

KIAMA GOLF CLUB LIMITED

ABN: 19 000 994 589

**Financial Report For The Year Ended
31 January 2025**

Kiama Golf Club Limited

ABN: 19 000 994 589

Financial Report For The Year Ended 31 January 2025

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KIAMA GOLF CLUB LIMITED**ABN: 19 000 994 589****DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 31 January 2025.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

		Meetings attended	Possible attendance
Bruce Tapp (President)	15 years 9 months service on the board	10	12
	Retired		
Stewart Ramsey (Vice-President)	10 years service on the board	11	12
	Retired		
Clair Hardy (Treasurer)	2 years 4 months service on the board	11	12
	Chief Financial Officer		
Margaret Cooper (Captain)	5 years 3 months service on the board	11	12
	Retired		
Wayne Bennett (Vice-Captain) appointed	7 months service on the board	6	7
	Retired		
Kathleen Bowen (Director)	4 years service on the board	11	12
	Company Director		
Dorothy Swan (Director)	6 years service on the board	12	12
	Retired		
Glenn Shepherd (Director)	2 years 4 months service on the board	10	12
	Retired		
Glenn Whiteford (Captain) deceased	7 years 4 months service on the board	3	4
	Retired		
Greg Wilson (Director) resigned	1 year 3 months service on the board	2	5
	Previously Club Director for 12 years 7 months		
	Retired		

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

Review of Operations

The loss of the company for the financial year after providing for income tax amounted to \$153,556.

Principal Activities

The principal activities of the company during the financial year were:

The operation of a registered club providing members and guests with facilities usually associated with a golf club. The activities are specifically directed towards achieving the company's stated objectives.

No significant changes in the state of affairs occurred during the financial year.

Objectives & Strategies

The short and long term objectives of the company are to provide golf facilities to members and guests, and to strengthen the Club's financial position.

The strategy for achieving these objectives is to conservatively manage and monitor the company's financial position, and ensure that member facilities are kept at the highest of standards.

Performance Measurement

The company uses industry accepted financial and non-financial KPI's to monitor performance.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year 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 other than those occurred in Note 17.

Environmental Regulation

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

Membership

The number of members registered in the Register of Members at 31 January 2025 were as follows:

Golfing Members	892
Social Members	3,180
Junior Golfing Members	94
Total Members	<u>4,166</u>

KIAMA GOLF CLUB LIMITED
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DIRECTORS' REPORT

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the company is wound up, the Constitution states that each member is liable to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 31 January 2025 the collective liability of members was \$8,332 (31 January 2024: \$8,100)

Indemnification of Officers

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

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director

Bruce Tapp

Dated this

day of

2025

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF KIAMA GOLF CLUB LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Kiama Golf Club Limited. As the lead audit partner for the audit of the financial report of Kiama Golf Club Limited for the year ended 31 January 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm O'Donnell Hennessy Taylor
Chartered Accountants

Principal Auditor Spencer Green

Date _____

Address 1/118 Auburn Street Coniston NSW 2500

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2025

		2025	2024
	Note	\$	\$
Sales revenue	2	6,022,944	5,893,708
Other income	2	-	-
Cost of goods sold		(1,182,041)	(1,242,636)
Employee benefits expense		(2,300,904)	(2,159,869)
Depreciation and amortisation expense		(430,896)	(406,068)
Finance costs	3(a)	(8,621)	(20,255)
Other expenses		(2,254,038)	(2,091,244)
Loss before income tax		(153,556)	(26,364)
Tax (expense) income	4	-	-
Loss for the year		(153,556)	(26,364)
Other comprehensive income:			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		(153,556)	(26,364)

The accompanying notes form part of these financial statements.

KIAMA GOLF CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2025

		2025	2024	Restated 01-Feb-24
	Note	\$	\$	\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	7	1,172,163	1,628,115	1,628,115
Trade and other receivables	8	70,993	74,040	74,040
Financial assets	9	1,273	668	668
Inventories	10	181,717	184,945	184,945
Other current assets	11	65,600	51,025	51,025
TOTAL CURRENT ASSETS		1,491,746	1,938,793	1,938,793
NON-CURRENT ASSETS				
Property, plant and equipment	12	9,727,147	9,863,731	9,863,731
TOTAL NON-CURRENT ASSETS		9,727,147	9,863,731	9,863,731
TOTAL ASSETS		11,218,893	11,802,524	11,802,524
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	13	721,482	952,397	952,397
Borrowings	14	311,552	293,834	293,834
Provisions	15	369,419	306,454	324,065
TOTAL CURRENT LIABILITIES		1,402,453	1,552,685	1,570,296
NON-CURRENT LIABILITIES				
Borrowings	14	563,183	811,857	811,857
Provisions	15	7,614	21,777	21,777
TOTAL NON-CURRENT LIABILITIES		570,797	833,634	833,634
TOTAL LIABILITIES		1,973,250	2,386,319	2,403,930
NET ASSETS		9,245,643	9,416,205	9,398,594
EQUITY				
Reserves		5,808,764	5,808,159	5,808,159
Retained earnings		3,436,879	3,608,046	3,590,435
TOTAL EQUITY		9,245,643	9,416,205	9,398,594

The accompanying notes form part of these financial statements.

KIAMA GOLF CLUB LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2025

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 February 2023	3,632,097	5,807,763	9,439,860
Comprehensive income			
Loss for the year	(24,051)	-	(24,051)
Other comprehensive income for the year	396	-	396
Total comprehensive income for the year	(23,655)	-	(23,655)
Transactions with owners, in their capacity as owners, and other transfers			
Transfers to/from reserves	(396)	396	-
Total transactions with owners and other transfers	(396)	396	-
Balance at 31 January 2024	3,608,046	5,808,159	9,416,205
Balance at 1 February 2024	3,608,046	5,808,159	9,416,205
Retrospective adjustments	(17,611)	-	(17,611)
Restated balance as at 1 February 2024	3,590,435	5,808,159	9,398,594
Comprehensive income			
Loss for the year	(153,556)	-	(153,556)
Other comprehensive income for the year	605	-	605
Total comprehensive income for the year	(152,951)	-	(152,951)
Transactions with owners, in their capacity as owners, and other transfers			
Transfers to/from reserves	(605)	605	-
Total transactions with owners and other transfers	(605)	605	-
Balance at 31 January 2025	3,436,879	5,808,764	9,245,643

The accompanying notes form part of these financial statements.

KIAMA GOLF CLUB LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2025

	2025	2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,021,992	6,494,912
Payments to suppliers and employees	(5,951,548)	(5,945,057)
Interest received	3,999	3,956
Net cash provided by operating activities	16(a) <u>74,443</u>	<u>514,815</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(299,439)</u>	<u>(561,921)</u>
Net cash (used in)/provided by investing activities	<u>(299,439)</u>	<u>(561,921)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	52,947	196,471
(Repayment of borrowings)	<u>(283,903)</u>	<u>(219,862)</u>
Net cash provided by/(used in) financing activities	<u>(230,956)</u>	<u>(23,391)</u>
Net increase/(decrease) in cash held	<u>(455,952)</u>	<u>(70,497)</u>
Cash and cash equivalents at beginning of financial year	1,628,115	1,698,612
Cash and cash equivalents at end of financial year	7 <u><u>1,172,163</u></u>	<u><u>1,628,115</u></u>

The accompanying notes form part of these financial statements.

KIAMA GOLF CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

These financial statements and notes represent Kiama Golf Club Limited. Kiama Golf Club Limited is a company limited by guarantees, incorporated and domiciled in Australia

Note 1 Summary of Material Accounting Policy Information

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policy information adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual 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. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

(a) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest (determined under either the fair value or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the company's ownership interests in subsidiaries that do not result in the company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the company loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the company had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9: *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Company holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Company can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Company determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

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Goodwill is tested for impairment annually and is allocated to the company's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Accounting Policies

(a) Income Tax

The club is exempt from income tax under section 50-45 of the Income Tax Assessment Act, being a club formed for the promotion of the sport of golf.

(b) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Inventories

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

(d) 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 losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term 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
Land and Buildings	2.5-20%
Plant and Equipment	5-50%
Right of Use Assets	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases (the Company as lessee)

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequently, the lease liability is measured by a reduction to the carrying amount of any payments made and an increase to reflect any interest on the lease liability.

The right-of-use assets is initially measured based on the corresponding lease liability less any incentives received and initial direct costs incurred. Subsequently, the measurement is the cost less accumulated depreciation (and impairment if applicable).

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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(f) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.16.

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.5.5; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings is documented appropriately, so that the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company can make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

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The Company uses the following approaches to impairment, as applicable under AASB 9:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

General approach

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- if there is no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* that do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Purchased or originated credit-impaired approach

For purchased or originated credit-impaired financial assets, the general approach is modified such that at the reporting date, an entity shall only recognise the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance. The expected credit losses for purchased or originated credit-impaired financial assets shall be discounted using the credit-adjusted effective interest rate determined at initial recognition.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

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For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(g) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(i) 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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(k) Revenue Recognition

Interest income is recognised using the effective interest method.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) Comparative Figures

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

Where the company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(n) Prior Period Errors

Nature of the prior period errors

(i) Provision for annual leave was not grossed up for oncosts in compliance with AASB 119.

The aggregate effect of the prior period errors on the annual financial statements for the year ended 31 January 2025 is as follows:

	Provisions for Holiday Pay \$	Retained Earnings/ Profit or Loss \$
2024		
Unadjusted balance at 31 January 2024	188,118	3,608,046
Effect on profit or loss	17,611	(17,611)
Adjusted balance at 31 January 2024	205,729	3,590,435
Retrospective adjustments on Retained earnings	(17,611)	17,611

As the Company has retrospectively adjusted according to prior period errors and made a retrospective restatement of items in the financial statements, an additional statement of financial position as at the beginning of the earliest comparative period, being 1 February 2024, has been disclosed within the financial statements.

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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

(i) Impairment

The Company assesses impairment at the end of each reporting period by evaluating the 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.

Key Judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the following 12-month period, obligations for annual leave entitlements are classified under AASB 119 as other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(ii) Poker Machine Licences

The entity holds poker machine licences either acquired through a past business combination or granted at no consideration by the NSW government. AIFRS requires that licences outside of a pre AIFRS transaction business combination be recognised initially at its fair value as at the date it was granted with a corresponding adjustment to the profit and loss to recognise the grant immediately as income. Prior to new gaming legislation taking effect in April 2002 allowing poker machine licences to be traded for the first time, the entity has determined that fair value at grant date for licences granted pre April 2002 was zero. Should licences be granted to the entity post April 2002 they will be initially recognised at fair value. The entity has determined that the market for poker machine licences does not meet the definition of an active market and consequently licences recognised will not be revalued each year.

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Note 2 Revenue and Other Income

The Company has recognised the following amounts relating to revenue in the statement of profit or loss.

	2025	2024
	\$	\$
Other sources of revenue		
Dividends received	28	36
Total interest received	3,999	3,956
Sales revenue	5,847,316	5,765,861
Other revenue	171,601	123,855
Total other sources revenue	<u>6,022,944</u>	<u>5,893,708</u>

Note 3 Profit/(loss) before Income Tax

Profit/(loss) before income tax includes the following specific expenses:

	2025	2024
	\$	\$
(a) Expenses		
Cost of goods sold	1,182,041	1,242,636
Interest expense for financial liabilities not at fair value through profit or loss		
— external entities	8,621	20,255
Total finance costs	<u>8,621</u>	<u>20,255</u>
Employee benefits expense	2,300,904	2,159,869
Other expenses:		
Rental expense on operating lease:		
— short-term lease expense	14,727	19,045
Total rental expense on operating leases	<u>14,727</u>	<u>19,045</u>
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
— Loss on disposal of property, plant and equipment	5,127	434

Note 4 Tax Expense

The club is exempt from income tax under section 50-45 of the Income Tax Assessment Act, being a club formed for the promotion of the sport of golf.

Note 5 Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

	2025	2024
	\$	\$
Key Management Personnel Compensation	519,058	511,017
	<u>519,058</u>	<u>511,017</u>

Note 6 Auditor's Remuneration

	2025	2024
	\$	\$
Remuneration of the auditor for:		
— auditing or reviewing the financial statements	27,509	19,800
	<u>27,509</u>	<u>19,800</u>

Note 7 Cash and Cash Equivalents

	2025	2024
	\$	\$
CURRENT		
Cash at bank	152,320	159,853
Cash on hand	1,019,843	1,468,262
	<u>1,172,163</u>	<u>1,628,115</u>

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Note 8 Trade and Other Receivables

	2025	2024
	\$	\$
CURRENT		
Trade receivables	-	-
Other receivables	70,993	74,040
Total current trade and other receivables	<u>70,993</u>	<u>74,040</u>

Note 9 Financial Assets

	2025	2024
	\$	\$
CURRENT		
Listed investments:		
— Shares in listed corporations	1,273	668
	<u>1,273</u>	<u>668</u>

Changes in market value of the listed shares for the year is determined by the closing price on the Australian Stock Exchange on the 31st January 2025.

Note 10 Inventories

	2025	2024
	\$	\$
CURRENT		
At cost:		
Stock on hand - Bar	42,532	47,005
Stock on hand - Catering	5,242	5,919
Stock on hand - Course Operations	31,590	22,795
Stock on hand - Golf Operations	102,353	109,226
	<u>181,717</u>	<u>184,945</u>

Note 11 Other Assets

	2025	2024
	\$	\$
CURRENT		
Prepayments	65,600	51,025
	<u>65,600</u>	<u>51,025</u>

Note 12 Property, Plant and Equipment

	2025	2024
	\$	\$
LAND AND BUILDINGS		
Freehold land at:		
— independent valuation [13.02.98]	5,000,000	5,000,000
Total land	<u>5,000,000</u>	<u>5,000,000</u>
Carrying amount of all freehold land had it been carried under the cost model		
Buildings at:		
— independent valuation	3,150,157	3,150,157
— at cost	1,804,939	1,799,172
(Accumulated depreciation)	(2,385,175)	(2,299,382)
Club Refurbishment Project Costs	629,361	556,229
Course Improvements at Cost	1,653,589	1,618,317
(Accumulated depreciation)	(892,296)	(843,173)
Total buildings	<u>3,960,575</u>	<u>3,981,320</u>
Total land and buildings	<u>8,960,575</u>	<u>8,981,320</u>
Carrying amount of all buildings had they been carried under the cost model		

PLANT AND EQUIPMENT

Plant and equipment:		
Course Plant & Equipment	459,336	401,802
(Accumulated depreciation)	(329,087)	(309,318)
Furniture Plant & Equipment	833,747	807,469
(Accumulated depreciation)	(642,777)	(583,869)
Kitchen Plant & Equipment	302,676	295,237
(Accumulated depreciation)	(265,700)	(254,238)
Golf Operations Plant & Equipment	62,406	60,612
(Accumulated depreciation)	(33,325)	(25,826)
	<u>387,276</u>	<u>391,869</u>

Gaming Machines

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At cost	1,596,467	1,529,963
(Accumulated depreciation)	(1,299,646)	(1,192,413)
	<u>296,821</u>	<u>337,550</u>
Right of Use Assets		
At cost	402,683	402,683
(Accumulated depreciation)	(320,208)	(249,691)
	<u>82,475</u>	<u>152,992</u>
Total plant and equipment	<u>766,572</u>	<u>882,411</u>

(a) 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 and Buildings	Plant and Equipment	Right of Use Assets	Total
	\$	\$	\$	\$
Balance at 1 February 2023	8,885,853	660,234	223,508	9,769,595
Additions	229,844	270,794		500,638
Disposals - written down value		(434)		(434)
Depreciation expense	(134,377)	(201,175)	(70,516)	(406,068)
Carrying amount at 31 January 2024	<u>8,981,320</u>	<u>729,419</u>	<u>152,992</u>	<u>9,863,731</u>
Balance at 1 February 2024	8,981,320	729,419	152,992	9,863,731
Additions	114,171	185,269		299,440
Disposals - written down value		(25,720)		(25,720)
Depreciation expense	(134,916)	(204,871)	(70,517)	(410,304)
Carrying amount at 31 January 2025	<u>8,960,575</u>	<u>684,097</u>	<u>82,475</u>	<u>9,727,147</u>

(b) Core and non core property

All of the land owned by the Club is located at 79-81 Oxley Avenue, Kiama Downs NSW and is considered 'Core Property' (as defined in the Registered Club Act 1976).

All freehold land and buildings were independently valued at 13 February 1998 by Casey & Co Valuers Pty Ltd. The valuation was based on fair value of the land, and the replacement value of the Club buildings.

(c) Leases

The Club has leases over course plant and office assets. The Club has chosen not to apply AASB 16 to leases of intangible assets. Information relating to the leases in place and associated balances and transactions are provided below. Course plant assets have lease terms of between 12 months and 60 months, and office assets have a lease term of 60 months.

Right-of-use assets

Golf Carts, GPS and Photocopier

Balance at beginning of year	152,992
Depreciation charge	(70,517)
Total at end of year	<u>82,475</u>

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
	\$	\$	\$	\$
2025 Lease Liabilities	115,869	42,773	-	158,642
2024 Lease Liabilities	66,251	157,024	-	223,275

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:

Interest expense on lease liabilities	14,727
Depreciation of right to use assets	70,517
	<u>85,244</u>

Note 13 Trade and Other Payables

	2025	2024
	\$	\$
CURRENT		

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Unsecured liabilities		
Trade payables	159,145	179,030
Sundry payables and accrued expenses	171,100	109,605
GST payable	64,945	78,445
Income in Advance	316,270	575,295
Gaming Machine GST Rebate	10,022	10,022
	<u>721,482</u>	<u>952,397</u>

Note 14 Borrowings

	Note	2025 \$	2024 \$
CURRENT			
Finance Lease		16,618	14,541
Operating Lease		99,250	51,710
ANZ Business Credit Card		4,287	1,365
Instalment Loan		5,668	9,717
ANZ Business Loan		106,524	98,306
Gaming Machine Supplier Loan		79,205	118,195
Total current borrowings		<u>311,552</u>	<u>293,834</u>
NON-CURRENT			
Finance Lease		9,262	24,313
Operating Lease		33,511	132,761
Instalment Loan		-	5,668
Gaming Machine Supplier Loan		52,736	74,362
ANZ Business Loan		467,674	574,753
Total non-current borrowings		<u>563,183</u>	<u>811,857</u>
Total borrowings	19	<u>874,735</u>	<u>1,105,691</u>

The bank debt is secured by a first registered mortgage held by the ANZ Bank Ltd over freehold properties owned by the Club, and a general security agreement over all present and after-acquired property held.

The gaming machine supplier loans are secured by the underlying gaming machine asset.

The instalment loan is secured by the underlying cash redemption unit asset.

The finance and operating lease liabilities are secured by the underlying leased assets.

Note 15 Provisions

	2025 \$	2024 \$
CURRENT		
Provisions for Holiday Pay	238,254	205,729
Provisions for Long Service Leave	131,165	118,336
Total current provisions	<u>369,419</u>	<u>324,065</u>
NON-CURRENT		
Provisions for Long Service Leave	7,614	21,777
Total non-current provisions	<u>7,614</u>	<u>21,777</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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Note 16 Cash Flow Information

	2025 \$
(a) Reconciliation of cash flows from operating activities	
with loss after income tax	
loss after income tax	(153,556)
Non-cash flows in loss	
— depreciation	430,896
— write off inventory	
— net gain on disposal of property, plant and equipment	5,127
Changes in assets and liabilities:	
— (increase)/decrease in trade and other receivables	3,047
— (increase)/decrease in inventories	3,228
— (increase)/decrease in other assets	(14,575)
— increase/(decrease) in trade and other payables	(230,915)
— increase/(decrease) in provisions	31,191
Net cash provided by operating activities	<u>74,443</u>

Note 17 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 18 Related Party Transactions

The Company's main related parties are as follows:

(a) Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

(e) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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Note 19 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The total amount for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2025 \$	2024 \$
Financial Assets			
Financial assets at amortised cost:			
— Cash and cash equivalents	7	1,172,163	1,628,115
— Trade and other receivables	8	70,993	74,040
Total Financial Assets		1,244,429	1,702,823
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	13	721,482	952,397
— Borrowings	14	874,735	1,105,691
Total Financial Liabilities		1,596,217	2,058,088

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 31 January 2025.

The directors of the company, meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

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

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, which includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 0 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise assessed as being financially sound. Where the company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

(b) Liquidity risk

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

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year-end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability. The company does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

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c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the company to interest rate risk are limited to borrowings, listed shares, cash and cash equivalents.

ii. Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Such risk is managed through diversification of investments across industries and geographic locations.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie trade receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

	Note	2025		2024	
		Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets: amortised cost					
Cash and cash equivalents (i)	7	1,172,163	1,172,163	1,628,115	1,628,115
Trade and other receivables (i)	8	70,993	70,993	74,040	74,040
Total financial assets		1,244,429	1,243,156	1,702,823	1,702,155
Financial liabilities: amortised cost					
Trade and other payables (i)	13	721,482	721,482	952,397	952,397
Borrowings		874,735	874,735	1,105,691	1,105,691
Total financial liabilities		1,596,217	1,596,217	2,058,088	2,058,088

- (i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

Note 20 Company Details

The Company is domiciled and incorporated in Australia. The registered office of the company is:
Kiama Golf Club Limited
79-81 Oxley Avenue, Kiama Downs 2533

The principal place of business is:
Kiama Golf Club Limited
79-81 Oxley Avenue, Kiama Downs 2533

KIAMA GOLF CLUB LIMITED
ABN: 19 000 994 589
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Kiama Golf Club Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 21, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS)
 - (b) give a true and fair view of the financial position as at 31 January 2025 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.

Director

Bruce Tapp (President)

Dated this

day of

2025

KIAMA GOLF CLUB LIMITED ABN: 19 000 994 589
INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF
KIAMA GOLF CLUB LIMITED

Opinion

We have audited the financial report of Kiama Golf Club Limited (the Company), which comprises the statement of financial position as at 31 January 2025, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements including a summary of material accounting policy information and the directors' declaration.

In our opinion:

- a. 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 31 January 2025 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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) (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Kiama Golf Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 January 2025, 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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
- 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
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.

Auditor's name and signature:

Spencer Green

Name of firm:

O'Donnell Hennessy Taylor

Address:

Coniston

Dated this

day of

2025

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, 2025 as set out on the following pages.

The purpose of the report 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 2025. 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.

Spencer Guy Green
O'DONNELL HENNESSY TAYLOR
Chartered Accountants

**STATEMENT OF OPERATING PROFIT/(LOSS)
BAR TRADING ACCOUNT**

	2025	2024
	\$	\$
Sales	1,223,751	1,209,453
Promotion	72,986	-
	<u>1,296,737</u>	<u>1,209,453</u>
LESS: COST OF GOODS SOLD		
Opening Stock	47,005	54,734
Add: Purchases	<u>527,112</u>	<u>503,873</u>
	574,117	558,607
Less: Closing Stock	<u>(42,532)</u>	<u>(47,005)</u>
	531,585	511,602
GROSS PROFIT	<u>765,152</u>	<u>697,851</u>
LESS: DIRECT COSTS		
Entertainment	22,566	28,122
General Expenses	9,730	10,774
Promotion	72,986	-
Repairs and Maintenance	4,276	7,571
Staff Training	481	2,496
Staff Uniforms	1,424	2,605
Wages	<u>345,729</u>	<u>343,586</u>
	457,192	395,154
NET PROFIT/(LOSS) FROM TRADING	<u>307,960</u>	<u>302,697</u>

CATERING TRADING ACCOUNT

	2025	2024
	\$	\$
Sales	900,417	865,518
Promotion	12,625	-
	<u>913,042</u>	<u>865,518</u>
LESS: COST OF GOODS SOLD		
Opening Stock	5,919	7,609
Add: Purchases	<u>321,146</u>	<u>349,620</u>
	327,065	357,229
Less: Closing Stock	<u>(5,242)</u>	<u>(5,919)</u>
	321,823	351,310
GROSS PROFIT	<u>591,219</u>	<u>514,208</u>
LESS: DIRECT COSTS		
Cleaning Expenses	6,810	6,966
Depreciation	11,462	10,171
Electricity and Gas	22,519	19,923
Promotion	12,625	-
Repairs and Maintenance	17,272	22,051
Replacement - Ancillaries	13,646	5,664
Staff Training	1,760	2,143
Staff Uniforms	1,251	107
Wages	<u>461,597</u>	<u>440,771</u>
Wastage	<u>16,542</u>	<u>18,086</u>
	565,484	525,882
NET PROFIT/(LOSS) FROM TRADING	<u>25,735</u>	<u>(11,674)</u>

GAMING ACCOUNT

	2025	2024
	\$	\$
Gaming Machine Revenue	1,341,273	1,413,199
	1,341,273	1,413,199
LESS: DIRECT COSTS		
Club Grants Funding	17,659	16,668
CMS Monitoring Fee	26,534	24,909
Depreciation	127,826	97,415
Gaming Machine Duty	120,132	140,213
License Fee	1,933	878
Promotions	8,883	9,368
Repairs and Maintenance	32,938	38,292
Software Support	25,111	26,331
Staff Training	-	162
Wages	40,956	38,679
	401,972	392,915
NET PROFIT FROM TRADING	939,301	1,020,284

GOLF COURSE TRADING

	2025	2024
	\$	\$
Apprentice Incentive Payment	5,464	-
Members' Green Fees	327,650	342,090
Subscriptions and Nominations	616,469	594,843
Advertising Receipts	36,002	30,775
Visitors' Green Fees	399,594	340,961
Fuel Tax Rebate	7,370	10,766
	1,392,549	1,319,435
LESS: COST OF GOODS SOLD		
Opening Stock	22,795	25,108
Add: Purchases	-	-
	22,795	25,108
Less: Closing Stock	(31,590)	(22,795)
	(8,795)	2,313
GROSS PROFIT	1,401,344	1,317,122
LESS: DIRECT COSTS		
Depreciation - Course Improvements	49,123	47,650
Depreciation - Plant and Machinery	19,769	17,522
Electricity - Course	28,509	24,719
Freight and Cartage	-	2,090
Fuel and Oil	25,268	24,537
Maintenance - Grounds	43,544	37,395
Motor Vehicle Expenses	9,075	-
Rates - Council	11,884	12,997
Rates - Water	39,231	32,349
Refund of Apprentice Incentive Payment	-	1,500
Registrations and Insurance	2,401	1,848
Repairs and Maintenance	21,652	23,202
Seeds and Fertiliser etc.	23,173	42,877
Staff Training	3,708	3,587
Staff Uniforms	3,356	3,343
Trees, Shrubs and Plants	2,032	1,757
Wages	423,104	379,219
	705,829	656,592
NET PROFIT FROM TRADING	695,515	660,530

GOLF OPERATIONS TRADING**2025****2024**

	\$	\$
Sales	486,212	557,765
Members' Green Fees - Ball Ac	35,095	38,953
Members' Green Fees - Trophy Ac	117,193	110,200
Members' Affiliations & Subscriptions	41,608	34,439
Cart Hire Income	211,079	204,142
Equipment Hire	8,372	12,757
Promotion	4,156	-
	<u>903,715</u>	<u>958,256</u>
 LESS: COST OF GOODS SOLD		
Opening Stock	109,226	122,943
Add: Purchases	<u>330,555</u>	<u>363,694</u>
	439,781	486,637
Less: Closing Stock	<u>(102,353)</u>	<u>(109,226)</u>
	337,428	377,411
GROSS PROFIT	<u>566,287</u>	<u>580,845</u>
LESS: DIRECT COSTS		
Affiliation and Subscriptions	42,543	40,931
Depreciation	7,499	7,548
Golf Link Fee	4,141	3,875
Liability Insurance Claims	8,826	8,950
Pennants	10,529	8,754
Printing and Stationery	5,533	3,565
Promotional Expenses	4,156	-
Rental Payment	9,801	7,145
Repairs and Maintenance	3,105	2,045
Software Support	18,303	17,938
Staff Training	3,896	6,028
Staff Uniforms	393	301
Trophies	155,434	158,243
Wages	298,524	284,556
Wastage	<u>2,825</u>	<u>4,004</u>
	575,508	553,883
NET PROFIT FROM TRADING	<u>(9,221)</u>	<u>26,962</u>

STATEMENT OF OPERATING PROFIT/(LOSS)

	2025 \$	2024 \$
INCOME		
Bar Trading	307,960	302,697
Catering Trading	25,735	(11,674)
Gaming Machine Trading	939,301	1,020,284
Golf Course Trading	695,515	660,530
Golf Operations Trading	(9,221)	26,962
ATM Rebate Income	14,699	15,007
Dividend Receipts	28	36
Function and Seminar Income	3,205	3,689
Interest Received	3,999	3,956
Keno Commission	34,743	26,750
Club Raffle Income	58,325	35,653
Donations & Sponsorships	11,666	4,162
Members' Subscriptions - Social	13,236	15,395
Promotional Fund Rebate	8,727	5,452
TAB Commission	22,468	17,332
Vending Machine Commission	4,532	415
	<u>2,134,918</u>	<u>2,126,646</u>
EXPENDITURE		
Advertising General	42,657	19,638
Affiliation & Subscriptions	23,701	22,142
Amortisation - Intangible Assets	-	7,774
Amortise - Right of Use Assets	70,516	70,516
Audit Fees	27,509	19,800
Bank Charges	40,126	37,627
Borrowing Costs	-	-
Cash Discrepancies	1,486	2,489
Cleaning Contractors	87,231	77,133
Cleaning Materials and Laundry	9,549	11,814
Cleaning Wages	21,457	21,826
Computer Software	35,764	28,801
Courtesy Bus	6,353	5,276
Depreciation	144,701	147,472
Donations & Sponsorships	2,581	829
Electricity	69,782	51,880
Entertainment - House	43,237	98,950
Entertainment - Live Music	29,410	-
Members Kiosk Vouchers	24,794	-
First Aid Supplies	3,656	4,155
Holiday, Sick and Long Service Leave Provisions	233,749	219,873
Insurance	164,087	137,685
Interest	8,621	20,255
Keno Expense	4,783	-
Lease & Hire Purchase Charges	14,727	19,045
Legal Fees	3,336	-
Loss on Sale of Non-Current Assets	5,127	434
Marketing & Promotions	54,200	33,242
Meat Market Expenses	38,013	46,757
Payroll Tax	71,187	62,033
Printing, Postage and Stationery	14,794	18,177
Rates - Council	5,942	6,497
Rates - Water	6,816	11,416
Repairs and Maintenance	55,656	74,811
Security Service	50,433	47,576
Seminars & Meeting Expenses	7,022	11,408

Specialist Consulting Fees	33,383	53,013
Staff Drinks and Meals	19,888	15,329
Staff Training	4,310	11,473
Subscription TV Expenses	66,650	63,718
Superannuation	250,717	225,217
Telephone	14,735	15,570
Wages - Administration	337,808	282,109
Wages - Door	137,431	151,668
Wages - Workcover	549	(2,418)
	<u>2,288,474</u>	<u>2,153,010</u>
Operating Profit/(Loss)	<u>(153,556)</u>	<u>(26,364)</u>