

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

FINANCIAL REPORT
FOR THE YEAR ENDED
31 JANUARY 2010



CRONIN & NORRIS
Public Accountants
47 Manning Street, Kiama NSW 2533
Phone (02) 42321766



**COVER OF
EXCELLENCE™**

Liability limited
by a scheme
approved under
Professional
Standards
Legislation.

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

CONTENTS

Directors' Report	Page 1 – 3
Auditor's Independence Statement	Page 4
Income Statement	Page 5
Statement of Changes in Equity	Page 6
Balance Sheet	Page 7
Cash Flow Statement	Page 8
Notes to the Financial Statements	Page 9 - 24
Directors' Declaration	Page 25
Auditors' Report	Page 26 – 27
Accountants Compilation Report	Page 28
Supplementary Information to the Financial Statements	Page 29 - 34

KIAMA GOLF CLUB
A.B.N. 19 000 994 589

DIRECTORS REPORT

Your Directors present their report for the financial year ended 31 January 2010

DIRECTORS

The names of the Directors in office any time during the financial period and until the date of this report are as follows.

Bruce Tapp	Retired, 9mths Director
Craig Leslie Jones	Supervisor, 29yrs Director
Douglas Dean Wonson	Retired, 7yrs Director
Francis Jackson	Retired, 6yrs 10mths Director
Geoffrey Peters	Retired, 9mths Director
Gregory Gibb	Retired, 9mths Director
James Dedini	Financial Consultant, 4yrs 3mths Director
James Nicholas Hoskins	Builder, 2yrs 9mths Director
John Ward	Company Director, 9mths Director
Lawrence Sainsbury	Retired, 9mths Director
Stewart Ramsay	Manager, 4yrs 4mths Director
Wayne Phillip Bennett	Landscaper, 2yrs 9mths Director
William Henry Tasker	Sales Representative, 10yrs Director

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

<i>Name:</i>	Craig Norman
<i>Appointed:</i>	May 2009
<i>Experience & Qualifications:</i>	28 years in Hospitality industry General Manager of 5 other registered clubs Bachelor of Business in Club & Gaming Management Graduate Certificate in Tourism ACCM Member

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial period were those of a licensed club providing golfing and other recreational facilities for members and visitors.

OPERATING RESULTS

The net profit of the Company for the financial period was \$51,745 (2009 profit of: \$70,145).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the company's state of affairs.

AFTER BALANCE DATE EVENTS

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

KIAMA GOLF CLUB
A.B.N. 19 000 994 589

DIRECTORS REPORT

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

ENVIRONMENTAL ISSUES

The company's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Board monitors compliance with environmental regulations. The directors are not aware of any significant breaches during the period of this report.

MEETINGS OF COMPANY'S DIRECTORS

Detailed below are the number of meetings that were held during the year and the number of meetings attended by each director:

	Number Eligible	Number Attended
Craig Leslie Jones	3	3
William Henry Tasker	3	3
Douglas Dean Wonson	3	3
Francis Jackson	7	7
Stewart Ramsay	7	5
James Dedini	12	11
James Hoskins	12	11
Wayne Bennett	12	12
John Ward	9	9
Geoffrey Peters	9	9
Bruce Tapp	9	9
Gregory Gibb	9	8
Lawrence Sainsbury	9	9

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND AUDITORS

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the club.

PROCEEDINGS ON BEHALF OF THE ENTITY

No persons 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 part of those proceedings.

The entity was not party to any such proceedings during the year.

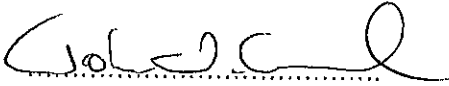
KIAMA GOLF CLUB
A.B.N. 19 000 994 589

DIRECTORS REPORT

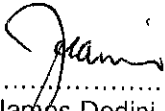
AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 January, 2010 has been received and can be found on page 4 of the director's report.

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



John Ward
Director



James Dedini
Director

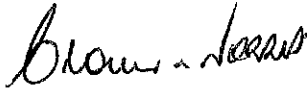
Kiama, 2nd March 2010

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF KIAMA GOLF CLUB LIMITED

I declare that, to the best of my knowledge and beliefs, during the year ended 31 January 2010 there have been:

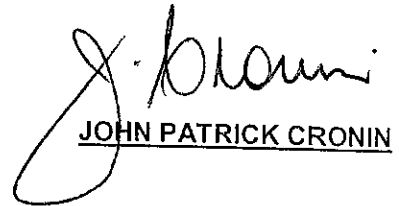
- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



CRONIN & NORRIS

Dated this 3rd day of March, 2010

47 Manning Street, Kiama NSW 2533



JOHN PATRICK CRONIN

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

INCOME STATEMENT
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>NOTE</u>	<u>2010</u>	<u>2009</u>
		\$	\$
Revenues from continuing operations		4,108,844	4,069,204
Changes in inventories of finished goods		3,193	3,739
Consumables used		(875,555)	(792,885)
Employee benefits expense		(1,337,050)	(1,340,639)
Depreciation and amortisation expense		(202,669)	(202,508)
Finance costs		(100,601)	(105,036)
Other expenses		(1,544,417)	(1,561,730)
Profit (loss) before income tax		<u>51,745</u>	<u>70,145</u>
Income tax expense		-	-
Net profit (loss) attributable to members of Kiama Golf Club Limited		<u>51,745</u>	<u>70,145</u>

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED
31 JANUARY 2010

	RETAINED EARNINGS	ASSET REVALUATION RESERVE	TOTAL
Balance at 1st February, 2008	1,755,481	5,811,673	7,567,154
Profit Year Ended 31st January, 2009	70,145	-	70,145
Balance at 31st January, 2009	1,825,626	5,811,673	7,637,299
Profit Year Ended 31st January, 2010	51,745	-	51,745
Balance at 31st January, 2010	1,877,371	5,811,673	7,689,044

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

BALANCE SHEET
AS AT
31 JANUARY 2010

	<u>NOTE</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	4	256,589	354,784
Receivables	5	7,215	-
Inventories	6	82,791	82,553
Other financial assets	7	5,224	4,545
Other current assets	8	16,910	18,196
<u>TOTAL CURRENT ASSETS</u>		<u>368,729</u>	<u>460,078</u>
<u>NON CURRENT ASSETS</u>			
Property, plant & equipment	9	9,070,061	9,180,487
<u>TOTAL NON CURRENT ASSETS</u>		<u>9,070,061</u>	<u>9,180,487</u>
<u>TOTAL ASSETS</u>		<u>9,438,790</u>	<u>9,640,565</u>
<u>CURRENT LIABILITIES</u>			
Trade and other payables	10	106,222	176,623
Interest - bearing liabilities	11	298,434	282,162
Provisions	12	73,437	65,848
Other liabilities	13	215,444	239,912
<u>TOTAL CURRENT LIABILITIES</u>		<u>693,537</u>	<u>764,545</u>
<u>NON CURRENT LIABILITIES</u>			
Interest - bearing liabilities	11	949,253	1,124,065
Provisions	12	106,956	114,656
<u>TOTAL NON CURRENT LIABILITIES</u>		<u>1,056,209</u>	<u>1,238,721</u>
<u>TOTAL LIABILITIES</u>		<u>1,749,746</u>	<u>2,003,266</u>
<u>NET ASSETS</u>		<u>7,689,044</u>	<u>7,637,299</u>
<u>MEMBERS EQUITY</u>			
Retained profits	16	7,689,044	7,637,299
<u>TOTAL EQUITY</u>		<u>7,689,044</u>	<u>7,637,299</u>

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

CASH FLOW STATEMENT

FOR THE YEAR ENDED

31 JANUARY 2010

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Receipts from operations		4,098,653	4,059,430
Payments to suppliers and employees		(3,848,115)	(3,675,250)
Interest received		2,742	10,217
Dividends received		234	387
Finance costs		(100,601)	(105,036)
Net cash inflow from operating activities		<u>152,913</u>	<u>289,748</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
Payments for property, plant & equipment		(92,569)	(454,393)
Net cash (outflow) from investing activities		<u>(92,569)</u>	<u>(454,393)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Proceeds from borrowings		24,750	400,000
Repayment of borrowings		(183,289)	(162,035)
Net cash (outflow) from financing activities		<u>(158,539)</u>	<u>237,965</u>
Net increase (decrease) in cash held		(98,195)	73,320
Cash at beginning of financial year		354,784	281,464
Cash at end of financial year		256,589	354,784

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*.

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. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

a. Revenue

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

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Kiama Golf Club Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the balance sheet, with a corresponding amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

b. Inventories

Inventories are measured at the lower of cost and current replacement cost.

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

c. Property, Plant and Equipment

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

Property

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

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

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

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%
Plant and equipment	5-35%
Leased plant and equipment	10%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Leases

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

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Lease assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) *Financial assets at fair value through profit & loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

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

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine a 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 Income Statement.

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 expired. The difference between the carrying value of the financial liability, which is 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.

f. Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

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

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

g. Employee Benefits

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

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

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance Sheet are shown inclusive of GST.

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

j. Income Tax

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

k. Intangibles

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

l. Provisions

Provisions are recognised when the entity 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 reporting date.

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

m. Comparative Figures

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

n. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

The Company assesses impairment at each reporting date by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for plant and equipment based in Australia, growth rates of 10% have been factored into valuation models for the next five years on the basis of management's expectations around the company's continued ability to capture market share competitors. Cash flow growth rates of 5% subsequent to this period have been used as this reflects historical industry averages.

o. New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company is as follows:

- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the company. If an entity has made prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the company as a policy of capitalising qualifying borrowing costs has been maintained by the company.

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

NOTE 2: REVENUE

Operating Activities

Sales Revenue

- Bar Sales	1,248,754	1,212,544
- Catering Sales	781,619	635,296
- Poker Machine Takings	1,063,658	1,235,871
- Advertising Receipts	73	1,500
- Bingo Receipts	16,910	24,278
- Commission Received	82,532	74,400
- Dividends Received	234	387
- Function Room	5,892	4,404
- Green Fees	270,692	263,585
- Interest Received	2,742	10,102
- Meat Market Promotions	99,412	111,067
- Members Subscriptions	322,731	303,799
- Trophy Contributions	85,727	86,905
- Levy for 14th Net	17,264	-
- Half Way House	6,125	-
- Water Allocation	55,448	54,805
	4,059,813	4,018,943

Other Operating Revenue

- Other Income - Course	31,956	31,624
- Clubhouse	17,075	18,637
	49,031	50,261

Total Revenue	4,108,844	4,069,204
---------------	------------------	------------------

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

NOTE 3: NET PROFIT FOR THE YEAR

Profit before income tax includes the following specific expenses:

Expenses

Cost of Sales	875,555	787,645
Finance costs		
- Interest & Finance Charges	100,601	105,036
Total finance costs	100,601	105,036
Depreciation		
- buildings	72,397	72,136
- plant and equipment	130,272	130,372
Total depreciation	202,669	202,508
Auditors' Remuneration		
- amounts received or due and receivable by Cronin & Norris for:		
- an audit of the financial report of the entity	8,873	8,480

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	244,124	322,853
Deposits	12,465	31,931
Reconciliation of Cash	256,589	354,784
Cash & Cash Equivalents	256,589	354,784

NOTE 5: RECEIVABLES

CURRENT

Trade receivables	7,215	-
	7,215	-

NOTE 6: INVENTORIES

CURRENT

At cost		
Trading stock	57,398	54,206
Non trading stock	25,393	28,347
	82,791	82,553

NOTE 7: OTHER FINANCIAL ASSETS

CURRENT

Australian listed equity securities	5,224	4,545
	5,224	4,545

(a) Changes in fair values of other financial assets at fair value through profit or loss are recorded in revenue or expenses from continuing operations in the income statement.

NOTE 8: OTHER CURRENT ASSETS

Prepayments	16,910	18,196
	16,910	18,196

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Land at Valuation	5,000,000	5,000,000
Buildings at Valuation	3,150,157	3,150,157
Buildings at Cost	685,684	675,229
	3,835,841	3,825,386
Less: Accumulated Depreciation	1,174,627	1,102,229
	2,661,214	2,723,157
Course Improvements	1,481,991	1,453,074
Less: Accumulated Depreciation	348,914	312,494
	1,133,076	1,140,580
Plant, Equipment & Furnishings	2,042,019	2,031,106
Less: Accumulated Depreciation	1,766,249	1,714,356
	275,770	316,750
	9,070,061	9,180,487

	Freehold Land	Buildings	Course Improvements	Plant and Equipment	Total
Opening net book amount	5,000,000	2,723,157	1,140,580	316,750	9,180,487
Additions	-	10,455	28,917	53,197	92,569
Loss on Disposal of Assets	-	-	-	(326)	(326)
Depreciation expense	-	(72,397)	(36,420)	(93,852)	(202,669)
Net book amount	5,000,000	2,661,215	1,133,077	275,769	9,070,061

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

NOTE 10: TRADE & OTHER PAYABLES

CURRENT

Trade Creditors (Unsecured)	67,445	133,017
Sundry Creditors	575	5,902
Goods and Services Tax Liability	38,202	37,704
	106,222	176,623
	106,222	176,623

NOTE 11: BORROWINGS

CURRENT

Illawarra Mutual Building Society Ltd	298,434	282,162
	298,434	282,162
	298,434	282,162

NON-CURRENT

Illawarra Mutual Building Society Ltd	949,253	1,124,065
	949,253	1,124,065
	949,253	1,124,065

Total Current and Non-Current Liabilities

Illawarra Mutual Building Society Ltd	1,247,687	1,406,227
	1,247,687	1,406,227
	1,247,687	1,406,227

The loan is secured by a registered first mortgage over the freehold property and a fixed and floating charge over all assets of the club.

NOTE 12: PROVISIONS

CURRENT

Employee Benefits	73,437	65,848
	73,437	65,848
	73,437	65,848

NON-CURRENT

Employee Benefits	106,956	114,656
	106,956	114,656
	106,956	114,656

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

NOTE 13: OTHER LIABILITIES

Accrued poker machine expenses	22,040	24,041
PM assistance in advance	10,022	10,022
Prepaid members subscriptions	183,382	205,849
	<u>215,444</u>	<u>239,912</u>

NOTE 14: STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purpose of the statement of cash flows, cash included cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

Cash at the end of the financial year as shown in the statement of cash flows is reconciliation to the related items in the balance sheet as follows.

Cash at Bank (Overdraft)	<u>256,589</u>	<u>354,784</u>
Profit from ordinary activities	<u>51,745</u>	<u>70,145</u>

Non-cash flows in profit from ordinary activities

Depreciation of non-current assets	202,669	202,508
Unrealised (gain) loss on investment	(679)	4,018
Loss on disposal of non current assets	325	-

Changes in Assets and Liabilities

Decrease(Increase) in Receivables	(7,215)	830
Decrease(Increase) in Prepayments	1,288	1,085
Decrease(Increase) in Inventories	(240)	(3,973)
Increase(Decrease) in Payables & Accruals	(72,403)	57,286
Increase(Decrease) Subs in Advance	(22,468)	(34,327)
Increase(Decrease) in Provisions	(109)	(7,824)
Cash Flows from operations	<u>152,913</u>	<u>289,748</u>

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

NOTE 15: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The company's exposure to interest rate risk which is the risk that a financial instruments value will result in changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2010

	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	Non Interest Bearing	Weighted Average Interest Rate
Financial Assets					
Cash on Hand	-	-	-	74,786	-
Cash at Bank	169,338	-	-	-	-
Accounts Receivable	-	7,215	-	-	-
Interest Bearing Investments	-	12,465	-	-	5.00%
Total	169,338	19,680	-	74,786	
Financial Liabilities					
Accounts Payable	-	-	-	106,222	-
Lease Liability	-	133,898	143,133	-	8.15%
Bank Loans	-	298,434	949,253	-	8.21%
Total	-	432,332	1,092,386	106,222	

2009

	Floating Interest Rate	1 Year or Less	Over 1 to 5 Years	Non Interest Bearing	Weighted Average Interest Rate
Financial Assets					
Cash on Hand	-	-	-	69,174	-
Cash at Bank	253,679	-	-	-	-
Accounts Receivable	-	-	-	-	-
Interest Bearing Investments	-	31,931	-	-	3.00%
Total	253,679	31,931	-	69,174	
Financial Liabilities					
Accounts Payable	-	-	-	176,623	-
Lease Liability	-	66,476	77,593	-	7.95%
Bank Loans	-	282,162	1,124,065	-	8.23%
Total	-	348,638	1,201,658	176,623	

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

NOTE 16: RETAINED PROFITS

Retained profits at the beginning of the financial year	7,637,299	7,567,154
Net profit attributable to members of the company	<u>51,745</u>	<u>70,145</u>
Retained profits at the end of the financial year	<u>7,689,044</u>	<u>7,637,299</u>

NOTE 17: ENTITY DETAILS

The registered office of the company is:

Kiama Golf Club Ltd
Oxley Avenue
Kiama NSW 2533

The Principal place of business is:

Kiama Golf Club Ltd
Oxley Avenue
Kiama NSW 2533

NOTE 18: MEMBERS GUARANTEE

Kiama Golf Club Ltd 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 \$2 each towards meeting any outstanding obligations of the company.

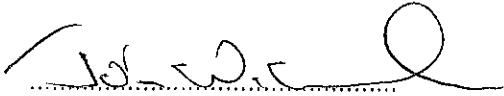
KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

DIRECTORS DECLARATION

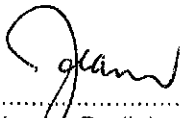
The Directors of the Company declare that:

- A. The financial statements and notes as set out on pages 5 to 24 are in accordance with the Corporations Act 2001, and;
1. comply with Accounting Standards and the Corporations Regulations 2001; and
 2. give a true and fair view of the financial position as at 31st January, 2010 and of the performance for the year ended on that date of the company
- B. In the Director's 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.



John Ward
Director



James Dedini
Director

Dated this 2nd day of March, 2010

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of Kiama Golf Club Limited, which comprises the balance sheet as at 31 January 2010, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, a summary of significant 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 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Kiama Golf Club Limited on 2nd March 2010 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Kiama 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 31 January 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

CRONIN & NORRIS

JOHN PATRICK CRONIN

Dated this 3rd day of March, 2010

47 Manning Street, Kiama NSW 2533

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589

ACCOUNTANTS COMPILATION REPORT

SCOPE

On the basis of information provided by the Directors of Kiama Golf Club Limited we have compiled the General Purpose Financial Report, being the summaries of Trading and Profit and Loss statements for the year ended 31st January, 2010 as set out below.

The specific purpose for which the General Purpose Financial Report has been prepared is to provide additional information to the members.

The additional information is in accordance with the books and records of Kiama Golf Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 January 2010. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, into a financial report.

The General Purpose Financial Report was prepared for the benefit of the Company and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the General Purpose Financial Report.

CRONIN & NORRIS
Public Accountants
Partner: JOHN CRONIN
KIAMA 3rd March 2010

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED

31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>INCOME</u>		
Advertising Receipts	73	1,500
Bar Trading Profit	336,478	362,450
Bingo Receipts	16,910	24,278
Catering Trading Profit (Loss)	89,175	23,778
Course Trading Profit	163,006	148,086
Dividends Received	234	387
Function and Seminar Income	5,892	4,404
Interest Received	2,742	10,217
Keno Net Income	33,816	30,641
Meat Market - Promotions	99,412	111,067
Members' Subscriptions - Social	27,304	28,484
Poker Machine Trading Profit	835,379	907,847
TAB Net Income	26,091	19,667
Other Income	33,886	9,711
Vending Machine Trading Profit	3,715	3,728
	<u>1,674,113</u>	<u>1,686,245</u>
<u>EXPENDITURE</u>		
Advertising General	17,160	16,666
Audit Fees	8,873	8,480
Bank Charges	5,948	9,235
Bingo Expenses	38,787	53,097
Cleaning Materials and Laundry	16,251	15,901
Cleaning Wages	86,004	103,269
Computer Software	710	-
Courtesy Bus	50,021	58,300
Depreciation	119,701	124,744
Donations	17,921	19,197
Electricity - House	68,027	55,754
Entertainment	200,223	109,020
General Expenses	19,376	10,852
Insurances	89,635	96,810

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED

31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>EXPENDITURE (CONT)</u>		
Interest	100,601	105,036
Leasing Charges	20,871	12,827
Legal Expenses	3,800	2,141
Loss on Disposal on Non Current Assets	326	-
Meat Market Expenses	105,374	121,569
Payroll Tax	38,014	27,707
Printing, Postage and Stationary	14,163	21,194
Rates	7,687	8,356
Repairs and Maintenance	66,127	70,952
Security Service	54,094	48,139
Sky Channel	19,881	20,007
Staff Drinks and Meals	10,051	9,657
Staff Training	660	2,521
Superannuation	107,170	100,718
Telephone	15,472	15,137
Wages	319,438	368,814
	<hr/>	<hr/>
	1,622,368	1,616,100
 <u>NET PROFIT (LOSS)</u>	 <hr/>	 <hr/>
	51,745	70,145

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

TRADING STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>BAR TRADING ACCOUNT</u>		
Sales	1,253,851	1,220,770
<u>Less: Cost of Goods Sold</u>		
Opening Stock	38,304	33,804
Purchases	527,188	506,061
	<u>565,492</u>	<u>539,865</u>
Closing Stock	37,556	38,304
	<u>527,936</u>	<u>501,561</u>
<u>Gross Profit</u>	725,915	719,209
<u>Less: Direct Expenses</u>		
Bar Expenses	6,889	5,432
Entertainment - Bar	57,049	58,687
Liquor Licence Fee	526	118
Repairs - Bar Plant and Equipment	4,181	1,765
Rental Payments	10,348	7,091
Staff Uniforms - House	2,394	2,982
Wages	308,050	280,684
	<u>389,437</u>	<u>356,759</u>
<u>NET TRADING PROFIT</u>	<u><u>336,478</u></u>	<u><u>362,450</u></u>

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

TRADING STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
<u>POKER MACHINE TRADING ACCOUNT</u>		
Machine Revenue	1,063,658	1,235,871
<u>Less: Direct Expenses</u>		
CMS Monitoring Fee	23,481	22,836
Depreciation	25,233	33,118
Licence Fee	2,468	950
Poker Machine Duty	44,669	94,594
Promotions	34,367	27,772
Rental Payment	57,436	111,003
Repairs and Maintenance	40,229	34,852
Statewide Link Jackpot	395	2,899
	<hr/>	<hr/>
	228,279	328,024
	<hr/>	<hr/>
<u>NET TRADING PROFIT</u>	<u>835,379</u>	<u>907,847</u>

KIAMA GOLF CLUB LIMITED
A.B.N. 19 000 994 589

TRADING STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
 <u>CATERING TRADING ACCOUNT</u>		
Sales	781,619	635,296
 <u>Less: Cost of Goods Sold</u>		
Opening Stock	15,056	14,316
Purchases	348,367	286,824
	363,423	301,140
Closing Stock	18,836	15,056
	344,587	286,084
 <u>Gross Profit</u>	 437,032	 349,212
 <u>Less Direct Expenses</u>		
Depreciation - Kitchen Plant	9,471	11,563
Electricity & Gas	5,335	5,206
Laundry	1,983	3,018
Other Expenses	605	-
Rental Payments	3,579	4,024
Repairs and Replacement - Kitchen Plant	5,502	3,506
Replacement - Crockery, Cutlery	1,886	2,200
Staff Uniforms	1,580	944
Wages	311,917	288,973
Wastage	6,000	6,000
	347,857	325,434
 <u>NET TRADING PROFIT (LOSS)</u>	 89,175	 23,778

KIAMA GOLF CLUB LIMITED

A.B.N. 19 000 994 589

TRADING STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2010

	<u>2010</u>	<u>2009</u>
	\$	\$

GOLF COURSE

INCOME

Junior Promotions	2,935	4,942
Liability Insurance Collection	7,431	7,113
Members' Green Fees	128,116	123,430
Members Insurance	21,590	19,569
Subscriptions and Nominations	295,427	275,315
Trophy Contributions	85,727	86,905
Visitors' Green Fees	142,576	140,155
Water Allocations	55,448	54,805
	<hr/>	<hr/>
	739,250	712,234

EXPENDITURE

Affiliation and Subscriptions	22,556	17,990
Depreciation - Course Improvements	36,420	18,689
Depreciation - Plant and Machinery	11,845	14,394
Electricity - Course	6,754	7,133
Fuel and Oil	17,385	22,277
Freight & Cartage	60	-
General Expenses - Course	1,334	1,031
Golf Link Fee	1,510	1,710
Half Way House (Net)	2,768	-
Hire of Plant	275	-
Junior Promotions	1,229	4,814
Liability Insurance Claims	3,423	2,575
Maintenance Grounds	36,570	33,979
Members Insurance	6,651	7,336
Professional - Retainer	31,669	31,149
Professional - Commission and Bonus	18,357	17,551
Rates - Council	6,494	6,113
Rates - Water	23,906	23,437
Registrations and Insurance	2,119	593
Rental Payments	11,084	32,160
Repairs and Maintenance Machinery	18,557	11,957
Seeds and Fertiliser etc.	24,323	24,066
Staff Training - Course	1,145	1,034
Staff Uniforms	2,310	1,794
Trees, Shrubs and Plants	45	410
Trophies	77,969	77,005
Wages - Course	204,471	198,181
White Horse Cup and Pennants	5,015	6,770
	<hr/>	<hr/>
	576,244	564,148

PROFIT - COURSE

	<hr/>	<hr/>
	163,006	148,086