



naroomagolfclub

**FINANCIAL REPORT
FOR THE YEAR ENDED
30th APRIL 2022**

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

NAROOMA GOLF CLUB LTD
(ABN 42 001 008 797)

BOARD OF DIRECTORS 2021/22

OFFICE BEARERS

| Position | Name | Appointed | Resigned |
|-----------------------|------------------|------------------|-----------------|
| President | Geoff Lanham | 24th Aug 2014 | |
| Vice President | Chris Fader | 25th Mar 2019 | |
| Captain | Andy Thompson | 19th Aug 2018 | |
| Treasurer | Phil Haynes | 24th Aug 2015 | |
| Director | Peter Kearney | 18th Aug 2019 | |
| Director | John Willett | 19th Aug 2019 | |
| Director | Clive Williamson | 19th Aug 2019 | |

CLUB PATRON

| |
|----------------|
| Ralph Imberger |
|----------------|

LIFE MEMBERS

| | | |
|----------------|---------------|-------------|
| Bob Bennett | John Burbidge | Ken Gaffney |
| Ralph Imberger | Pam Leonard | Neil Towers |
| Leone Whelan | | |

BUSINESS DETAILS

| | |
|--|---|
| Registered Office and Principal Place of Business | 1 Ballingalla Street Narooma, NSW 2546 |
| Auditors | Kothes Chartered Accountants 106 Auckland Street Bega, NSW 2550 |
| Bankers | ANZ Batemans Bay, NSW |

NAROOMA GOLF CLUB LTD
(ABN 42 001 008 797)

BOARD COMMITTEES 2021/22

FINANCE & AUDIT COMMITTEE

| | |
|-----------------|------------|
| P. Haynes | G. Lanham |
| C. Williamson | J. Willett |
| General Manager | |

COURSE COMMITTEE

| | |
|-----------------------|-------------------|
| C. Fader | P. Kearney |
| J. Willett | General Manager |
| Course Superintendent | Golf Professional |

MATCH COMMITTEE

| | |
|-----------------|-------------------|
| A. Thompson | P. Jones |
| R. Imberger | B Pateman |
| P. Ingamels | S. Richards |
| R Shepherd | A. Chisholm |
| General Manager | Golf Professional |

THE PRESIDENT IS AN EX-OFFICIO MEMBER OF ALL SUB-COMMITTEES

PRESIDENT REPORT

Dear Members,

It is my duty to present the Annual Report for the Club for this financial year (2021/2022). Unfortunately, COVID continued to impact on our trade, staff and visitors which resulted in a downturn in revenue across each Department, however, we did show a profit for the year and managed to continue to pay down debt and upgrade, maintain and purchase course equipment from cash reserves. The big spend for the financial year was the introduction of irrigation on the front nine holes and the replacement of the Clubhouse roof. There have been some rumblings about the decision to spend money on irrigation when it hasn't stopped raining since the installation, but the decision to irrigate was made well before El Nino occurred. In any case, the cost of irrigating is always going to increase. At least it is now in place and will benefit the course immensely in the future. The roof replacement was a project that was well overdue and has been a godsend given all the rain we have endured of late.

There are several projects planned for the Club and Course in the future, however none more important than the toilet amenities, course bunkering and the upgrade of the irrigation of the back nine holes. Several smaller projects are also planned and will be undertaken when funds become available. The Course Superintendent and his staff have already commenced work on some of the bunkers and a full description of work to be undertaken can be found on our website. This will be a long-term project with 3 to 4 holes being completed each year.

The on-going effects of COVID is still playing havoc with the availability of staff in the Club, Hotel and restaurant industry. We are not immune from these effects and our Caterer has worked tirelessly to maintain his current staffing levels and to also attract suitably trained additional staff. We have all been working together to get through this dilemma. Given the current nature of the industry, there is a real shortage of staff in this industry with no quick fix in sight, so it is important for us all to be patient. Thankyou Paul and Maz and your staff for covering those big visitor groups and weddings during these unprecedented and difficult times.

I would like to thank our Course Superintendent Scott Harris and his dedicated staff for maintaining our course in the best condition and for allowing members and carts on the course during our unusually wet summer. The standard and playability of the course is a real credit to the greens staff given the amount of rain we have received. Thanks also to our Golf Professional Colin Holmes and his staff for the work they do in looking after our golfing needs and attracting and welcoming visitors.

Finally, I would also like to thank the CEO, Dominic Connaughton and his staff, the Board of Directors, the Course Committee, the Match Committee, the Finance and Audit Committee, Members and the dedicated army of volunteers for all the work they have done and support they have given throughout the year.

Good golfing to you all.

Geoff Lanham
President

TREASURER REPORT

Dear Members,

I am pleased to report another profitable year for the club, importantly cash flow remains strong. Most income lines were steady or slightly down on the previous year, except poker machine income which continues to slide (a Statewide trend). This trend in poker machines takings highlights the importance of our golf course in continuing to attract an increasing number of member rounds played, new members and visitors alike. We believe that our ongoing investment in the course in terms of both equipment, irrigation and how it presents is the right strategy as the mix of income source changes over time.

I mentioned last year that our long-term debt had been paid down to \$190,000, this was before we had to re-draw to assist with the cost of the new roof on the club house and the new irrigation system. Pleasingly we did not have to draw down nearly as much as we forecast and as such after repayments our long-term debt facility stands at \$630,000 at the end of April. The irrigation system and the roof were both significant long-term investments.

Over the last 12 months we have continued to critically assess and prioritise the various capital expenditure requirements of the operations.

Club House – Total Investment (\$417,017). Main expense items as follows:

- Colorbond flashing around second storey of club house
- Roof replacement and re-location of all air conditioning units
- Installation of large television screen in main lounge
- Conversion of toilet to storage area
- New furniture for functions & gaming area

Course – Total Investment (\$1,086,022). Main expense items as follows:

- Irrigation – front 9 holes
- Greens mower
- Rough Cut Mower
- Cart Paths
- Storage Containers
- Various other course equipment and work shop tools

We have several investments approved for the upcoming year, mainly around improving the course and ensuring our green staff have the equipment they need. We are also looking at extending the irrigation installation to holes 8, 9, 10, 11 and 16.

I would like to thank the members of the Finance & Audit Committee John Willett, Clive Williamson, Dominic Connaughton and our President for their input, recommendations and critical decision making throughout the year.

Lastly, I would once again like to thank the dedicated volunteers of this club, whether they be gardening, brush cutting, ball spotting during tournaments, on match committee or any number of other tasks, you are integral to the ongoing success of this great golf club.

Treasurer
Phil Haynes

GENERAL MANAGER REPORT

I present the Annual Report and Financial Statements of the Narooma Golf Club for the year ending 30th April 2022. The Club has recorded a profit of \$66,661 for the 2021/22 financial year with EBITDA being \$636,842 or (16.5%). With the last 12 months of Club closures due to Covid, numerous restrictions, staff shortages and a very rain effected course during February, March and April the result achieved has been solid. The strength of the Club continues and has enabled us to upgrade facilities and course machinery with the main projects completed being the installation of the course irrigation system on the front nine (9) holes, replacement of the Club roof, surround flashing and some course equipment.

On the business front the main financial highlights were as follows:

- Revenue \$3,870,002
- Club bank loan stands at \$630,000
- Expenditure on buildings, course, club house plant & equipment \$1,503,039
- R&M expenditure \$367,155
- Depreciation \$640,652
- Raffle expenses \$31,083
- Donations to local groups, associations and in-kind room hire \$28,500
- Promotional expenses providing members benefits just over \$86,048 (which includes Foxtel, member's loyalty points, bonus points, beverage discounts, TAB, Keno & Bingo promotions).

The board and management will continue to upgrade and provide members with first class facilities during the next 12 months.

Both golf competition and social fees were strong throughout the year with the only down side on trade being the bad weather experienced during the early part of this year. All our tournaments over the past year were very well patronised with most of them filling up within hours of being emailed out. The two mixed 3 person ambrose events continue to be very popular with members and visitors. If you haven't registered your email with reception yet, please do so or you may miss out on important information. Congratulations to all the major tournament winners throughout the year.

A very big thanking to all our loyal band of volunteers who unselfishly donate their time towards the betterment and success of our Club. I thank them all sincerely for their time and effort throughout the year.

Thank you to our hard working President, Mr Geoff Lanham and the board for their support, commitment, comradery and professionalism. A special mention to Phil Haynes (Treasurer) and Andy Thompson (Club Captain) for their valuable assistance and guidance during the year.

To our dedicated operations team lead by Dean Drysdale, Tracey Benbow our administration officer and her team, Scott Harris and his amazing crew for keeping the course trading in very difficult conditions and the Club team for their tireless efforts throughout another disrupted year, you have all performed exceptionally well, thank you.

Many thanks to Colin Holmes our club pro and his team, Paul, Maz and all the catering team who

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continually produce and serve the best fresh meals on the South Coast. We also welcome Belinda Lenihan who has taken over the functions coordinator position and Liz Jacobson one of our new Club supervisors.

Finally, on behalf of the Board, Management and Staff I would like to take this opportunity to thank our loyal members for their continued support and for complying with all the Covid-19 regulations implemented throughout the year. Stay safe and we look forward to seeing you all again soon.

Dominic Connaughton ACCM
General Manager

CLUB CAPTAIN REPORT

Hello to all fellow golfers at Narooma Golf Club. This is the time of year when I get to thank people for their contributions in the last 12 months. These thank you's are nearly the same as last year but that is because these members just keep on contributing. I will thank those that have aided me and I'm sure Jan Shevlin will address those that have aided her as Female Captain.

My Match Committee have carried me through another year covering me and making things work as best as possible. Ralph Imberger and Peter Jones are the machine that keeps the golfing programme running and I am indebted to them both. Thanking also Barry Pateman for his tireless work come Major Events time and to Steve Richards for covering the mundane paperwork side of things. Paul Ingamells, Rod Shepherd and Allan Chisholm retired from the Match Committee and their long years of service was very much appreciated. Julie Melville makes life so much easier with her never ending assistance of all things complicated and menial.

Colin Holmes has been super helpful these last 12 months. He was the major instigator in adopting the Mi-Score system for scoring and it has been very well received by members and those in the Match Room. 90% Plus of members are now using telephones for scoring. Colin and his crew work tirelessly at Major Events time and their behind the scene attitude does not go unnoticed or unappreciated.

Golfing wise it has been an interesting year to say the least. District Pennants was a disappointment because of cancelled matches via washed out venues. Narooma was hit particularly hard by these cancelled matches. As a sideline I wrote to 17 District Club officials re some common discussion about Pennant season and got 1 reply. Apathy still rules apparently. NSW Golf are in the process of taking over the running of the FSCDGA (Good in my opinion) so maybe a changes will slowly begin.

Firstly, Covid then mother nature sending rain to test us. The fact that Scott Harris and his team have been able to present a course for us to play on when others in the district haven't is full testament to how hard they work. The getting up early to install guide ropes after unexpected rain, playing golf in the morning on a day off and then immediately fixing an anomaly noticed during the round and too many other things to list here. The fact is that unless they are on holidays and away our course staff never really have a day off. Your temporary Fixups of damaged and wet areas to allow carts on the course is greatly appreciated. Thanks Fellas.

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Once again a very big thankyou to all our volunteers around the Club. Those that help with the course maintenance and gardens throughout the year do a wonderful job. Our Major Events volunteers are an essential part in the smooth running of those events and very much appreciated by the club and especially in presenting a good experience for our visitors.

The new Non-Gender courses have proven to be plus for members with many members saying it was one of the best things to happen. The aim was to keep members playing golf when they maybe were thinking it was too hard for them and for a gentle introduction for new players. We still need to do a bit of tweaking re hole ratings and that will happen very soon. We found during Covid most of us missed golf but really missed the social interaction that golf provides. The "new courses" have put smiles on members faces instead of frowns.

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Congratulations to Scott Harris our 2021 Narooma Men's Champion and to Steve Richards and Richard Bodell, our respective B and C Grade Champions. This year we have reintroduced a Championship that entails 4 rounds of golf for A grade. By the time this is printed the Club Champion will be decided but I am looking forward to see how it pans out.

We also introduced a Shotgun start to the Seahorse Classic and this did not get a full thumbs up from our visitors at the start. At the completion of the event they were very happy for different reasons. A lot of work went into making the event successful and from an administration side of things it was a huge success and a couple of little adjustments will make it even better. The same format will be used next year with those adjustments.

I must mention The Life Membership honour that the Members bestowed upon Ralph Imberger at last year's AGM. I have witnessed Ralph's contributions for 10 years and the last 4 years I have been a major beneficiary of these contributions. A well-loved member (non-playing these days) that just keeps on doing the little things that matter. He has rescued me from various mud holes on many occasions. Congratulations and thank you Ralph.

Thanks to my fellow Board Members and Dominic and his staff for all they do to make life easier and interesting for me. To those I might have forgotten to write about I apologize but throughout the year i am extremely grateful for your contributions.

Through hard work by our green's staff we have been able to enjoy golf for the majority of the last year. Some visitors to our club have said they have had only 3 games of golf on their course this year so we are indeed fortunate to be playing. I hope all members continue to support and enjoy the club during these tough times.

Andrew Thompson
Club Captain.

WOMEN CAPTAIN REPORT

Another year has passed and it is time to reflect again on the year that was. And yes, it has been another difficult one, but made easier by the great bunch of women who make up the female golfing membership of this fabulous club.

Our 2021 Women's Club Champion was once again Sylvia Donohoe (12 years on the trot I believe) with Heather McMillan the Division 2 winner. Nett winners were Jan Boxsell and Lynne McDonald in their respective divisions, with Chris Fader prevailing in the Silver Salver.

In February we concluded our summer competitions and commenced our regular weekly season. The 2021/22 Summer Tragic in Division 1 came down to a tie between Nicole Harris and Jayne Hotchkis. Division 2 winner was Anne Durnan with Pam Shepherd as runner-up. The Summer Tragedy award this year went to Lynne McDonald.

In March several of us travelled to Batemans Bay to play in the Far South Coast Annual Tournament. Margaret Brown and Tina Wilson were mentioned in dispatches with both winning 18 hole events and Karen Parkes was named the FSC Division 3 medal winner. A great time was had by all.

The 2022 Narooma Triple Course tournament was successfully completed at the end of May. This year we trailed using a shot-gun start which seemed very popular and we will be keen to do the same in 2023. Major winners were Sylvia Donohoe, Megan Everett from Yowani and Mindy Li from Queanbeyan (a former Narooma country member) on the Montague, Wagonga and Gulaga courses respectively. Happily, the team events all went to Narooma teams. The Narooma Plate was won by the team of Chris Fader, Kay Lawrence and Jenny Walker and the Triple Course Team event by Sylvia Donohoe, Kay Lawrence and Chris Hendra.

The district pennant season this year saw Narooma entering teams in both the First and Open divisions. The rains severely disrupted the programme with many matches having to be postponed and rescheduled. We weren't as successful this year as last with neither team making the finals. Congratulations to Mollymook and Tura Beach on their respective wins. It is with a lot of pride that I say Narooma pennant players always try their hardest and always display great sportsmanship and friendliness.

Other significant events to take place so far this year have included the 4BBB Match play, with Sylvia Donohoe and Chris Hendra prevailing over Lynne McDonald and Julie Melville in a hard-fought final match, and the Foursomes Championship, won by Sylvia Donohoe and Kay Lawrence in division 1. Jenny Walker and Julie Whyte stepped up a division this year and took out the nett prize. Division 2 champions were Robyn Giblett and Madeline Robinson and Ris Cheale and Mary Young the nett winners. Congratulations to all.

In June we reinstated the Narooma vs Federal Women's Challenge. Twenty-two Federal women visited us, and a fabulous time was had by all. Narooma came out on top winning 9-2 and we look forward to travelling to the ACT next year to defend our title. A similar challenge is on in October against Murrumbidgee Country Club. Hopefully we can make it 2 in a row.

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Once again I am indebted to Jayne Hotchkis, my Vice-Captain and Handicap Manager, for the invaluable assistance she always gives and to our fabulous committee: Jenny Walker (President), Jan Boxsell (Vice President), Tina Wilson (Secretary) Julie Whyte (Treasurer), Robyn Giblett (Tournament Secretary), Chris Hendra (Publicity) and Margaret Brown (Veteran's Rep). Special mention also to Dierdre Landells who kindly looks after all our welfare.

The golf course continues to impress especially given the extreme weather conditions we have experienced. The amazing work done by Scott Harris and his team to keep the course playable this year is nothing short of exceptional. We are all very grateful for their efforts.
The BUGZ group of gardeners continue doing great work keeping all our gardens in great condition.

Many thanks also to Colin Holmes and his staff. The help of Colin, Hal, Stewart and Rob, who all bend over backwards to support our daily competitions and our annual tournaments is much appreciated.

Dominic and the admin staff, together with Dean and all the bar and bistro teams, always make coming to the club most enjoyable. Many thanks to you all.

Jan Shevlin
Narooma Women's Captain

Narooma Golf Club Limited

A.B.N 42 001 008 797

Directors' Report

30 April 2022

The directors present their report on Narooma Golf Club Limited for the financial year ended 30 April 2022.

Information on directors

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

Geoffrey LANHAM

| | |
|---------------------|--|
| Qualifications | Retired. Australian Federal Police and Australian Customs Service. |
| Date of Appointment | 25 August 2013 |
| Position | Chairperson |
| Committees | Finance & Audit Committee |

Christina FADER

| | |
|---------------------|--------------------------------|
| Qualifications | Retired Professor of Economics |
| Date of Appointment | 21 August 2016 |
| Position | Vice Chairperson |

Phil HAYNES

| | |
|---------------------|---|
| Qualifications | Various senior positions with ANZ Bank 1995-2013. |
| Date of Appointment | 24 August 2014 |
| Position | Treasurer |
| Committees | Chairman of Finance & Audit Committee |

Peter KEARNEY

| | |
|---------------------|---------------------------|
| Qualifications | Semi-retired Fire Manager |
| Date of Appointment | 29 April 2019 |
| Position | Director |

Andrew THOMPSON

| | |
|---------------------|---------------------|
| Qualifications | Retired Firefighter |
| Date of Appointment | 19 August 2018 |
| Position | Captain |

John WILLETT

| | |
|---------------------|-----------------------|
| Qualifications | Retired IT Consultant |
| Date of Appointment | 19 August 2018 |
| Position | Director |

Clive WILLIAMSON

| | |
|---------------------|---|
| Qualifications | Retired Certified Practising Accountant, Internal Auditor, Management Accountant. |
| Date of Appointment | 24 January 2018 |
| Position | Director |

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

Principal activities

The principal activity of Narooma Golf Club Limited during the financial year was that of a Registered Club and provision of golfing facilities.

No significant changes in the nature of the Company's activity occurred during the financial year.

Narooma Golf Club Limited

A.B.N 42 001 008 797

Directors' Report

30 April 2022

Short term objectives

The Company's short term objectives are to provide and maintain a championship golf course, conduct and promote the game of golf and offer first grade facilities while maintaining the clubs standing in the top 100 courses in Australia.

- Increasing the level of membership and visitation of the Club
- Maintaining its overall viability in terms of liquidity, credit control, legislative and regulatory compliance
- Reduce debt to a manageable level and financial controls
- To continue to proactively target the reduction of the organisations water and energy consumption and waste reduction.

Long term objectives

The Company's long term objectives include:

- Asset replacement and strategic capital investment
- Increased member services through diversification of facilities and services
- The Club conducts annual strategic planning sessions. The strategic planning conducted by the Board of Directors review items such as; Club Vision, SWOT analysis, political, environmental, social and technological issues, competitor and target market analysis.

Strategy for achieving the objectives

The progress of each strategic objective is reported on a monthly basis by the General Manager to the Board of Directors.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by continuing to provide a championship golf course, to offer first grade facilities with exceptional service and to be the best golf club on the South Coast.

Performance measures

The Club has adopted many benchmarks and KPI reporting mechanisms to monitor the performance of the business. The performance of the Club is measured through:

- a) EBITDA
- b) Cost of goods and gross profit margins
- c) Wages
- d) Membership
- e) Visitors
- f) Energy consumption
- g) Member Suggestions
- h) Member, visitor and staff focus groups.

Additionally, the Club has developed a strategic plan, comprehensive marketing plan, key performance measures and goals for key management personnel to deliver the objectives of the Club, along with the current undertaking of a Site Master Plan and a Golf Course Improvement Plan.

Members guarantee

Narooma Golf Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person who ceased to be a member in the year prior to the winding up, is limited to \$1 subject to the provisions of the company's constitution. At 30 April 2022, the collective liability of members was \$2,243 (2021: \$ 2,479).

Narooma Golf Club Limited

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Directors' Report

30 April 2022

Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

- The continuing issues relating to the COVID-19 virus have significantly affected the Company's operations.

Future developments and results

The ongoing disruptions caused by the COVID-19 virus will continue to have an effect on the operations of the Company and future financial results. The ongoing effects are unknown as at the date of this financial report.

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

| | Directors' Meetings | |
|------------------|----------------------------------|------------------------|
| | Number eligible to attend | Number attended |
| Geoffrey LANHAM | 13 | 13 |
| Christina FADER | 13 | 13 |
| Andrew THOMPSON | 13 | 12 |
| Phil HAYNES | 13 | 12 |
| Clive WILLIAMSON | 13 | 12 |
| John WILLETT | 13 | 11 |
| Peter KEARNEY | 13 | 11 |

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 April 2022 has been received and can be found on page 6 of the financial report.

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



Director:

Geoffrey LANHAM



Director:

Andrew THOMPSON

Dated 27 June 2022



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Narooma Golf Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 April 2022, there have been:

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

KOTHES
Chartered Accountants

SIMON BYRNE
Partner
Registered Company Auditor (#153624)
NAROOMA
27 June 2022



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

DIRECTORS

Simon Byrne
Fiona Dunham
Gary Pearce
Kevin Philistin
Gary Skelton

BECA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
JINDABYNE

T 02 6491 6491
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www.kothes.com.au
Kothes Chartered Accountants
ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited

Narooma Golf Club Limited

A.B.N 42 001 008 797

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 April 2022

| | | 2022 | 2021 |
|--|------|---------------|----------------|
| | Note | \$ | \$ |
| Revenue | 4 | 3,870,002 | 4,705,943 |
| Finance income - interest received | | 65 | 367 |
| Lease income | 8 | 22,500 | 20,375 |
| Other income - gain on disposal of property, plant & equipment | | - | 14,149 |
| Cost of sales | | (379,745) | (417,447) |
| Employee benefits expense | | (1,310,316) | (1,572,966) |
| Depreciation and amortisation expense | | (649,547) | (605,409) |
| Finance expenses | 5 | (59,064) | (38,017) |
| Loss on disposal of assets | | (21,078) | - |
| Accounting and auditing fees | | (22,082) | (23,853) |
| Advertising expenses | | (26,556) | (25,001) |
| Affiliation fees | | (17,317) | (17,822) |
| Bingo expenses | | (12,728) | (15,864) |
| Donations | | (15,700) | (6,200) |
| Entertainment expenses | | (44,175) | (17,730) |
| Functions expenses | | (102,990) | (60,582) |
| Golf competition expenses | | (127,039) | (83,970) |
| Insurance | | (83,678) | (71,836) |
| Light, fuel and gas | | (102,780) | (120,125) |
| Poker machine license fees and monitoring | | (24,877) | (17,408) |
| Poker machine tax | | (8,888) | (84,702) |
| Printing and stationery | | (19,578) | (22,062) |
| Professional golfer's retainer and commission | | (130,735) | (128,456) |
| Promotions expenses | | (62,754) | (73,361) |
| Raffle expenses | | (31,083) | (48,443) |
| Rates and water charges | | (44,956) | (38,234) |
| Rent | | (31,201) | (34,975) |
| Repairs and maintenance | | (367,155) | (355,308) |
| Subscriptions, licences and fees | | (10,566) | (11,074) |
| TAB & Keno expenses | | (15,689) | (18,692) |
| Telephone and internet | | (5,872) | (11,679) |
| Other expenses | | (97,757) | (81,023) |
| Surplus before income tax | | 66,661 | 738,595 |
| Income tax expense | 2(a) | - | - |
| Surplus from continuing operations | | 66,661 | 738,595 |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | 66,661 | 738,595 |

The accompanying notes form part of these financial statements.

Narooma Golf Club Limited

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Statement of Financial Position

As At 30 April 2022

| | Note | 2022 \$ | 2021 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 241,077 | 445,287 |
| Trade receivables | | 12,421 | 15,165 |
| Inventories - stock on hand | | 41,200 | 33,947 |
| Other assets - prepayments | | 47,763 | 35,644 |
| TOTAL CURRENT ASSETS | | 342,461 | 530,043 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 5,275,807 | 4,251,382 |
| Right-of-use assets | 8 | 297,206 | 306,101 |
| TOTAL NON-CURRENT ASSETS | | 5,573,013 | 4,557,483 |
| TOTAL ASSETS | | 5,915,474 | 5,087,526 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 389,026 | 370,993 |
| Borrowings | 10 | 107,537 | 23,836 |
| Lease liabilities | 8 | 10,735 | 15,439 |
| Provision for poker machine jackpots | | 48,068 | 42,568 |
| Employee benefits | 12 | 262,666 | 247,360 |
| Other liabilities | 11 | 114,908 | 123,684 |
| TOTAL CURRENT LIABILITIES | | 932,940 | 823,880 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 132,668 | 134,685 |
| Borrowings | 10 | 850,337 | 190,469 |
| Lease liabilities | 8 | 286,471 | 292,095 |
| TOTAL NON-CURRENT LIABILITIES | | 1,269,476 | 617,249 |
| TOTAL LIABILITIES | | 2,202,416 | 1,441,129 |
| NET ASSETS | | 3,713,058 | 3,646,397 |
| EQUITY | | | |
| Retained earnings | | 3,713,058 | 3,646,397 |
| TOTAL EQUITY | | 3,713,058 | 3,646,397 |

The accompanying notes form part of these financial statements.

Narooma Golf Club Limited

A.B.N 42 001 008 797

Statement of Changes in Equity

For the Year Ended 30 April 2022

2022

| | Retained Earnings |
|---------------------------------|--------------------------------|
| | \$ |
| Balance as at 1 May 2021 | <u>3,646,397</u> |
| Surplus for the year | <u>66,661</u> |
| Balance at 30 April 2022 | <u><u>3,713,058</u></u> |

2021

| | Retained Earnings |
|---------------------------------|--------------------------------|
| | \$ |
| Balance as at 1 May 2020 | <u>2,907,802</u> |
| Surplus for the year | <u>738,595</u> |
| Balance at 30 April 2021 | <u><u>3,646,397</u></u> |

The accompanying notes form part of these financial statements.

Narooma Golf Club Limited

A.B.N 42 001 008 797

Statement of Cash Flows For the Year Ended 30 April 2022

| | 2022 | 2021 |
|---|--------------------|------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers and members | 4,287,465 | 5,211,434 |
| Payments to suppliers and employees | (3,619,904) | (3,503,580) |
| Interest received | 65 | 367 |
| Interest paid | (59,064) | (38,017) |
| Net cash provided by/(used in) operating activities | <u>608,562</u> | <u>1,670,204</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of property, plant and equipment | 15,876 | 25,741 |
| Payments for property, plant and equipment | (1,154,548) | (652,191) |
| Net cash used by investing activities | <u>(1,138,672)</u> | <u>(626,450)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from bank loans | 600,000 | - |
| Repayment of bank loan | (160,469) | (477,207) |
| Repayment of equipment loans | (10,328) | (35,629) |
| Repayment of leases | (103,303) | (65,208) |
| Net cash used by financing activities | <u>325,900</u> | <u>(578,044)</u> |
| Net increase/(decrease) in cash and cash equivalents held | (204,210) | 465,710 |
| Cash and cash equivalents at beginning of year | 445,287 | (20,423) |
| Cash and cash equivalents at end of financial year | 6 <u>241,077</u> | <u>445,287</u> |

The accompanying notes form part of these financial statements.

Narooma Golf Club Limited

A.B.N 42 001 008 797

Notes to the Financial Statements

For the Year Ended 30 April 2022

Background Information

Narooma Golf Club Limited 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 registered office and principal place of business is 1 Ballingalla Street, Narooma, NSW, 2546. The financial report covers Narooma Golf Club Limited as an individual entity. Narooma Golf Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 27 June 2022.

Comparatives are consistent with prior years, unless otherwise stated. Individual income and expense balances may change in the statement of profit and loss and other comprehensive income dependent on material changes in balances from year to year.

The financial report covers Narooma Golf Club Limited as an individual entity. Narooma Golf Club Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Narooma Golf Club Limited is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is a Not-For-Profit entity with a main objective of providing quality golfing facilities in Narooma NSW. 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.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sales and services revenue

Sale revenue includes bar sales, poker machine income, catering income, greens income, keno income and TAB income. All of the services and goods for these revenue items are provided to customers at the time of the sale and income is accounted for at that time. If deposits are held for any of these revenue items a liability is booked until the service or goods have been provided to the customer and then as income.

Membership income

Membership income is received in advance for the period of membership paid for. A liability is booked for membership income received in advance with the income spread over the membership period paid for.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

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

(f) Property, Plant and Equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use. Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life. The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|--------------------------|--------------------------|
| Buildings | 40 years |
| Plant and Equipment | 3 to 15 Years |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Classification

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

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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

Amortised cost

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

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

Financial assets

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

Financial liabilities

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

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Leases

At inception of a contract, the Company assesses whether a lease exists.

Lessee accounting

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Lessor accounting

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. The lease income from operating leases is recognised on a straight line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 30 April 2022

2 Summary of Significant Accounting Policies

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Provisions

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

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Going concern

At 30 April 2022, the company was in a net current liability position of \$590,479 (2021: net current liability \$293,837). Notwithstanding this, the financial report has been prepared on the going concern basis. This basis has been adopted as the Company due to the following:-

- Included in current liabilities is long service leave of \$139,073 (2021: \$139,279), a significant portion of which is not expected to be called upon in the next 12 months.
- The company has \$114,908 (2021: \$123,684) in current liabilities relating to income and membership subscriptions received in advance which by nature are not expected to be called upon.
- The company has \$270,000 (2021: \$709,531) of undrawn borrowing facilities available at 30 April 2022.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

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 the accounting policies.

Notes to the Financial Statements

For the Year Ended 30 April 2022

4 Revenue and Other Income

Revenue from continuing operations

| | 2022 | 2021 |
|---|------------------|------------------|
| | \$ | \$ |
| Revenue from contracts with customers (AASB 15) | | |
| - Bar sales | 960,399 | 1,091,412 |
| - Catering income | 143,840 | 91,270 |
| - Poker machine income | 929,968 | 1,272,829 |
| - Course trading income | 803,658 | 862,871 |
| - Golf competition trading income | 341,511 | 288,734 |
| - TAB & KENO commission | 26,445 | 36,470 |
| - Member subscriptions | 364,907 | 371,324 |
| - Affiliation fee income | 22,569 | 23,629 |
| - Advertising income | 12,540 | 14,530 |
| - Commissions received | 13,636 | 14,141 |
| - Raffle, bingo and entertainment income | 51,425 | 54,761 |
| - Other income | 81,721 | 75,972 |
| | 3,752,619 | 4,197,943 |
| Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058) | | |
| - Government COVID-19 subsidies received | 117,383 | 508,000 |
| | 117,383 | 508,000 |
| Total Revenue | 3,870,002 | 4,705,943 |

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into revenue recognised at a point in time and over time which is only applicable to membership subscriptions, and the following table shows this breakdown:

Timing of revenue recognition

| | | |
|--|------------------|------------------|
| - At a point in time | 3,387,712 | 3,826,619 |
| - Overtime - member subscriptions | 364,907 | 371,324 |
| Revenue from contracts with customers | 3,752,619 | 4,197,943 |

5 Finance Expenses

| | | |
|---|---------------|---------------|
| Interest expense - bank overdraft and loans | 29,994 | 24,344 |
| Interest expense on lease liability | 29,070 | 13,673 |
| Total finance expenses | 59,064 | 38,017 |

6 Cash and cash equivalents

| | | |
|--------------------------|---------|---------|
| Cash at bank and in hand | 241,077 | 445,287 |
|--------------------------|---------|---------|

Narooma Golf Club Limited

A.B.N 42 001 008 797

Notes to the Financial Statements

For the Year Ended 30 April 2022

7 Property, plant and equipment

| | 2022 | 2021 |
|---|-------------------------|------------------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| Freehold land | | |
| At cost - Non-Core Property - Glasshouse Rocks Road | <u>155,150</u> | 155,150 |
| Buildings | | |
| At cost - Core Property - Club buildings and site | 5,602,963 | 5,252,113 |
| Accumulated depreciation | <u>(3,088,042)</u> | (2,914,781) |
| Total buildings | <u>2,514,921</u> | 2,337,332 |
| Total land and buildings | <u>2,670,071</u> | 2,492,482 |
| Plant and equipment | | |
| At cost | 2,430,831 | 2,364,664 |
| Accumulated depreciation | <u>(2,017,478)</u> | (1,919,784) |
| Total plant and equipment | <u>413,353</u> | 444,880 |
| Motor vehicles | | |
| At cost | 67,897 | 97,987 |
| Accumulated depreciation | <u>(33,713)</u> | (44,823) |
| Total motor vehicles | <u>34,184</u> | 53,164 |
| Greens and course | | |
| At cost | 1,712,599 | 1,026,768 |
| Accumulated depreciation | <u>(641,992)</u> | (603,794) |
| Total greens and course | <u>1,070,607</u> | 422,974 |
| Course plant and equipment | | |
| At cost | 1,636,605 | 1,282,414 |
| Accumulated depreciation | <u>(983,712)</u> | (858,072) |
| Total course plant and equipment | <u>652,893</u> | 424,342 |
| Poker machines | | |
| At cost | 1,496,062 | 1,352,478 |
| Accumulated depreciation | <u>(1,061,363)</u> | (938,938) |
| Total poker machines | <u>434,699</u> | 413,540 |
| Total property, plant and equipment | <u>5,275,807</u> | <u>4,251,382</u> |

Notes to the Financial Statements

For the Year Ended 30 April 2022

7 Property, plant and equipment

Non-current assets pledged as security

Refer to Note 10 for information on non-current assets pledged as security by the Company.

Buildings

All buildings were valued for accounting purposes on 30 June 2019 by a Certified Practising Valuer. This valuation far exceeded the book value that is carried in the financial statements.

Core Property as per the Registered Clubs Act

All buildings of the Company is considered Core Property as per the Registered Clubs Act.

Land

Land at cost is situated at 31, Glasshouse Rocks Road, Narooma. This land has been valued by the NSW valuer General on 1 July 2019 with the valuation being above the carrying value of the land. The Director's believe that the present value of the land far exceeds the book value that is carried in the financial statements.

The land associated with the clubhouse is leased from Crown Lands NSW under perpetual lease. As it is a perpetual lease no lease asset or liability has been booked as per AASB 16 Leases.

The land associated with the golf course is leased from the Eurobodalla Shire Council. The lease expires on 30 June 2040. A lease asset and liability has been booked as per AASB 16 Leases for the 20 year lease.

Poker Machine Entitlements

As at the end of the financial year the Club held entitlements to operate 50 Poker Machines. As per prior years, no value has been booked in the financial statements for the market value of these entitlements.

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | Land | Buildings | Course plant and equipment | Clubhouse Plant and Equipment | Poker Machines |
|---------------------------------------|----------------|------------------|----------------------------|-------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Opening balance | 155,150 | 2,337,332 | 424,342 | 444,880 | 413,540 |
| Additions | - | 350,850 | 400,190 | 66,167 | 198,992 |
| Disposals | - | - | (28,678) | - | (2,039) |
| Depreciation | - | (173,261) | (142,961) | (97,694) | (175,794) |
| Balance at the end of the year | 155,150 | 2,514,921 | 652,893 | 413,353 | 434,699 |
| | | | Motor Vehicles | Greens and Course | Total |
| | | | \$ | \$ | \$ |
| Opening balance | | | 53,164 | 422,974 | 4,251,382 |
| Additions | | | - | 685,832 | 1,702,031 |
| Disposals | | | (6,237) | - | (36,954) |
| Depreciation | | | (12,743) | (38,199) | (640,652) |
| Balance at the end of the year | | | 34,184 | 1,070,607 | 5,275,807 |

Notes to the Financial Statements

For the Year Ended 30 April 2022

8 Leases

Company as a lessee

The Company has a lease over land (golf carts lease ended in May 2021).

Terms and conditions of leases

Two leases for land exist with one being a perpetual lease and one with a 20 year term expiring on 30 June 2040. No lease asset or liability has been booked for the perpetual lease as it is not deemed to be a lease under AASB 16 Leases as there is no fixed term.

Right-of-use assets

| | Land \$ | Course Plant and Equipment \$ | Total \$ |
|---|----------------|--|----------------|
| Year ended 30 April 2022 | | | |
| Balance at beginning of year | 301,960 | 4,141 | 306,101 |
| Amortisation charge | (4,754) | (4,141) | (8,895) |
| Balance at end of year | 297,206 | - | 297,206 |
| Year ended 30 April 2021 | | | |
| Balance at beginning of year | - | 55,897 | 55,897 |
| Operating leases from prior years capitalised | 315,089 | - | 315,089 |
| Amortisation charge | (13,129) | (51,756) | (64,885) |
| Balance at end of year | 301,960 | 4,141 | 306,101 |

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

| | < 1 year \$ | 1 - 5 years \$ | > 5 years \$ | Total undiscounted lease liabilities \$ | Lease liabilities included in this Statement Of Financial Position \$ |
|-------------------|----------------|-------------------|-----------------|--|---|
| 2022 | | | | | |
| Lease liabilities | 25,085 | 100,338 | 326,098 | 451,521 | 297,206 |
| 2021 | | | | | |
| Lease liabilities | 28,689 | 96,702 | 337,359 | 462,750 | 307,534 |

Notes to the Financial Statements

For the Year Ended 30 April 2022

8 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

| | 2022 | 2021 |
|---------------------------------------|-----------------|-----------------|
| | \$ | \$ |
| Interest expense on lease liabilities | (29,070) | (13,673) |
| Depreciation of right-of-use assets | (8,895) | (64,885) |
| | <u>(37,965)</u> | <u>(78,558)</u> |

Statement of Cash Flows

| | | |
|-------------------------------|-----------------|-----------------|
| Total cash outflow for leases | <u>(10,328)</u> | <u>(65,209)</u> |
|-------------------------------|-----------------|-----------------|

Company as a lessor

Operating leases

The Company leases out its catering operations which includes the use of the Club's catering facilities. The lease has been classified as an operating lease for financial reporting purposes. The amounts recognised in the statement of profit or loss and other comprehensive income relating to operating leases where the Company is a lessor are shown below:

Operating leases

| | | |
|---------------------|---------------|---------------|
| Lease rental income | <u>22,500</u> | <u>20,375</u> |
|---------------------|---------------|---------------|

9 Trade and other payables

Current

| | | |
|-------------------------|----------------|----------------|
| Trade payables | 164,643 | 187,958 |
| GST payable | 12,196 | 11,542 |
| Accrued expenses | 61,198 | 74,439 |
| Sundry creditors | 5,360 | 5,074 |
| Poker machine liability | 145,629 | 91,980 |
| | <u>389,026</u> | <u>370,993</u> |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Non-Current

| | | |
|-------------------------|----------------|----------------|
| Poker machine liability | <u>132,668</u> | <u>134,685</u> |
| | <u>132,668</u> | <u>134,685</u> |

Poker machine liability

This liability is for purchases of poker machines payable over a 3 year period. The liability is non-interest bearing. The assets associated with this liability are included in 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 purchased through this agreement.

Narooma Golf Club Limited

A.B.N 42 001 008 797

Notes to the Financial Statements

For the Year Ended 30 April 2022

10 Borrowings

| | 2022 | 2021 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Secured liabilities: | | |
| Equipment loans | 107,537 | 23,836 |
| Total current borrowings | 107,537 | 23,836 |
| NON-CURRENT | | |
| Secured liabilities: | | |
| Bank loan | 630,000 | 190,469 |
| Equipment loans | 220,337 | - |
| Total non-current borrowings | 850,337 | 190,469 |
| Total borrowings | 957,874 | 214,305 |

(a) Financing facilities

The financing facilities available to the Club from the ANZ Bank are \$900,000. This includes a bank overdraft facility of \$100,000 may be drawn at any time and is reviewed by the bank on an annual basis. One bank loan for (facility of \$200,000) is interest only, fixed interest rate with no principal repayments being payable in full in February 2024 (or replaced by another loan). The other bank loan (facility of \$600,000) is interest only, variable interest rate with no principal repayments being payable in full in June 2024 (or replaced by another loan). Additionally, the Company has access to a business card facility of \$20,000. The bank loans and total financing facilities are reviewed by the bank on at least 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.

(b) Security for Borrowings

The bank loans, equipment loans, and bank overdraft facilities with the ANZ Bank are secured by the following:

1. First registered Mortgage (special lease no. 1963/7) over Club premises at Ballingalla Street, Narooma.
2. First registered mortgage over the lease of the golf club car park and golf course.
3. First registered equitable mortgage over all the assets and undertakings.
4. First registered mortgage over property at Glasshouse Rocks Road, Narooma.
5. 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 Other Liabilities

| | | |
|--|----------------|----------------|
| CURRENT | | |
| Members' subscriptions received in advance | 63,422 | 45,892 |
| Income received in advance | 51,486 | 77,792 |
| | 114,908 | 123,684 |

Notes to the Financial Statements

For the Year Ended 30 April 2022

12 Employee Benefits

| | 2022 | 2021 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| Current liabilities | | |
| Provision for long service leave | 139,073 | 139,279 |
| Provision for annual leave | 123,593 | 108,081 |
| | <u>262,666</u> | <u>247,360</u> |

13 Capital Commitments

Contracted Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment

| | | |
|-----------|----------|----------------|
| Buildings | - | 275,000 |
| Course | - | 614,605 |
| | <u>-</u> | <u>889,605</u> |

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At 30 April 2022 the number of members was 2,243 (2021: 2,479).

15 Key Management Personnel Disclosures

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

Other key management personnel transactions

The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosures are deemed appropriate.

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 April 2022 (30 April 2021: None).

17 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

Notes to the Financial Statements

For the Year Ended 30 April 2022

18 Events Occurring After the Reporting Date

The financial report was authorised for issue on 27 June 2022 by the Board of Directors.

The ongoing disruptions caused by the COVID-19 virus will continue to have an effect on the operations of the Company and future financial results. The ongoing effects are unknown as at the date of this financial report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Narooma Golf Club Limited

A.B.N 42 001 008 797

Directors' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 April 2022 and of the performance for the year ended on that date of the Company.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director:

Geoffrey LANHAM



Director:

Andrew THOMPSON

Dated 27 June 2022



Independent Audit Report to the members of Narooma Golf Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Narooma Golf Club Limited (the Company), which comprises the statement of financial position as at 30 April 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 April 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

The ongoing financial effect of the COVID-19 virus is unknown. The financial report has been prepared on the basis that the company is a going concern however due to the uncertainty of the effects of the ongoing COVID-19 virus disruptions the future financial viability of the company may be significantly affected.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



DIRECTORS

Simon Byrne
Fiona Dunham
Gary Pearce
Kevin Philistin
Gary Skelton

BEGA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
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Independent Audit Report to the members of Narooma Golf Club Limited (Continued)

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KOTHES

Chartered Accountants



SIMON BYRNE
Partner
Registered Company Auditor (#153624)
NAROOMA
27 June 2022

NAROOMA GOLF CLUB LTD
(ABN 42 001 008 797)

**NAROOMA GOLF CLUB PROUDLY DONATED CASH AND IN-KIND SERVICES TO OUR
COMMUNITY OF OVER \$30,000 2021/22**

ANZAC Day Committee
Chamber of Commerce
Country Women's Association
Dalmeny-Kianga Rural Fire Service
Eurobodalla Shire Council Liquor Accord
Narooma & District Lions Club
Narooma Football Club
Narooma High School
Narooma Legacy
Narooma Lions AFL Club
Narooma Marine Rescue
Narooma Primary School
Narooma Rescue Squad – Volunteer Rescue Association
Narooma Rotary Club
Narooma RSL Sub-Branch
Narooma St Vincent de Paul
Narooma Surf Club
Narooma View Club
Narooma Wine Club
Probus Club

