & equipment - at cost	Clubhouse plant & fittings - at cost	Course plant & equipment - under hire purchase	Poker machines at cost
Carrying amount at 1 May 2009	421,202	2,976,598	219,532	332,525	24,960	233,644
Additions	47,896	34,529	145,751	65,784	--	230,867
Disposals	--	--	--	--	(19,151)	(13,889)
Depreciation / amortisation	--	(116,867)	(59,349)	(70,927)	(5,809)	(98,492)
<b>Carrying amount at 30 April 2010</b>	<b>469,098</b>	<b>2,894,260</b>	<b>305,934</b>	<b>327,382</b>	<b>--</b>	<b>352,130</b>
	Greens and course - at cost	Motor vehicles - at cost	Holiday park buildings and site - at cost	Holiday park plant and eqmt - at cost	TOTAL	
Carrying amount at 1 May 2009	395,482	9,495	881,502	60,376	5,555,316	
Additions	6,499	--	--	11,119	542,445	
Disposals	--	--	(853,574)	(66,239)	(952,853)	
Depreciation / amortisation	(22,791)	(2,998)	(27,928)	(5,256)	(410,417)	
<b>Carrying amount at 30 April 2010</b>	<b>379,190</b>	<b>6,497</b>	<b>--</b>	<b>--</b>	<b>4,734,491</b>	



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

	Land - at cost	Buildings - at cost	Course plant & equipment - at cost	Clubhouse plant & fittings - at cost	Course plant & equipment - under hire purchase	Poker machines at cost
Carrying amount at 1 May 2008	418,324	3,007,526	183,939	350,137	38,817	282,672
Additions	2,878	80,967	95,298	48,934	--	53,925
Disposals	--	--	--	--	--	--
Depreciation / amortisation	--	(111,895)	(59,705)	(66,546)	(13,857)	(102,953)
<b>Carrying amount at 30 April 2009</b>	<b>421,202</b>	<b>2,976,598</b>	<b>219,532</b>	<b>332,525</b>	<b>24,960</b>	<b>233,644</b>
	Greens and course - at cost	Motor vehicles - at cost	Holiday park buildings and site - at cost	Holiday park plant and eqmt - at cost	TOTAL	
Carrying amount at 1 May 2008	415,990	12,492	929,386	64,283	5,703,566	
Additions	1,311	--	--	7,308	290,621	
Disposals	--	--	--	--	--	
Depreciation / amortisation	(21,819)	(2,997)	(47,884)	(11,215)	(438,871)	
<b>Carrying amount at 30 April 2009</b>	<b>395,482</b>	<b>9,495</b>	<b>881,502</b>	<b>60,376</b>	<b>5,555,316</b>	

	2010	2009
<b>8. Payables</b>		
<u>Current</u>		
Trade creditors	241,879	135,889
Sundry creditors	35,361	41,666
Accrued charges	98,830	141,686
Poker machine rebate in advance	1,432	1,432
Goods and services tax clearing account	22,376	38,530
Members subscriptions in advance	31,336	33,883
Poker machine licence fee liability *	52,560	--
	-----	-----
	483,774	393,086
	-----	-----
<u>Non-Current</u>		
Poker machine licence fee liability *	100,740	--
	-----	-----
<u>Total payables</u>	584,514	393,086
	=====	=====

### \* *Poker machine licence fee liability*

This liability is for purchases of poker machines and associated licence fees payable over a 3 year period. The liability is non-interest bearing. No amount has been booked in the financial statements for any interest benefit from this agreement. The assets associated with this liability are included in Prepayments in Note 6 and Fixed Assets in Note 7 to the financial statements. The book value amount of these assets is above the liability booked above. The security for this liability is the poker machines and the associated licences purchased through this agreement.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 9. Provisions

	Short Term Employee Benefits	Poker Machine Jackpots	Long Term Employee Benefits	Total
Opening balance at 1 May 2009	133,321	6,548	75,754	215,623
Additional provisions raised during year	103,927	238,850	13,852	356,629
Amounts used	(106,107)	(239,120)	(11,462)	(356,689)
Balance at 30 April 2010	<b>131,141</b>	<b>6,278</b>	<b>78,144</b>	<b>215,563</b>

#### Analysis of Total Provisions

Current	137,419	139,869
Non-Current	78,144	75,754
	-----	-----
	215,563	215,623
	=====	=====

#### **Provision for Long-term Employee Benefits**

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

#### **Provision for Poker Machine Jackpots**

A provision is recognised for poker machine jackpots not paid as at 30 April 2010. It has been calculated by the Club's poker machine system.

	2010	2009
<b>10. Interest Bearing Liabilities</b>		
<b>Secured – at amortised cost</b>		
<u>Current</u>		
Bank overdraft	--	6,664
Equipment loans	217,428	185,170
Hire purchase liabilities	--	17,900
<u>Non-Current</u>		
Bank loan	1,690,000	1,990,000
Equipment loans	229,229	275,132
	-----	-----
	2,136,657	2,474,866
	=====	=====
<u>Disclosed in the financial statements as:</u>		
Current borrowings	217,428	209,734
Non-current borrowings	1,919,229	2,265,132
	-----	-----
	2,136,657	2,474,866
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### **Security for Borrowings**

The bank loan, equipment loans, and bank overdraft are secured by the following:

- (i) Commonwealth Bank
  - Registered Mortgage (special lease no. 1963/7) over Club premises at Ballingalla Street, Narooma.
  - Registered equitable mortgage over all the assets and undertakings.
  - Registered mortgage over property at Glasshouse Rocks Road, Narooma.
  - Registered mortgage over the lease of the golf club car park and golf course.
  - A contingent liability which exists is a secured bank guarantee for \$5,000 in favour of the TAB in respect of the Club's TAB facilities.

### **11. Company Structure and Share Capital**

- (a) Narooma Golf Club Limited is a company limited by guarantee and as such has no share capital.
- (b) As a company limited by guarantee, every member of the company undertakes to contribute an amount not exceeding \$1.00 on the event of the company being wound up. Such contribution will only be required in the event that assets of the company are insufficient to meet the payments of debts and liabilities of the company at the time of winding up, including the costs, charges and expenses of the winding up. The amount will be payable by all existing members at the time of winding up and those members ceasing membership one year prior to that date. Financial member numbers are contained in the Director's report.

### **12. Financial Instruments**

The entity's financial instruments consist mainly of deposits with the bank, accounts receivable and payable and borrowings from the bank. The entity relies on this working capital as its source of funds. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTE	2010	2009
<b>FINANCIAL ASSETS</b>			
Cash at bank	5	130,742	5,610
Cash on hand	5	76,650	81,353
Sundry receivables	6	39,424	26,316
		-----	-----
		246,816	113,279
		-----	-----



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### FINANCIAL LIABILITIES

Trade creditors	8	241,879	135,889
Poker machine licence fee liability	8	153,300	--
Bank overdraft	10	--	6,664
Equipment loans	10	446,657	460,302
Hire purchase liabilities	10	--	17,900
Bank loan	10	1,690,000	1,990,000
		-----	-----
		2,531,836	2,610,755
		-----	-----
<b>Net Financial Liabilities</b>		2,285,020	2,497,476
		=====	=====

(a) *Financial Risk Management*

Financial Risks

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

*Interest rate risk*

Interest rate risk is subject to the movement in the interest rates on borrowings. The interest rates on the equipment loans are fixed at the start of the agreement which is the market interest rate at that time. The interest rates on all other borrowings are not fixed and are subject to market changes throughout the term of the agreement. It is not expected that the interest rates on all borrowings will vary significantly in the near future.

As at the reporting date, the company had the following variable rate borrowings:

	2010		2009	
	Weighted Average Interest Rate	Balance	Weighted Average Interest Rate	Balance
Bank overdraft	--	--	9%	6,664
Bank loan	4%	1,690,000	4%	1,990,000
<b>Net exposure to cash flow interest rate risk</b>		<b>1,690,000</b>		<b>1,996,664</b>



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 12. Financial Instruments (continued)

#### (a) Financial Risk Management (continued)

##### Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

2010 2009

#### FINANCING FACILITIES

Total financing facilities available to the Club as at 30 April 2010:

Unused amount	270,000	343,336
Bank overdraft used at balance date	--	6,664
Bank bill used at balance date	1,690,000	1,990,000
	-----	-----
	1,960,000	2,340,000
	=====	=====

The bank overdraft facility of \$250,000 may be drawn at any time and is reviewed by the bank on an annual basis. Additionally, the company has access to a business card facility of \$20,000. The bank bill and total financing facilities are reviewed by the bank on an annual basis. As at the date of this report it is expected that the financing facilities available to the Company will not be reduced at that time.

##### Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

##### Price risk

The entity is not exposed to any material commodity price risk.

##### 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 impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity. There are no material amounts of collateral held as security at 30 April 2010.

Credit risk is managed by the entity and reviewed regularly by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties. Only banks and financial institutions with an 'A' rating are utilised.

The trade receivables balances at 30 April 2010 and 30 April 2009 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 12. Financial Instruments (continued)

#### (a) Financial Risk Management (continued)

##### Financial Instruments Maturity Analysis

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

2010	Less than one year	One to five years	Total Contractual Cash Flows
	\$	\$	\$
<b>Financial Assets – Cash flows realisable</b>			
Cash at bank	130,742	--	130,742
Cash on hand	76,650	--	76,650
Trade and sundry receivables	39,424	--	39,424
<b>Total financial assets</b>	<b>246,816</b>	<b>--</b>	<b>246,816</b>

<b>Financial Liabilities - Due for Payment</b>			
Trade creditors	241,879	--	241,879
Poker machine licence fee liability	52,560	100,740	153,300
Equipment loans	217,428	229,229	446,657
Bank loan	--	1,690,000	1,690,000
<b>Total financial liabilities</b>	<b>511,867</b>	<b>2,019,969</b>	<b>2,531,836</b>

2009	Less than one year	One to five years	Total Contractual Cash Flows
	\$	\$	\$
<b>Financial Assets – Cash flows realisable</b>			
Cash at bank	5,610	--	5,610
Cash on hand	81,353	--	81,353
Trade and sundry receivables	26,316	--	26,316
<b>Total financial assets</b>	<b>113,279</b>	<b>--</b>	<b>113,279</b>

<b>Financial Liabilities - Due for payment</b>			
Trade creditors	135,889	--	135,889
Bank overdraft	6,664	--	6,664
Equipment loans	185,170	275,132	460,302
Hire purchase liabilities	17,900	--	17,900
Bank loan	--	1,990,000	1,990,000
<b>Total financial liabilities</b>	<b>345,623</b>	<b>2,265,132</b>	<b>2,610,755</b>

#### (b) Net Fair Values

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



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 12. Financial Instruments (continued)

(c) *Sensitivity analysis:*

#### *Interest rate risk*

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk. As at 30 April 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2010	2009
<i>Increase in interest rate by 2%</i>		
Cash at bank	2,615	112
Bank overdraft	--	(133)
Bank loan	(33,800)	(39,800)
	-----	-----
	(31,185)	(39,821)
	=====	=====
 <i>Decrease in interest rate by 2%</i>		
Cash at bank	(2,615)	(112)
Bank overdraft	--	133
Bank loan	33,800	39,800
	-----	-----
	31,185	39,821
	=====	=====

No sensitivity analysis has been performed for foreign exchange risk, as the entity is not exposed to fluctuations in foreign exchange.

### 13. Remuneration of Auditor

Amounts received, or due and receivable by  
the auditor of the company for:

Audit of the company's accounts	16,000	15,000
Other services*	9,730	6,000
	-----	-----
	25,730	21,000
	=====	=====

\* It is the company's policy to engage Kothes Chartered Accountants and related entities on assignments additional to their statutory audit duties where their expertise and experience are important in relation to professional accounting assistance.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

### 14. Related Party Transactions

(a) *Directors:*

The names of persons who were directors of the company at any time during the year are as follows:

Bruce Ross Day	Albert Donnelly	Joseph Paul Gately
Patricia Anne James	Peter James Jones	Bruce Light
Angela McMillan	Finlay John Peden Munro	Philip Norman Charles Nadin
David John Shackleton		

(b) *Directors Remuneration*

The directors did not receive any remuneration from the company during the year other than reimbursement of out-of-pocket expenses which have been fully substantiated.

(c) *Transactions with directors and director related entities*

There were no transactions with directors, other than those at normal commercial terms and conditions, and other benefits approved by the members at the annual general meeting.

(d) *Other transactions with related parties*

There were no other transactions with related parties.

	2010	2009
--	------	------

### 15. Commitments for Expenditure

#### ***Operating Leases***

The Company leases various plant and equipment under cancellable operating leases. The Company is required to give notice for the termination of these leases.

Commitments for minimum lease payments in relation to cancellable operating leases are as follows:

• not later than one year	33,408	35,702
• later than one year but not later than five years	21,694	10,522
	-----	-----
	55,102	46,224
	=====	=====

The above includes GST of \$5,009 (2009 \$4,202) which is recoverable from the Australian Tax Office.



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 30 APRIL 2010 (Continued)

	2010	2009
<b>16. Reconciliation of Result after Income Tax to Net Cash Inflows from Operating Activities:</b>		
<i>Operating (deficit) after tax</i>	(535,548)	(104,002)
<i>Adjustments for non-cash items</i>		
Depreciation and amortisation	410,417	438,871
Net (profit) on sale of non-current assets	16,304	(12,545)
Fair value of insurance recovery for course plant	--	(31,864)
Changes to provisions	(60)	(19,810)
<i>Changes in Assets and Liabilities</i>		
(Increase)/decrease in and sundry debtors	(13,108)	(3,816)
(Increase)/decrease in inventories	(5,487)	21,339
(Increase)/decrease in prepayments	588	(830)
Increase/(decrease) in trade and sundry creditors	99,685	7,179
Increase/(decrease) in GST clearing account	(16,154)	29,340
Increase/(decrease) in accrued expenses	(42,856)	33,836
Increase/(decrease) in members subs in advance	(2,547)	(3,241)
Increase/(decrease) in poker machine licence fee liability	153,300	--
	-----	-----
<b>Net cash inflow from operating activities</b>	<b>64,534</b>	<b>354,457</b>
	=====	=====

### 17. New standards and interpretations not yet adopted

All Accounting Standards issued or amended and that are applicable to the company but not yet effective and have not been adopted in preparation of the financial statements at reporting date have been reviewed by the company. As at the date of this report there is no effect on the financial statements for the year ended 30 April 2010 due to Accounting Standards issued or amended and that are applicable to the company and have not been adopted in preparation of the financial statements at reporting date, other than changes in the presentation of the financial statements in future reporting periods.

### 18. Events after balance date

Subsequent to the financial year end the Club sold 15 poker machine entitlements for \$200,000 less selling expenses. This will be income for the company in the 30 April 2011 financial year.



ABN 36 472 755 795

## SUPPLEMENTARY INFORMATION

30 APRIL 2010

The additional financial data presented in the revenue and divisional trading accounts are in accordance with the books and records of the Narooma Golf Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 April 2010. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm's policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

**KOTHES**  
**Chartered Accountants**

J.C. HUKINS  
Partner

NAROOMA, 28 June 2010





# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>INCOME</b>		
Advertising	14,863	16,840
Affiliation income	21,709	24,811
Bingo income	41,447	68,019
Commissions received	8,601	11,097
Entertainment income	13,943	10,074
Grant income	36,705	--
Gross profit on bar trading	215,690	214,529
Gross profit on course trading	200,054	209,015
Gross profit on golf competition trading	66,643	67,635
Gross profit on poker machine trading	871,199	1,025,738
Gross profit on TAB & KENO trading	26,885	30,241
Gross profit on vending machine trading	12,051	16,809
Gross (loss) on catering trading	(69,213)	(80,497)
Gross profit on resort trading	(121,019)	81,851
Gross (loss) / profit on resort shop trading	456	1,858
Hire of club facilities / equipment	7,973	6,032
Interest received	2,398	3,393
Profit on sale of assets	--	12,545
Raffle income	67,006	56,321
Social subscriptions	26,511	26,608
Sundry income	4,302	1,978
Telephone income	113	966
Volunteer income	--	3,000
Wage subsidies	3,500	2,750
Workers compensation and insurance receipts	45,645	49,871
	-----	-----
<b>TOTAL INCOME</b>	<b>1,497,462</b>	<b>1,861,484</b>
	-----	-----
<b>EXPENSES</b>		
Advertising	35,577	70,654
Affiliation fees & subscriptions	19,266	20,376
Auditor's remuneration	24,635	16,609
Bad debts written off	221	--
Bank charges	76,371	66,897
Bingo expenses	59,144	121,231
Club promotions	63,818	89,879
Club requisites	18,594	18,994
Commissions paid	2,366	4,935
Depreciation	190,791	181,439
Donations - registered charities	16,144	17,941
Donations - other	27,457	31,905
<b>Carried Forward</b>	<b>534,384</b>	<b>640,860</b>



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>EXPENSES (Continued)</b>		
<b><i>Brought Forward</i></b>	534,384	640,860
Directors expenses	16,208	21,471
Entertainment expenses		
- artists' accommodation	1,936	1,745
- artists' advertising	16,616	2,070
- artists' fees	40,363	42,447
- refreshments – directors	2,886	3,309
- refreshments and meals – staff	38,044	34,497
- members and visitors	35,951	37,422
Garbage collection	11,064	10,467
General expenses	3,733	6,506
Insurance	114,523	105,433
Interest paid	103,848	150,484
Lease finance charges	732	2,111
Legal fees	4,701	--
Light, fuel, and gas	144,687	143,362
Long service leave	2,390	467
Loss on disposal of fixed assets	16,304	--
Motor vehicle expenses	6,350	11,513
Payroll tax	70,614	75,122
Printing, postage, and stationery	43,415	52,701
Raffle expenses	107,697	82,607
Rates and water charges	33,542	30,640
Rent	24,928	24,071
Rental agreements	29,634	31,519
Repairs and maintenance	119,712	91,778
Salaries and wages	325,318	264,177
Security costs	10,748	10,457
Staff training	21,967	16,740
Subscriptions	6,192	9,311
Sundry licences	9,890	7,703
Superannuation	19,491	21,198
Telephone	21,773	14,467
Travelling expenses	255	948
Unders and overs	236	3,688
Uniforms	914	599
Volunteer expenses	290	1,596
	-----	-----
<b>TOTAL EXPENSES</b>	1,941,336	1,953,486
	-----	-----
<b>OPERATING (DEFICIT) FOR YEAR</b>	(443,874)	(92,002)
	-----	-----
<i>Expenditure relating to prior years:-</i>		
Salaries and wages – Back pay – Holiday Park	54,500	12,000
Land tax – Holiday Park	31,535	--
Salaries and wages – Back pay – Club	5,639	--
	-----	-----
<b>OVERALL OPERATING (DEFICIT) FOR YEAR</b>	(535,548)	(104,002)
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>Bar Trading Account</b>		
Sales	899,009	966,122
	-----	-----
<i>Cost of goods sold</i>		
Opening stock	42,183	54,072
Purchases	377,810	378,438
Freight and cartage	4,589	4,518
	-----	-----
	424,582	437,028
Closing stock	45,988	42,183
	-----	-----
	378,594	394,845
<i>Direct costs</i>		
Wages	243,985	294,613
Replacements	4,103	4,316
Bar promotions and discounts	16,193	11,349
Bar gas	3,785	3,972
Bar laundry	--	181
Bar wastage	5,235	8,238
Repairs and maintenance	1,839	250
Superannuation	29,585	33,829
	-----	-----
	683,319	751,593
	-----	-----
<i>Gross profit on trading</i>	215,690	214,529
	=====	=====
<b>Poker Machine Trading Account</b>		
<i>Net Receipts</i>	1,617,448	1,868,456
	-----	-----
<i>Direct costs</i>		
Wages	173,073	183,651
Repairs and maintenance	51,633	44,648
Poker machine rental	4,245	22,390
Poker machine licence fees	932	--
Promotions	110,600	116,725
Depreciation	98,492	102,952
Poker machine monitoring	36,867	36,287
Poker machine tax	219,445	280,485
State wide link	43,644	47,644
Superannuation	7,318	7,936
	-----	-----
	746,249	842,718
	-----	-----
<i>Gross profit on trading</i>	871,199	1,025,738
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>Course Trading Account</b>		
<i>Income</i>		
Green fees	373,270	327,900
Golf carts	185,559	185,956
Golf cart levies	7,902	5,691
Golf subscriptions	238,350	195,837
Water augmentation income	--	95,948
	-----	-----
	805,081	811,332
	-----	-----
<i>Direct costs</i>		
Amortisation	5,809	13,857
Building repairs and maintenance	851	270
Plant repairs and maintenance	14,581	13,653
Course repairs and maintenance	19,210	13,331
Chemicals and fertiliser	43,255	42,124
Fuel	19,323	21,225
Freight	96	127
Course development	136	--
Course electricity	5,521	6,627
Course soil and gravel	7,194	10,127
Course irrigation	5,635	9,626
Course uniforms	760	220
Depreciation	82,141	81,524
Equipment Rental	--	4,650
Golf carts expense	24,746	11,690
Machinery services	4,809	--
Motor vehicle expenses	2,124	976
Professional golfer's retainer and commission	85,025	90,788
Rates and water charges	12,003	16,715
Rent	11,664	10,467
Salaries and wages	236,474	231,453
Superannuation	21,734	21,145
Telephone	1,936	1,722
	-----	-----
	605,027	602,317
	-----	-----
<i>Gross profit on trading</i>	200,054	209,015
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>Catering Trading Account</b>		
Sales	1,118,218	1,297,383
	-----	-----
<i>Cost of goods sold</i>		
Opening stock	15,665	24,214
Purchases	449,871	537,889
	-----	-----
	465,536	562,103
Closing stock	19,261	15,665
	-----	-----
	446,275	546,438
	-----	-----
<i>Direct costs</i>		
Wages – Catering	614,084	661,894
Requisites and replacements	5,339	12,020
Equipment hire – catering	9,952	17,406
Freight	171	432
Function expenses	44,546	47,630
Laundry and cleaning	9,727	9,407
Promotions	6,256	10,669
Superannuation	46,894	54,873
Unders and overs	342	2,229
Wastage	3,845	14,882
	-----	-----
	1,187,431	1,377,880
	-----	-----
<i>Gross (loss) on trading</i>	(69,213)	(80,497)
	=====	=====

## GOLF COMPETITION TRADING ACCOUNT

<i>Income</i>		
Donations received	91	93
Ball competition and competition fees	109,545	110,862
Tournament entry fees	38,645	34,883
	-----	-----
	148,281	145,838
	-----	-----
<i>Direct costs</i>		
Golf trophies	29,156	25,581
Tournament expenses	28,966	23,659
Ball competition	20,001	19,782
Ladies golf expenses	361	(480)
Match committee expenses	2,586	9,207
Pennant expenses	568	454
	-----	-----
	81,638	78,203
	-----	-----
<i>Gross profit on trading</i>	66,643	67,635
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>VENDING MACHINE TRADING ACCOUNT</b>		
Vending machine sales	39,696	47,632
Amusement machines income	--	612
	-----	-----
	39,696	48,244
	-----	-----
<i>Cost of goods sold</i>		
Opening stock	3,779	4,703
Purchases	26,915	30,511
	-----	-----
	30,694	35,214
Closing stock	3,049	3,779
	-----	-----
	27,645	31,435
	-----	-----
<i>Gross profit on trading</i>	12,051	16,809
	=====	=====
<b>TAB &amp; KENO TRADING ACCOUNT</b>		
KENO commission	19,678	17,411
TAB commission	21,872	20,653
	-----	-----
	41,550	38,064
	-----	-----
<i>Less: Direct expenses</i>		
Bank charges	50	110
KENO monthly maintenance charges	2,722	2,982
KENO promotion	1,361	73
TAB expenses	8,949	3,959
TAB promotion	1,053	144
Stationery	530	555
	-----	-----
	14,665	7,823
	-----	-----
<i>Gross profit on trading</i>	26,885	30,241
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>RESORT TRADING ACCOUNT</b>		
<b>INCOME</b>		
Cabin hire income	111,581	335,195
Commission received - private cabins	21,208	52,895
Cleaning	2,864	6,933
Gas sales	668	1,415
Ice sales	157	1,143
Laundry income	1,326	4,310
Linen hire	1,652	3,803
Powered site income	36,444	102,222
Un-powered site income	3,539	45,912
Van owners fees	42,530	68,746
<b>TOTAL INCOME</b>	<b>221,969</b>	<b>622,574</b>
<b>EXPENSES</b>		
Accounting	2,625	4,500
Advertising	10,752	11,837
Amortisation	27,928	47,884
Bank charges	371	521
Cable television	2,959	7,619
Cleaning items	1,238	4,819
Commissions paid	(151)	981
Contract cleaning	576	1,895
Depreciation	5,257	11,214
Electricity	12,839	15,486
Gas	4,767	12,091
Insurance	9,235	15,600
Interest paid	22,949	37,139
Land tax	4,269	--
Legal fees	103	--
Licences	--	909
Management fees	--	185
Motor vehicle and fuel	579	829
Printing, postage, and stationery	804	1,510
Promotions	4,855	7,741
Rates	8,755	12,779
Rent	59,524	96,587
Repairs and maintenance	15,974	39,183
Requisites and repairs	1,065	5,963
Security	2,138	4,383
Subscriptions	2,978	1,129
Superannuation	9,471	13,871
Telephone	3,301	5,156
Wages	123,189	165,949
Waste disposal	4,378	6,937
Water	260	6,026
<b>TOTAL EXPENSES</b>	<b>342,988</b>	<b>540,723</b>
<i>Gross (loss) / profit on trading</i>	<i>(121,019)</i>	<i>81,851</i>



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## REVENUE ACCOUNT FOR THE YEAR ENDED 30 APRIL 2010

	2010	2009
<b>RESORT SHOP TRADING ACCOUNT</b>		
<i>Shop sales</i>	2,865	6,113
	-----	-----
<i>Cost of goods sold</i>		
Opening stock	1,183	1,163
Purchases	1,226	4,275
	-----	-----
	2,409	5,438
Closing stock	--	1,183
	-----	-----
	2,409	4,255
	-----	-----
<i>Gross profit on trading</i>	456	1,858
	=====	=====



# NAROOMA GOLF CLUB LIMITED

(ABN 42 001 008 797)

## COMMUNITY DEVELOPMENT & SUPPORT EXPENDITURE

Organisation	Donation	Organisation	Donation
Australia Day Committee	\$ 35	Narooma & District Lions Club	\$ 1,119
Australian Red Cross	\$ 100	Narooma Camera Club	\$ 470
Camp Quality	\$ 78	Narooma Darts Club	\$ 6,510
Clarke Family Benefit	\$ 200	Narooma High School	\$ 375
Cobargo Public School	\$ 200	Narooma Lions Aussie Rules Club	\$ 17,679
CWA of NSW	\$ 50	Narooma Primary School	\$ 200
Dalmeny Bridge Club	\$ 350	Narooma Probus	\$ 690
Dalmeny Deviates	\$ 120	Narooma RSL Sub-branch	\$ 100
Dalmeny Retirement Village Auxiliary	\$ 80	Narooma Rural Fire Service	\$ 3,017
Eurobodalla Shire Council - Liquor Accord	\$ 1,035	Narooma Scouts	\$ 100
Eurobodalla Volunteer Operations Support (RFS)	\$ 1,690	Narooma Surf Lifesaving Club	\$ 50
Greater Southern Area Health	\$ 60	Narooma View Club	\$ 830
Katungal Aboriginal Corporation	\$ 200	Narooma Wine Club	\$ 300
Legacy Narooma	\$ 100	Oyster Festival Ball	\$ 8,112
Meals on Wheels	\$ 35	Rotary	\$ 200
Montague Choristers	\$ 200	SEARMS	\$ 200
Moruya Jockey Club	\$ 2,750	Seniors Weeks	\$ 830
Mountains to Beach Bike Ride	\$ 310	South Coast Registered Clubs Race Day	\$ 186
Narooma Chamber of Commerce	\$ 1,050	St Vinnies	\$ 35