

Crescent Head Country Club Ltd

Financial Statements

For the Year Ended 31 March 2012

Crescent Head Country Club Ltd

For the Year Ended 31 March 2012

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Crescent Head Country Club Ltd

Directors' Report

31 March 2012

Your directors present their report, together with the statement of the Club for the financial year ended 31 March 2012.

1. General information

Directors

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

Names	Position
Pam Bryant	Director
Richard Curnow	Director
John Patterson	Director
Mark Fenwick	Director
Barry Price	Director
Jodie Barsby	Director
Colin Lucht	Director Retired 3 July 2011
Ross Turner	Director Appointed 3 July 2011

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

Colan Ryan has been Manager/Secretary since 8 November 2004.

Principal Activities

The principal activities of Crescent Head Country Club Ltd during the financial year were to provide sporting and recreation facilities for members and guests.

No significant change in the nature of these activities occurred during the year.

The club's short term objectives are to:

- Maintain and improve the quality of club facilities
- Improve staff knowledge regarding appropriate customer contact
- Maintain a healthy working environment
- Work towards an environmental sustainable business practice

The club's long term objectives are to:

- To promote and conduct such sports, games, amusements and entertainments, pastimes and recreations, indoor and outdoor for the community.
- Maintain a strong relationship with members of the club and their guests.

Crescent Head Country Club Ltd

Directors' Report

31 March 2012

1. General information continued

Principal Activities continued

- Strive for continuous improvements in its industry to ensure best outcomes for the Club.
- Maintain strong Cashflow and Balance Sheet.
- To construct, establish and maintain playing areas, amenities, conveniences to accommodate the sporting needs of its members.

To achieve these objectives, the club has adopted the following strategies:

- Aim to attract and retain quality staff, focusing on strong customer service.
- Ongoing training in relevant areas of the industry.
- Strive to attract board members with relevant knowledge and understanding of the entity.
- Attracting members who will utilise the Club to assist in providing strong Cashflow.
- Utilise sustainable energy sources when viable to assist in maintaining environmentally friendly business practices.

2. Operating Results and Review of Operations for the Year

Operating Results

The profit from ordinary activities after providing for income tax amounted to \$ 50,618. This represented a 38% decrease on the results reported for the year ended 31 March 2011. This was largely caused by increases in Employee costs, Depreciation, Electricity, Insurance costs, Rent and Security.

3. Other items

Significant Changes in State of Affairs

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

After balance date events

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

Future developments

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

Crescent Head Country Club Ltd

Directors' Report

31 March 2012

3. Other items continued

Environmental Issues

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

Meetings of Directors

During the financial year, 17 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Pam Bryant	17	12
Richard Curnow	17	17
John Patterson	17	16
Mark Fenwick	17	16
Barry Price	17	16
Jodie Barsby	17	12
Colin Lucht	5	4
Ross Turner	12	11

4. Trust for Burns Victims

(a) Trust Account

Last year the Club was involved in fundraising activities to assist members of the local community with treatment for burns. The funds were placed in a Trust Account by the Club. The money was allocated to the victims during the financial year. The Club has not received any commissions or fees for this community service.

Indemnifying Officers or Auditors

In terms of an insurance policy taken out by the Club, the Directors and Employees of the Club are insured against legal action taken against them as a result of a wrongful act or alleged wrongful act. The amount of the premium payable in respect of the Directors only is not available and is not, therefore, disclosed.

Proceedings on Behalf of Company

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

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

Crescent Head Country Club Ltd

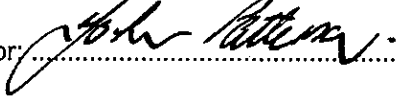
Directors' Report

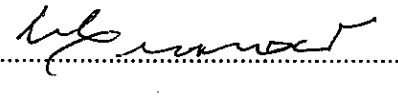
31 March 2012

Auditor's Independence Declaration

The lead auditors independence declaration for the year ended 31 March 2012 has been received and can be found on page 5 of the financial report.

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

Director: 

Director: 

Dated 30 May 2012

Crescent Head Country Club Ltd

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Board Crescent Head Country Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2012 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.

Wrights Chartered Accountants

A handwritten signature in black ink, appearing to read 'Douglas F Cheetham', with a long horizontal line extending to the right.

Douglas F Cheetham

30 May 2012

Kempsey

Crescent Head Country Club Ltd

Statement of Comprehensive Income

For the Year Ended 31 March 2012

	2012	2011
	\$	\$
Net income for the period	<u>50,618</u>	<u>81,409</u>
Other comprehensive income:		
Insurance Recoveries Note 21	218,356	-
Profit/(Loss) on Scrapping of Assets due to Insurance Claim	(9,685)	-
Repairs and Maintenance due to Insurance Claim	<u>(42,894)</u>	-
Other comprehensive income for the year, net of tax	<u>165,777</u>	-
Total comprehensive income for the year	<u><u>216,395</u></u>	<u><u>81,409</u></u>

The accompanying notes form part of these financial statements.

Crescent Head Country Club Ltd

Income Statement

For the Year Ended 31 March 2012

	2012	2011
Note	\$	\$
Revenue	2,760,389	2,628,280
Other income	508,159	509,065
Purchase of Inventories	(635,061)	(577,419)
Raw materials and consumables used	(58,005)	(56,355)
Employee costs	(1,061,615)	(1,015,816)
Depreciation, amortisation and impairments	(258,030)	(248,908)
Other expenses	(1,190,302)	(1,132,845)
Finance costs	(14,917)	(24,593)
Income before income taxes	50,618	81,408
Income tax expense	-	-
Income from continuing operations	50,618	81,408
Income for the year	50,618	81,408

The accompanying notes form part of these financial statements.

Crescent Head Country Club Ltd

Statement of Financial Position

31 March 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	693,742	659,058
Trade and other receivables	3	11,545	8,512
Inventories	4	63,913	55,679
Other assets	5	52,310	116,582
TOTAL CURRENT ASSETS		821,510	839,831
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,109,647	1,763,939
Intangible assets	7	566,750	566,750
TOTAL NON-CURRENT ASSETS		2,676,397	2,330,689
TOTAL ASSETS		3,497,907	3,170,520
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	285,003	292,557
Borrowings	12	143,464	94,246
Current tax payable	11	59,196	56,140
Provisions	10	61,967	56,623
TOTAL CURRENT LIABILITIES		549,630	499,566
NON-CURRENT LIABILITIES			
Borrowings	12	151,511	98,567
Long-term provisions	10	49,416	41,432
TOTAL NON-CURRENT LIABILITIES		200,927	139,999
TOTAL LIABILITIES		750,557	639,565
NET ASSETS		2,747,350	2,530,955
EQUITY			
Reserves		429,558	429,558
Equity		2,317,792	2,101,397
TOTAL EQUITY		2,747,350	2,530,955

The accompanying notes form part of these financial statements.

Crescent Head Country Club Ltd

Statement of Changes in Equity

For the Year Ended 31 March 2012

2012

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 April 2011	2,101,397	429,558	2,530,955
Profit attributable to members of the entity	216,395	-	216,395
Balance at 31 March 2012	2,317,792	429,558	2,747,350

2011

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 April 2010	2,019,988	741,558	2,761,546
Profit attributable to members of the entity	81,409	-	81,409
Revaluation increment (decrement)	-	(312,000)	(312,000)
Sub-total	81,409	(312,000)	(230,591)
Balance at 31 March 2011	2,101,397	429,558	2,530,955

The accompanying notes form part of these financial statements.

Crescent Head Country Club Ltd

Cash Flow Statement

For the Year Ended 31 March 2012

	2012	2011
Note	\$	\$
Cash from operating activities:		
Receipts from customers	\$ 3,241,113	\$ 3,119,673
Payments to suppliers and employees	(2,684,900)	(2,743,332)
Interest received	14,616	13,664
Finance costs	(14,917)	(24,593)
Net cash provided by (used in) operating activities	<u>555,912</u>	<u>365,412</u>
Cash flows from investing activities:		
Purchase of Assets Non Current	6, (a) <u>(623,390)</u>	<u>(189,773)</u>
Net cash used by investing activities	<u>(623,390)</u>	<u>(189,773)</u>
Cash flows from financing activities:		
Proceeds from borrowings	228,086	-
Repayment of borrowings	(125,924)	(87,780)
Net cash used by financing activities	<u>102,162</u>	<u>(87,780)</u>
Other activities:		
Net cash increase (decreases) in cash and cash equivalents	34,684	87,859
Cash and cash equivalents at beginning of year	<u>659,058</u>	<u>571,199</u>
Cash and cash equivalents at end of year	2 <u>\$ 693,742</u>	<u>\$ 659,058</u>

The accompanying notes form part of these financial statements.

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

The financial statements are for Crescent Head Country Club Ltd as an individual entity, incorporated and domiciled in Australia. Crescent Head Country Club Ltd is a club limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are 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 financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

(b) Comparative Figures

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

(c) 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.

(d) Property, Plant and Equipment

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

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued 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.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the revaluation surplus in equity. Revaluation decreases are charged to the revaluation in equity to the extent that they offset previous increases. All other decreases are charged to the income statement.

As the revalued buildings are depreciated the difference between depreciation recognised in the income statement which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

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

Plant and equipment

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

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the club 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

Buildings	2.5%
Plant and Equipment	5% - 27%
Leased plant and equipment	5% - 20%
Furniture, Fixtures and Fittings	2.5% - 40%

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

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

1 Summary of Significant Accounting Policies continued

(d) Property, Plant and Equipment continued

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

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

(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 the equivalent to the date that the club commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of 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) 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

Fair value

The only assets carried at fair value are the poker machine entitlements, these were revalued by the directors on the 31 March 2011.

Impairment

At each reporting date, the club 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.

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

1 Summary of Significant Accounting Policies continued

(f)

Recognition

Financial assets are initially measured at cost of trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value

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

(g) Financial Liabilities

(i) Financial Liabilities

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

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

(i) Employee Benefits

Provision is made for the club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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

(j) Provisions

Provisions are recognised when the club 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.

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

1 Summary of Significant Accounting Policies continued

(k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Income Tax

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

(m) Leases

Finance leases - company limited by guarantee

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the club 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.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the club 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.

(n) Borrowing Costs

All other borrowing costs are recognised in income in the period in which they are incurred.

(o) 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 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 statement of financial position are shown inclusive of GST.

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

(p) Critical Accounting Estimates and Judgments

Key estimates - Impairment

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

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

1 Summary of Significant Accounting Policies continued

(q) Intangibles

(i) Poker Machine Entitlements

Poker machine entitlements are initially, recorded at the amount of their purchase price. They are revalued periodically.

2 Cash and Cash Equivalents

	2012	2011
	\$	\$
Cash on hand	103,912	112,952
Cash at bank	589,830	546,106
	<u>693,742</u>	<u>659,058</u>

3 Trade and Other Receivables

	2012	2011
	\$	\$
CURRENT		
Trade receivables	11,545	8,512
	<u>11,545</u>	<u>8,512</u>

4 Inventories

	2012	2011
Note	\$	\$
CURRENT		
At Cost		
Finished goods	63,913	55,679
	<u>63,913</u>	<u>55,679</u>

5 Other Assets

	2012	2011
	\$	\$
CURRENT		
Prepayments	52,310	32,467
Purchase of Equipment for Insurance	-	84,115
	<u>52,310</u>	<u>116,582</u>

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

6 Property, Plant and Equipment

	2012	2011
	\$	\$
LAND AND BUILDINGS		
Buildings		
At cost	1,408,588	1,353,953
Accumulated depreciation	(490,283)	(449,775)
Total buildings	<u>918,305</u>	<u>904,178</u>
Total land and buildings	<u>918,305</u>	<u>904,178</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,909,919	1,673,989
Accumulated depreciation	(953,744)	(972,779)
Total plant and equipment	<u>956,175</u>	<u>701,210</u>
Furniture, fixture and fittings		
At cost	496,908	416,891
Accumulated depreciation	(271,120)	(271,611)
Total furniture, fixture and fittings	<u>225,788</u>	<u>145,280</u>
Office equipment		
At cost	20,963	21,759
Accumulated depreciation	(11,584)	(8,488)
Total office equipment	<u>9,379</u>	<u>13,271</u>
Total plant and equipment	<u>1,191,342</u>	<u>859,761</u>
Total property, plant and equipment	<u><u>2,109,647</u></u>	<u><u>1,763,939</u></u>

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

6 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

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

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year 1 April 2011	904,179	701,210	145,280	13,270	1,763,939
Additions	54,635	438,223	127,587	2,945	623,390
Disposals	-	(7,185)	(10,495)	(1,972)	(19,652)
Depreciation expense	(40,508)	(176,073)	(36,585)	(4,864)	(258,030)
Carrying amount at the end of 31 March 2012	<u>918,306</u>	<u>956,175</u>	<u>225,787</u>	<u>9,379</u>	<u>2,109,647</u>
Balance at the beginning of year 1 April 2010	926,518	763,519	160,265	10,769	1,861,071
Additions	16,143	110,006	23,870	6,348	156,367
Disposals	-	(2,120)	(2,471)	-	(4,591)
Depreciation expense	(38,482)	(170,195)	(36,384)	(3,847)	(248,908)
Carrying amount at the end of 31 March 2011	<u>904,179</u>	<u>701,210</u>	<u>145,280</u>	<u>13,270</u>	<u>1,763,939</u>

The Clubs Buildings are Core Property. The Buildings are situated on perpetual lease land. The Club has no Non Core Property.

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

7 Intangible Assets

	2012	2011
	\$	\$
Share in Co-operative buying group		
Cost	750	750
Poker Machine Entitlements		
Cost	566,000	566,000
Total Intangibles	<u>566,750</u>	<u>566,750</u>

8 Trade and Other Payables

	2012	2011
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	150,563	26
Sundry payables and accrued expenses	11,640	8,811
Other payables	6,251	3,386
	<u>168,454</u>	<u>12,223</u>
Liabilities		
Trade payables	2,851	75,105
Amounts received in advance	39,607	38,168
Insurance Claim Payables	-	87,778
Other payables	74,091	79,283
	<u>116,549</u>	<u>280,334</u>
	<u>285,003</u>	<u>292,557</u>

9 Borrowings

Total borrowings	<u>294,975</u>	<u>192,813</u>
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Leased liabilities are secured by the underlying leased assets.

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

10 Provisions

	Employee entitlements	Total
	\$	\$
Opening balance at 1 April 2011	98,055	98,055
Additional provisions	74,996	74,996
Amounts used	(61,668)	(61,668)
Balance at 31 March 2012	<u>111,383</u>	<u>111,383</u>

Analysis of Total Provisions

	2012	2011
	\$	\$
Current	61,967	56,623
Non-current	49,416	41,432
	<u>111,383</u>	<u>98,055</u>

Provision for Long-Term Employee Entitlements

This comprises of long service leave accrued but not yet due to employees.

11 Tax

	2012	2011
Note	\$	\$
CURRENT		
GST and PAYG	59,196	56,140
	<u>59,196</u>	<u>56,140</u>

12 Capital and Leasing Commitments

(a) Finance Lease Commitments

	2012	2011
Note	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	150,114	106,519
- between 12 months and 5 years	152,511	125,365
Minimum lease payments	302,625	231,884
Less future finance changes	(7,650)	(39,071)
Present value of minimum lease payments	<u>294,975</u>	<u>192,813</u>
9		

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

12 Capital and Leasing Commitments continued

(b) Operating Lease Commitments

Non-cancelable operating leases contracted for but not capitalised in the financial statements:

	2012	2011
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	61,765	61,765
- between 12 months and 5 years	244,167	256,995
- greater than 5 years	42,878	50,268
	<u>348,810</u>	<u>369,028</u>

The lease of the land on which the club is situated is a perpetual lease and has not, therefore been brought into the "greater than 5 years" category. Rent is redetermined every 3 years based on market rents. The lease of the golf course expires on 10th December 2023. It has a 5 year term but is re-determined every 5 years based on market rents.

13 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2012	2011
		\$	\$
Financial Assets			
Cash and cash equivalents	2	693,742	659,058
Financial assets at fair value through profit or loss			
- held for trading	3	11,545	8,511
Total Financial Assets		<u>705,287</u>	<u>667,569</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	8	285,003	292,557
- Borrowings	9	294,975	192,813
Total Financial Liabilities		<u>579,978</u>	<u>485,370</u>

(a) Credit risk

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

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

13 Financial Risk Management continued

(a) Credit risk continued

Credit risk is managed by minimisation through investing surplus funds in financial institutions that maintain a high credit rating. The company has no significant concentration of credit risk with any single counterpart. Trade and other receivables are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparts with a standard and poors (S&P) rating of at least AA.

(b) Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions;

The club's policy is to ensure that borrowings are repaid over periods of time that will not result in over straining the Clubs cashflow.

Price risk

The club has no price risk as changes in market prices do not effect its financial instruments

14 Members' Guarantee

The club is incorporated under the *Corporations Act 2001* and is a club limited by guarantee. If the club is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding's and obligations of the club. At 31 March 2012 the number of members was 2,727 (2011: 2,751).

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

15 Revenue and Other Income

Revenue from Continuing Operations

	2012	2011
Note	\$	\$
Sales revenue		
- Sale of goods	<u>2,684,888</u>	<u>2,554,398</u>
	<u>2,684,888</u>	<u>2,554,398</u>
Other revenue		
- Interest revenue	14,616	13,664
- Donations	-	200
- Member subscriptions	60,862	59,709
- Other Income	508,159	509,067
- Sundry Revenue	<u>23</u>	<u>309</u>
	<u>583,660</u>	<u>582,949</u>
Total Revenue	<u>3,268,548</u>	<u>3,137,347</u>

16 Profit for the Year

(a) Expenses

	2012	2011
	\$	\$
Depreciation and Amortisation		
Buildings	40,508	38,482
Employee costs	<u>1,061,615</u>	<u>1,015,816</u>
Audit Remuneration auditing or reviewing the financial report	<u>19,210</u>	<u>20,720</u>

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

17 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the club during the year are as follows:

	2012	2011
	\$	\$
Short-term employee benefits	272,170	259,015
	<u>272,170</u>	<u>259,015</u>

18 Auditors' Remuneration

	2012	2011
	\$	\$
Remuneration of the auditor of the club for:		
- auditing or reviewing the financial report	19,210	20,720

19 Related Party Transactions

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

Transaction with related parties:

Purchases were made by the Club from Crescent Head Foodstore, in which Pam Bryant, a director of the Club has an interest. 2012: \$9,378 (2011:\$9,428)

Purchases were made by the Club from Turners Signs, in which Ross Turner, a director of the Club has an interest. 2012: \$6,865. (2011: \$6,225).

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

20 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2012	2011
	\$	\$
Net income for the period	216,395	81,409
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	258,030	248,908
Net gain on disposal of property, plant and equipment	19,652	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(3,033)	5,634
(Increase)/decrease in prepayments	64,272	(76,817)
(Increase)/decrease in inventories	(8,234)	17,223
Increase/(decrease) in trade payables and accruals	(7,554)	11,474
Increase/(decrease) in income taxes payable	3,056	56,140
Increase/(decrease) in provisions	13,328	21,442
	<u>555,912</u>	<u>365,413</u>

(b) Reconciliation of cash

	2012	2011
	\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	2 <u>693,742</u>	659,058
	<u>693,742</u>	<u>659,058</u>

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2012

21 Insurance Claim

(a) Insurance Claim

(i) Insurance Claim

During the previous year there was a storm incident that caused sizable damage to the Club. Many of the repair works and replacement of assets was carried out in 2011/2012 financial year. The board and management have been working with the Insurance company to claim for damages caused by the incident. The board and management are satisfied that claims processed are adequate to cover losses incurred.

In addition to the non current assets repaired and replaced during the year, the board and management took the opportunity to make improvements to the club at the same time. The insurance money received has been allocated to the other comprehensive income statement along with items which were repaired due to the damage caused. Items which needed to be replaced were disposed of in the same statement. The replacement assets have been added to the Balance Sheet Non Current Assets Accounts in accordance with Australian Accounting Standard 116.

22 Events After the End of the Reporting Period

The financial report was authorised for issue on 30 May 2012 by the board of directors.

23 Company Details

The registered office of the company is:

Crescent Head Country Club Ltd
1 Rankine St,
Crescent Head NSW 2440

The principal places of business are:

1 Rankine Street
Crescent Head NSW 2440

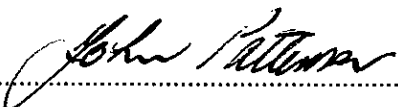
Crescent Head Country Club Ltd

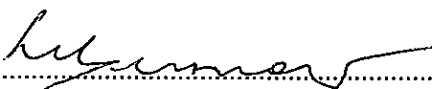
Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 March 2012 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Director 

Director 

Dated 30 May 2012

Crescent Head Country Club Ltd

Independent Audit Report to the members of Crescent Head Country Club Ltd

Report on the Financial Report

We have audited the accompanying financial statements of Crescent Head Country Club Ltd (the club), which comprises the statement of financial position as at 31 March 2012, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the club are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the club's preparation and fair presentation of the financial statements 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 club'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 statements.

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

Independence

In conducting our 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 Crescent Head Country Club Ltd on 30 May 2012, would be in the same terms if provided to the directors as at the date of this auditor's report.

Crescent Head Country Club Ltd

Independent Audit Report to the members of Crescent Head Country Club Ltd *Auditor's Opinion*

In our opinion the financial statements of Crescent Head Country Club Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the club's financial position as at 31 March 2012 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Wrights Chartered Accountants



Douglas F Cheetham

Kempsey

30 May 2012