



NELSON BAY GOLF CLUB

LIMITED ABN 66 001 023 847

Annual Report & Financial Statements

Year Ended 30th June 2022

OUR MISSION IS TO:

- Provide a high quality golf course which will challenge & reward golfers of all standards
- Be the best golfing destination in regional New South Wales
- Be a vibrant social hub for our community

President's Report

This report is presented at the 61st AGM of the Nelson Bay Golf Club on behalf of your Board of Directors.

The year was a challenging one for our General Manager and senior staff. Covid restrictions continued to varying degrees, regular major rain events occurred, the irrigation system installation was underway and staff shortages were prevalent. For all this, with good management, our actual golf operations continued with only minor disturbances. Many golf clubs over the state were subject to months of course closures because of the big wet but we fared comparatively lightly.

Despite the difficulties we achieved a profit of \$376,633 (see the Director of Finance Report for details). The good result allowed the senior staff to receive small bonuses for their contributions during the year.

In this corresponding report last year, I asked "Where are we going into the future?" with the following topics, and now comment as follows on the same headings:

- **Completion of the new irrigation system:** The system was completed in June as programmed and on budget (\$2.7M). The system includes the Nanobubble, new pump shed and state of the art reticulation. The contractor, GIWS performed incredibly well, minimising disturbance to our daily golf. This facility should provide trouble free irrigation for at least 25 years into our future. With all the wet weather very little use has been required to date.
- **Replacement of our golf software and hardware computer system with "MiClub":** The installation has been completed and after some teething problems is now fully operational.
- **Continued course capital works as per the five-year plan:** A continued course improvement plan that has been updated during the year with works completed as programmed.
- **Continuation of our cart path renewal program out on the course.** Our dedicated volunteers have now completed about 40% of our path renewal program. Capital expenditure has been approved to continue path upgrade.
- **Complete the replacement of our hire cart fleet:** Completed. With the increase in both availability and significant price rises, this upgrade was very timely.
- **Finalise a two-year contract extension with the Moses family, our very capable pro shop operators:** The contract has been upgraded and the Moses family is with us until September 2024. On completion of the contract, the Board will consider if it is desirable to continue with an external contractor or whether the running of the pro-shop is brought inhouse.
- **Revitalise our function/event program that has stagnated with the Covid restrictions:** Covid restrictions have still limited usage and this is one area of the club that requires attention to fully utilise our great facility.
- **As always course presentation and improvement is a core issue and a major priority:** The continuing attention to improvement is obvious with good work by both our understaffed Greens team and our dedicated groups of volunteers.

One of the major tasks for the Board, was the selection of a new General Manager with the retirement of Trevor Harrison after seven years at the helm. Trevor gave us six months' notice of his intended departure which allowed time for a comprehensive search for his replacement. We hired an experienced golf recruiter for the search and he provided a recommended list of five names. We interviewed three of these and selected David Lulham for the position. At the time of writing, David has just joined us and we look forward to working with him.

Trevor leaves us after great service and taking our Club to a higher level of professionalism. We thank Trevor for his dedication to the position and wish him well in his retirement.

Trevor in his term, has melded the different functions within our Club into a harmonious working group dedicated to looking after us members. I refer to Greg Stynes and his Green staff, Tanya and Will in the restaurant, Terry Hall and his bar staff, the reception ladies and the back-office workers. Thank you all for your input which often has been more than just the duties listed in your job description.

The continued input of our member volunteers is greatly appreciated by all. The various groups are not only out on the course but help with match desk duties, keep our Clubhouse gardens maintained and help with the raffles and Trivia nights to mention a few tasks. For the course groups, we have been able to purchase a rough mower, two tip carts and upgrade other equipment.

I hope all volunteers achieve enjoyment, satisfaction and comradeship from their involvement. I know our Board and other members greatly appreciate their efforts.

I will leave match matters to our Captain, however as David Rann is not seeking reelection, I sincerely thank him for his years of service in the position. The Captain's duties are arguably the most time consuming of any volunteer's input, and David has certainly completely dedicated himself to managing the golf aspects of our Club.

Finally, I would like to thank the Board of Directors. I am extremely grateful to my fellow members who have been there to help our Club grow and succeed through a busy year.

To all playing members I hope you agree that your Board has served you well for the year. The next year is seen more as a consolidation year financially, with the depletion of our funds with the completion of the irrigation contract. However, course improvements are always to be a high agenda item.

Peter Fagan
President

Captain's Report

The year ending 30th June 2022 was far better from the effects from Covid than either of the previous 2 years but Covid still had some negative effects on our golfing activities. The Board had made a decision to spend the excellent financial benefits derived from the Government's decision to approve golf as a safe outdoor activity, on basic infrastructure that would benefit the Club over a long period of time. We had received warnings from our old irrigation system that burst pipes would become more common as time went by, so we had a new system designed by a specialist and then went out to tender on that design. The best but not the cheapest offer was received from the Gosford Irrigation & Water Solutions company (GIWS). After a rigorous tender analysis by the Club, they were appointed in February 2021, started on site in April 2021 and forecast a finishing time of early July 2022. This they achieved with so little disruption that we have been most impressed with their organisation and understanding of our Club's needs. Their work areas were tidied up every Friday thereby allowing our weekend golf to proceed unhindered. Only one hole at a time was out of play during the week and we all loved getting 2 points on that hole especially the 22nd. We bought new water storage tanks separately, which GIWS connected into the new pipework and finally a high tech Nanobubble generator device has been built into the system as well. Having seen the results elsewhere we are expecting that we will have a more lush green course and a far more efficient watering system. Every sprinkler can be controlled by our Superintendent which will save a lot of wasted water. The old dam is now bypassed by the use of the new tanks so that algae and other detrimental contents will no longer be pumped around the course. The dam will only be used as an emergency overflow in case of a pump not switching off as it should do.

The usual elections in October last year included the popular election of Mark Barden as our Vice Captain, a position he had held by Board appointment after Chris Mawson had resigned in August 2021.

Rod (Rowdy) Barker won the Club Championship despite being one of the older challengers and certainly deserved the title of being the best player in our Club after a really exciting play-off to defeat Jaime O'Connor. Amy Squires, a Junior, was our Ladies Champion. The Ladies Foursomes Champions were Amy Squires and Barbara Frost, the Ladies' Captain. The Mixed Doubles Champions were Ronnie and Justin Shaw. The Men's Foursomes Champions were Tim and Shane Maher.

Starting in February, the A grade pennants team again competed well but just missed out on promotion to Division 1. We then started to hear about the Omicron variant to Covid 19. Restrictions on playing golf were introduced in late June and the clubhouse itself was closed again from 5th August. The Master and the Super Senior Pennants were cancelled along with the B and C grade pennants.

As the Men's membership reached a level that could not be sustained with enough tee times on some Wednesdays and Saturdays, a limit of 450 male Members was introduced by the Board. In contrast the Ladies had plenty of room to increase their numbers and so the Ladies, under their new President, Jeannie Punshon, and their Captain, continued the great initiative called "Bay Buddies" where new and potential Lady Members are welcomed and introduced to the somewhat confusing array of Rules and Etiquette involved in playing golf. This continues to be a great success.

Despite the highly unusual amount of wet weather this year, Greg Stynes, our Course Superintendent, and Andrew Dolesko, his deputy and their team have done a wonderful job preparing the course each day no

matter what weather conditions prevail. The course presentation after each year's greens renovations is again exceptional.

I would again like to thank the staff led by Trevor Harrison, who is rapidly approaching his well deserved retirement, for providing significant help with the match desk duties, providing additional cleaning and sanitising in and around the clubhouse and keeping members safe through this very difficult extended Covid-19 period.

My thanks also go to Maurie, Maria & Warren Moses and the Pro Shop staff for looking after all our members' golf requirements despite the difficult trading conditions.

I will not be seeking re-election for the next 3 years as I have served this club as Captain for the last 4 years and a further 2 years before that as a Director. I want to thank all the tireless course volunteers, men and women on the Match Committee and the Match Desk that have selflessly given up so much of their time throughout, over the years so that we can all play that tiresome, frustrating but rewarding game called golf. All these volunteer members are the hearts and souls of this wonderful members-owned golf club.

David Rann

Captain

Director of Finance Report

The topsy turvy nature of Nelson Bay Golf Club's finances continued during the 2021-22 financial year with a profit of \$376,633 being recorded. This compares with the record result of \$925,661 for the year before. But as I said at last year's annual general meeting, that result was unprecedented and as such unlikely to be repeated in our lifetime.

Considering the long Sydney COVID closure and the club's own shutdown for more than two months from August 5 to October 10, 2021, the result is understandable. Another factor is the drop in COVID stimulus income during the financial year. In 2020-21 it amounted to more than \$300,000 but this financial year it just passed \$190,000 and this time it all came from the State Government.

During the year depreciation totalled \$631,182 and when this is taken into account, the club was able to generate positive cash flow prior to capital expenditure and borrowings reduction of more than \$1.15 million.

At June 30, 2022 our cash and cash equivalents were more than \$1.2 million - still a very positive result but well down on the \$2.6 million at the same time the previous year. The major reason for the change was the \$2 million plus the club spent on the irrigation project.

It is commendable the cost was entirely funded from cash flow without having to resort to the \$500,000 facility the club has with the National Australia Bank.

However, as a result of utilising those funds for the irrigation project a Working Capital Deficiency exists as at 30 June 2022. I refer you to pages 18 and 25 of the Annual Report where this is explained and the Directors' view that the Club will continue as a going concern, is outlined. The board is confident it has prudently managed the club's finances over the last 12 months and the club will generate significant positive cashflow during the 2023 financial year which will see this deficiency extinguished.

Over the year the club generated \$4,459,614 in revenue with the big contributors being the bar and golf course which came in at more than 60% of that income.

Again, the poor performer was function income which has been hit hard by the more than two years of COVID restrictions. Revenue there has been slow to return post COVID and this will need to be a focus in the year ahead.

On the expenses side a big concern has been the increases in the cost of fertilisers, chemicals, diesel and electricity with increases of more than 40% in some categories. Unfortunately, the year ahead shows no signs of relief. Other pressures are coming in the clubhouse. It is more than five years since the new building opened and maintenance expenses are on the rise.

As a result of these pressures the budget for the 2022-23 year does not have a lot of optimism with projections for a small loss to be recorded - a big turnaround on the results over the last few years. However, it should be noted a significant reason for that projection is that depreciation (a non-cash item) will increase by approximately \$150K over the 2022 figure, due mostly to depreciation being charged on the new irrigation system. As an indicator it seems likely that at the time of writing this report the club will for the first time in years report a loss for the first quarter of the 2022-23 year.

Only by keeping a close watch on expenses and growing the income ledger can the club prosper.

During the year, the club spent \$2,392,220 on capital expenditure with some of the major items being:

- Irrigation project \$2,046,688
- Cart paths \$36,984
- Car Park and Clubhouse improvements \$82,266
- 12th tee \$12,771
- Poker machines \$145,030
- Computer software and hardware \$33,740
- Course Equipment \$34,544

In comparing this year's income and expenditure items to the previous year, it should be noted that the clubhouse was closed for approximately two months which caused the majority of the differences. However, some costs did significantly increase over the previous year with the majority of these being referred to earlier in this report.

Thanks to my fellow Directors, Max Pride (who served on the Finance Committee), Trevor Harrison and Bill Francis for their assistance during the year.

Keith Campbell
Director of Finance

Lady President's Report

Continued restrictions for the Covid-19 Pandemic still played a part in the challenges for us through July to December 2021, but we did finally see some light at the end of the tunnel at the beginning of 2022.

Our Singles Knock-Out was completed in July 2021, with congratulations going to the winners:

Division One Winner Susie Anderson / Runner-Up Jenny Frost

Division Two Winner Di McLean / Runner-Up Glenda McCaw

Division Three Winner Roz Kelly / Runner-Up Jo White

Unfortunately, for a second year running, our main annual event "The Ladies Classic" had to be cancelled due to Covid-19 restrictions. A huge amount of work goes into preparing for the 3 days of golf, but at the last minute, the decision was made to cancel the event.

Thankfully, we did manage to complete our Club Championships in October, and for the first time in a long while we all gathered together on the balcony for drinks and nibbles to congratulate the players and winners as they completed their final round of golf.

Our reigning Club Champion Amy Squires was up to the challenge to retain her title and once again showed us all she is enjoying her golf and playing with confidence.

Scratch Winners:

Division One Winner Amy Squires / Runner-Up Jenny Frost

Division Two Winner Jeannie Punshon / Runner-Up Julie Newsham

Division Three Winner Margot Phegan / Runner-Up Pat Hawkins

Net Winners:

Division One Winner - Barbara Frost / Runner- Up Colleen Beattie

Division Two Winner - Julie Partridge / Runner-Up Robyn Hare

Division Three Winner - Rhona Birss / Runner-Up Charmaine Patterson

Our President, Captain, and Vice Captain, who had all completed their 3 years maximum tenure, retired from the Committee in November. For them, the past couple of years needed constant changes to accommodate new requirements of the pandemic. We may have ended up with a little less golf, but we all stayed safe. Thank you ladies.

We did provide a fun farewell to our outgoing committee on presentation night – dinner, dancing and laughter was the tonic we all needed to end one of the most challenging years to date.

For the new committee elected in November – little did we realise how much juggling would be required to facilitate rounds of golf when the heavens continued with downpours of rain, leading to one of the wettest seasons on record in NSW. A replacement challenge to Covid-19!

Considering most golf courses in Sydney and the surrounding local areas were totally closed due to flooding, we were most fortunate the Nelson Bay Golf Club stayed open. However, the rainy days we did have resulted in many of our competitions in the first half of 2022 being deferred to other dates.

With the new Committee came the new MiClub golf software in December. Gradually we all started to understand the system and see the future benefits this system could provide, which included the MiScore App for instant score upload and MiTournament which I hope can be utilised next season for the NBGC big events, plus much more.

Restrictions were beginning to ease just before December 2021, so our Christmas golf day and lunch was a great fun. It really was a pleasure to see all the ladies mixing together, catching up with stories and having fun. Considering the various hardships that were caused by the pandemic, I found the generosity of the ladies absolutely amazing. Not only did we raise funds for COPS Y (Caring for Our Port Stephens Youth) through our raffle sales, we had a huge carload of toys, gifts and food for the local Salvation Army base at Taylors Beach.

We also managed to have a very successful Gala opening day in February 2022 with 168 players. The event was kindly sponsored again by PRD Nationwide and the NBGC. Numbers were still a little restricted in the venue for lunch, but that did not spoil the beginning of our season. Our visitors and members were amazed that our course was in such good condition considering the rainfall over the past few weeks. Thanks were passed on to the greenkeepers and volunteers who made the course look fabulous.

We raised over \$900 in the Gala raffle for our new noted charity, "The Nelson Bay Cancer Patient Transport Group" who were delighted.

Ladies Pennants began in March 2022, the structure of which differed slightly to previous years, We only had 3 teams this year being Division 2 (as no single figure markers were available), Bronze North and Weekend teams (both being on handicap). All teams performed well and came 3rd in Div 2 (no team was able to compete against Horizons with their whole team lower than our lowest marker) and 2nd for both Bronze and Weekend teams.

The 27 Hole Foursome Championships took place in April; Congratulations go to:

A Grade Gross Winners – Amy Squires / Barbara Frost / Runners-Up Rhondda Shaw / Rita Fitzgerald

B Grade Gross Winners – Roz Kelly / Julie Partridge / Runners Up Mary Conway / Joan Frost

A Grade Nett Winners – Jenny Frost / Robyn Rocher / Runners Up Maree Cousins / Arja Levonpera

B Grade Nett Winners – Elsie Flanagan / Pat Harrold / Runners Up Judy Fisher / Norma Hocking

Our 4BBB Knock Out Championships were continually rained out through April and subsequently moved to June 2022, the final being on the 30th June. The ladies were very patient, and we finally had our winners. Congratulations to all.

A Grade Winners - Joan and Jenny Frost / Runners-Up Chris Ledingham & Robyn Butler

B Grade Winners - Susie Anderson and Margot Phegan / Runners Up Glenda McCaw & Mary Conway

C Grade Winners – Charmaine Patterson and Di McLean / Runners Up Margaret Harding & Bernice Ticehurst

We were blessed with good weather on our two Annual Charity Days, being the Tomaree Breast Cancer Charity Day (in March) and the Ovarian Cancer Day (in May) both were well supported fun days. Many thanks go to the ladies who continue give their time to organise these very special and worthwhile events.

The ladies memberships for Year End - 348 members: -

FPM – 143	Country – 26	
Flexi – 68	Social Playing – 63	
LDM – 44	LM – 2	Full U35 – 2

At the beginning of this financial year, the Ladies Committee promoted an initiative to encourage more ladies to play golf, we named it “Bay Buddies”. Instigated by Ann Turner, we advertised a program, which provided mentors on a Monday and a Wednesday afternoon.

Rules and etiquette education were delivered via a format of nine holes of golf, played weekly in groups of three new golfers accompanied by a “mentor” or “buddy”, an experienced club member.

This structure, run in conjunction with weekly skills clinics presented by club professional, Warren Moses, has presented a program judged to be a great success and one enjoyed by all.

In those twelve months, we have hosted 479 games and have seen 13 ladies gain a handicap. We see the need for longevity and sustainability of lady members, and believe this venture will certainly help that cause.

Golf NSW also began a promotion called “Get into Golf” for women in May 2022. The first 6-week course of lessons by Warren had 15 registrations with a second course beginning in July 2022 (20 registrations). These lessons are on a Saturday, targeting ladies who work during the week. We now have quite a few very keen beginners.

This consolidated effort of bringing new ladies into golf also benefits the club with new memberships, more golf games (social and competition) staying in the club to socialise, bring family and friends along... the potential is far reaching, and we should embrace this injection of new members.

As mentioned earlier, this year we said farewell to Pam Townsend, who for 3 years was our Ladies President. We all thank her very much for the huge contribution she has generously given over the years by way of various roles on Committee, as our continued “Veterans” spokesperson, and as a friend to many.

To the Board, Management and Staff of Nelson Bay Golf Club, thank-you all for being very patient with the new ladies committee, showing us the nuances and helping us to work together as a team for the mutual benefit of our Golf Club. We wish Trevor, our General Manager, all the very best in his upcoming retirement, and look forward to working with our new General Manager David Lulham.

Having a 27 hole course to maintain (plus this year overseeing the installation the irrigation system) the ladies recognise the effort Greg Stynes our Course Superintendent and his green staff have provided. Also, to the volunteers, who support Greg are integral to keeping the course looking so beautiful, tidy and more recently free from puddles by creating the new Geotech paths, we thank them too.

Many thanks to Tanya and Will at Blue Water Grill who kept the flag flying during some very tough times, but they always look after us by providing fabulous meals for our varied events throughout the year.

Our thanks go to the Pro shop team for sharing their expertise with us and the new budding lady golfers.

All the ladies of the Committee have taken on their respective roles and given selflessly their time to learn new systems and responsibilities to help their fellow golfers. I truly appreciate their efforts and thank them all for their support and time during this my inaugural year.

To conclude, a heart-warming thankyou to all our lady golfing members, and our amazing Patroness Joan Frost, you have all put your trust in us this last year, and I do hope we have delivered to your expectations.

Jeannie Punshon

Lady President

NELSON BAY GOLF CLUB LIMITED

ABN 66 001 023 847

Annual Financial Report 30 June 2022

Nelson Bay Golf Club Limited

Directors' Report

The Directors present their report together with the financial statements of Nelson Bay Golf Club Limited (the Company) for the year ended 30 June 2022.

Directors

The Directors of the company in office at any time during or since the end of the financial year are:

	Appt	Resigned	Occupation	Position	Years as Director
Peter Fagan	30.11.2020		Project Manager	President	2
David Rann	28.01.2016		Retired - Project Manager/Engineer	Captain	6
Keith Campbell	21.10.2013		Retired - Newspaper Editor	Finance Director	9
Mark Barden	29.11.2020		Retired – Tour Operator	Vice Captain	2
Joanne White	29.11.2021		Retired – Retailer	Director	4
Chris Mawson	19.10.2018	26.08.2021	Retired – Trucking Contractor	Vice Captain	3
Stuart Phegan	30.11.2020		WH&S Consultant	Director	3
Peri Kennedy	29.11.2021		Retired – Fashion Consultant	Director	7 months

Nelson Bay Golf Club Limited

Directors' Report

Objectives

- Provide a high-quality golf course which will challenge and reward golfers of all standards.
- Be the best golfing destination in regional New South Wales.
- Be a vibrant hub for our community.
- Generate sufficient positive cash flow to finance current and future capital expenditure.

Principal Activity

The principal activity of the company during the year has continued to be promotion of the game of golf and provision of golfing facilities for members and their guests.

Significant Event

In March 2020, the COVID-19 virus was declared a global pandemic and it unfortunately continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or more as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the financial situation and is continually evaluating its options during this unprecedented time. The club reopened from the NSW state lockdown 11th October 2021. No adjustments have been made to these financial statements as a result of this uncertainty.

Nelson Bay Golf Club Limited

Directors' Report

Directors' Meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Meetings Held	Meetings Attended
Peter Fagan	13	13
David Rann	13	12
Keith Campbell	13	12
Mark Barden	13	12
Joanne White	13	12
Stuart Phegan	13	11
Peri Kennedy	7	7
C Mawson	1	1

Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 30 June 2022 and the comparison with last year is as follows:

	2022	2021
Life Members	5	6
Golf Members	1,232	1,198
Non Golf Members	5,619	5,773
Junior Golf Members	66	58
Total	<u>6,922</u>	<u>7,035</u>

Members' Limited Liability

In accordance with the Constitution of the company every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. At 30 June 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$13,844 (2021: \$14,070).

Nelson Bay Golf Club Limited

Directors' Report

Operating Result

The net profit for the year was \$376,633 compared with a profit of \$925,661 for the prior year. This result was after charging \$631,182 (2021: \$673,905) for depreciation. The table below shows a reconciliation of the Club's earnings before interest, income tax, depreciation and amortisation.

	2022	2021
	\$	\$
Operating Profit/ (Loss)	186,303	616,161
Non-Operating Items		
Government Cash Boost	-	50,000
Services NSW Jobsaver Payments	182,831	259,500
Services NSW Small Business Grant	7,500	-
Total Non-Operating Items	190,331	309,500
Net Profit/(Loss) after income tax attributable to members	376,633	925,661
Add Back:		
Finance Costs	37,220	53,204
Depreciation	631,182	673,905
EBITA	1,045,035	1,652,770
Total Revenue and Other Income	4,649,945	5,498,630
EBITA % of total revenue	22%	30%

Nelson Bay Golf Club Limited

Directors' Declaration

The directors of the company declare that:

- (1) the financial statements and notes are in accordance with the Corporations Act 2001:
 - (a) Comply with Accounting Standards – Simplified Disclosures described in Note 1 to the financial statements and the Corporations regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year ended on that date in accordance with the accounting policies described in notes to the financial statements.
- (2) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Peter Fagan
Director



Keith Campbell
Director



Dated: 28th October 2022

Nelson Bay Golf Club Limited

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

TO THE DIRECTORS OF NELSON BAY GOLF CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there has 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.

Kelly Partners



Brad Crooks

Director

Dated: 28th October 2022

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Nelson Bay Golf Club Limited

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF NELSON BAY GOLF CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nelson Bay Golf Club Limited (the Company from page 12 to page 42), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its Financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 the Company, 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.

Emphasis of Matter – Basis of Accounting and Going Concern

We draw attention to Note 1 to the financial report, which describes the basis of Audit Report. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Attention is also drawn to page 25 Working Capital Deficiency Note to the financial statements which indicate that the Club's cash position has significantly decreased from the prior financial year by \$1,396,403. This indicates the existence of a material uncertainty as to whether the Club will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. In our opinion, knowledge of the significant uncertainty affecting the Club's ability to continue as a going concern is necessary for the proper understanding of the financial report.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 – Simplified Disclosures 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 has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Kelly Partners



Brad Crooks
Director

Dated: 28th October 2022

Kelly Partners (Hunter Region) Pty Ltd ABN 86 658 680 472

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Liability limited by a scheme approved under Professional Standards Legislation



Nelson Bay Golf Club Limited

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Bar		1,432,401	1,735,332
Functions & Marketing		72,607	78,224
Gaming		700,594	943,125
Golf Course		1,267,642	1,524,144
Other Income		1,176,701	1,217,805
Total Revenue	1	4,649,945	5,498,630
Cost Of Goods Sold			
Bar		(537,423)	(641,387)
Gaming		(29,426)	(20,207)
Golf		(163,628)	(188,057)
Total Cost of Goods Sold		(730,477)	(849,651)
Gross Profit		3,919,468	4,648,979
Expenses			
Employee benefits		(1,702,975)	(1,830,813)
Depreciation and amortisation		(631,182)	(673,905)
Finance costs	2	(37,220)	(53,204)
Other	3	(1,171,459)	(1,165,397)
Total Expenses		(3,542,835)	(3,723,319)
Profit (loss) before income tax		376,633	925,611
Income tax expense	4	-	-
Profit (loss) for the year		376,633	925,661

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Nelson Bay Golf Club Limited

Statement of Financial Position as at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,239,763	2,636,166
Trade and other receivables	6	81,218	154,225
Inventories	7	118,588	117,610
TOTAL CURRENT ASSETS		<u>1,439,569</u>	<u>2,908,002</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,028,817	11,310,877
TOTAL NON-CURRENT ASSETS		<u>13,028,817</u>	<u>11,310,877</u>
TOTAL ASSETS		<u>14,468,386</u>	<u>14,218,879</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	605,203	595,291
Borrowings	10	153,528	205,487
Provisions	11	220,290	219,431
Other Liabilities	12	742,311	668,214
TOTAL CURRENT LIABILITIES		<u>1,721,332</u>	<u>1,688,423</u>
NON-CURRENT LIABILITIES			
Provisions	11	31,210	37,191
Borrowings	10	323,601	477,654
TOTAL NON-CURRENT LIABILITIES		<u>354,811</u>	<u>514,845</u>
TOTAL LIABILITIES		<u>2,076,143</u>	<u>2,203,269</u>
NET ASSETS		<u>12,392,243</u>	<u>12,015,610</u>
EQUITY			
Retained earnings	14	12,392,243	12,015,610
TOTAL EQUITY		<u>12,392,243</u>	<u>12,015,610</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes

Nelson Bay Golf Club Limited

Statement of Changes in Members' Funds for the Year Ended 30 June 2022

	Retained Earnings \$
Balance at 1 July 2020	11,089,949
Profit for the year	925,661
Balance at 30 June 2021	<u>12,015,610</u>
Balance at 1 July 2021	12,015,610
Profit for the year	376,633
Balance at 30 June 2022	<u>12,392,243</u>

The Statement of Changes in Members Funds should be read in conjunction with the accompanying notes

Nelson Bay Golf Club Limited

Statement of Cash Flows for the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		4,649,945	5,846,746
Payments to suppliers and employees		(3,491,217)	(3,933,055)
Net cash provided by operating activities	15	<u>1,158,728</u>	<u>1,913,691</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(2,349,118)	(683,863)
Net cash provided by investing activities		<u>(2,349,118)</u>	<u>(683,863)</u>
Cash flows from financing activities			
Borrowings		(206,012)	(171,317)
Net cash provided by financing activities		<u>(206,012)</u>	<u>(171,317)</u>
Net increase / (decrease) in cash held		(1,396,402)	1,058,511
Cash and cash equivalents at beginning of financial year		2,636,165	1,577,654
Cash and cash equivalents at end of financial year	15	<u>1,239,763</u>	<u>2,636,165</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes

Nelson Bay Golf Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

About This Report

Nelson Bay Golf Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a not-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Nelson Bay Golf Club Limited as a standalone legal entity.

The financial statements are general purposes financial statements which:

- This financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.
- The prior year financial report was prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards – Simplified Disclosures has not affected the Company's reported financial position, financial performance and cash flows.
- This financial report complies with AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities as issued by the Australian Accounting Standards Board (AASB).
- The financial report has been prepared on an accruals basis and is based on historical costs, except for assets held for sale which have been measured at fair value. The financial report is presented in Australian Dollars.
- Where necessary comparative information has been restated to conform with changes in presentation in the current year.
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 July 2021; and
- Have been prepared on a going concern basis.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business – for example, acquisitions and impairment write downs; and
- It relates to an aspect of the Company's operations that is important to its future performance.

New or amended Accounting Standards and Interpretations adopted

The Club has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Impact of adoption

The adoption of new Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club as at 30 June 2022 or on opening retained earnings as at 1 July 2021.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events.

Working Capital Deficiency

As at 30 June 2022, Nelson Bay Golf Club Limited has current assets of \$1,439,569 compared to current liabilities of \$1,721,332 resulting in a working capital deficiency of \$281,763.

The working capital deficiency is caused by the Club's decision to fund the purchase of the new irrigation system through cash reserves instead of debt financing. This can be evidenced within Note 8 with \$2,392,220 of Additions purchased throughout the 2022 financial year.

The Directors believe the above working capital deficiency will be satisfied through:

- The Company generated positive net operating cashflows of \$1,517,133 during the current year;
- The Company has a cash balance at 30 June 2022 of \$1,239,763.
- The Directors expect cashflows going forward to continue to be positive.
- The Club expects to continue to receive support from its suppliers and members.
- The Directors are of the opinion the above will be achieved and the Company will continue as a going concern and meet its debts and commitments as they fall due. As a result, the Directors have prepared the financial report on a going concern basis.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

1. Revenue and Other Income

	2022 \$	2021 \$
Revenue		
Operating		
Sale of Goods	1,432,401	1,735,332
Services	2,040,843	2,545,494
	<u>3,473,244</u>	<u>4,280,826</u>
Non Operating		
Other Income	319,535	421,344
Subscriptions	857,166	796,460
	<u>1,176,701</u>	<u>1,217,804</u>
Total Revenue	<u>4,649,945</u>	<u>5,498,630</u>

Revenue Recognition

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Revenue and Other Income (continued)

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Other Income

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental cost) and is recognised as other income at the date control of the asset passes to the buyer.

2. Finance Costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically, for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

3. Other Expenses

Other Expenses for the Year Ended 30 June 2022 includes all operating expenses with the exception of Cost of Goods Sold, Employee Benefits, Finance Costs and Depreciation.

4. Income Tax

(a) Income Tax Expense

The club is exempt from income tax under Division 50-45 of the Income Tax Assessment Act 1997.

- i. The club did not carry on for purposes of profit or gain for individual members.
- ii. The club engaged in encouragement of game/sport and
- iii. The main purpose of the club was encouragement of a game/sport.

5. Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash At Bank	1,045,183	2,445,812
Cash Balance	145,743	126,600
Eft Balance	20,987	35,905
Floats	27,850	27,850
Total Cash and Cash Equivalents	<u>1,239,763</u>	<u>2,636,166</u>

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

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

6. Trade and Other Receivables

	2022	2021
	\$	\$
Trade & Other Receivables	81,218	154,225
	<u>81,218</u>	<u>154,225</u>

Recognition and Measurement

Trade and other receivables represent the receivables outstanding at the end of the reporting period for goods and services received provided by the company during the reporting period, which remain unpaid. The balance is recognised as a current asset.

7. Inventories

	2022	2021
	\$	\$
At cost:		
Stock On Hand	118,588	117,610
	<u>118,588</u>	<u>117,610</u>

Recognition and Measurement

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

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

8. Property, Plant and Equipment

	2022 \$	2021 \$
Clubhouse Land at Cost	202,566	202,566
Clubhouse Building at Cost	8,240,716	8,240,716
Less Accumulated Depreciation	(1,004,915)	(798,897)
	7,235,802	7,441,819
Course Plant & Fixtures	1,623,454	2,422,230
Less Accumulated Depreciation	(928,142)	(1,583,524)
	695,312	838,706
Car Park & Clubhouse Surrounds	281,141	176,593
Accumulated Depreciation	(61,866)	(48,856)
	219,275	127,737
Course Building	284,609	284,609
Less Accumulated Depreciation	(228,445)	(225,710)
	56,164	58,899
Lease In Perpetuity No 1958/55	30,000	30,000
Greens & Tees	177,959	165,188
Less Accumulated Depreciation	(12,013)	(7,777)
	165,945	157,411
Motor Vehicle	78,155	78,155
Less Accumulated Depreciation	(57,176)	(51,401)
	20,978	26,753
Plant Fixture & Fittings	1,326,134	1,249,474
Less Accumulated Depreciation	(709,480)	(609,802)
	616,654	639,672
Poker Machines	850,909	763,834
Less Accumulated Depreciation	(510,218)	(462,699)
	340,691	301,135
Course Extensions	940,921	940,922
Work In Progress	2,504,509	545,258
Total property, plant and equipment	13,028,817	11,310,877

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Property, Plant and Equipment (continued)

	Land \$	Building & Improvements \$	Plant & Equipment \$	Total \$
2021				
Carrying amount at 01 July 2020	202,566	9,083,854	2,017,582	11,304,002
Additions	-	19,944	663,919	683,863
Disposals	-	(15,152)	(20,511)	(35,663)
Depreciation Write Back	-	12,988	19,591	32,579
Depreciation Expense	-	(209,453)	(464,452)	(673,905)
Carrying amount at 30 June 2021	202,566	8,892,181	2,216,129	11,310,877
2022				
Additions	-	47,782	2,344,438	2,392,220
Disposals	-	-	(950,689)	(950,689)
Depreciation Write Back	-	-	907,592	907,591
Depreciation Expense	-	(226,000)	(405,182)	(631,182)
Carrying amount at 30 June 2022	202,566	8,713,963	4,112,288	13,028,817

Nelson Bay Golf Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

Property, Plant and Equipment

Recognition and Measurement

All property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Work in progress is stated at historical cost. No depreciation is applied until the asset is brought into use and is transferred from work in progress to the other plant, property and equipment categories

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 charged to the profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated using the straight line/ diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 40 years
Plant Fixtures & Fittings 5 to 20 years
Poker machines 4-5 years
Plant and equipment 5 to 20 years
Motor Vehicles 6 to 10 Years

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

Freehold Property

Freehold land and buildings are shown at costs less where applicable accumulated depreciation and any impairment losses.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

Property, Plant and Equipment (continued)

Significant Judgements

(i) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(ii) Estimation of Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

9. Trade and Other Payables

	2022 \$	2021 \$
Trade & Other Payables	605,203	595,291
	<u>605,203</u>	<u>595,291</u>

Recognition and Measurement

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company 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.

10. Borrowings

CURRENT	2022 \$	2021 \$
Toro Lease liability	149,313	142,203
Hire Purchase Liability	-	57,607
Credit Card	4,215	5,678
	<u>153,528</u>	<u>205,487</u>
NON CURRENT	2022 \$	2021 \$
Toro Lease liability	323,601	477,654
	<u>323,601</u>	<u>477,654</u>
Total Borrowings	<u>477,129</u>	<u>683,141</u>

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

11. Provisions and Employment Benefits

	2022	2021
	\$	\$
CURRENT		
Provision For Long Service	47,458	35,281
Provision For Annual Leave	159,208	170,527
Provision For Doubtful Debts	13,624	13,623
	<u>220,290</u>	<u>219,431</u>
	2022	2021
	\$	\$
NON CURRENT		
Provision For Long Service	<u>31,210</u>	<u>37,191</u>
Total Provisions and Employment Benefits	<u>251,500</u>	<u>256,622</u>

Recognition and Measurement

Wages and Salaries, and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be settled within 12 months of the reporting date are recognised in provisions with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

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.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

12. Other current Liabilities

	2022 \$	2021 \$
Members Subscriptions in Advance	742,311	668,214
	<u>742,311</u>	<u>668,214</u>

13. Financial Risk Management

	2022 \$	2021 \$
Financial Assets		
Cash on Hand and at Bank	1,239,763	2,636,166
Accounts Receivable and Other Debtors	81,218	154,225
Total Financial Assets	<u>1,320,982</u>	<u>2,790,392</u>
Financial Liabilities		
Financial Liabilities at Amortised Cost	477,129	683,141
Accounts Payable and Other Payables	1,347,514	1,263,505
Total Financial Liabilities	<u>1,824,643</u>	<u>1,946,646</u>

Recognition and Measurement

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables. 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.

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

Financial Risk Management (continued)

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Financial assets at fair value through profit or loss

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

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

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

14. Retained Earnings

	2022	2021
	\$	\$
Retained earnings at beginning of the financial year	12,015,610	11,089,949
Net Profit	376,633	925,661
Retained earnings at the end of the financial year	<u>12,392,243</u>	<u>12,015,610</u>

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

15. Cash Flow Information

Reconciliation of Cash

	2022	2021
	\$	\$
Cash At Bank	1,045,183	2,445,812
Cash Balance	145,743	126,600
Eft Balance	20,987	35,904
Floats	27,850	27,850
	<u>1,239,763</u>	<u>2,636,166</u>

Reconciliation of cash flow from operations with Profit

	2022	2021
	\$	\$
Net Profit/(Loss)	376,633	925,661
Depreciation	631,182	673,905
Changes in assets and liabilities:		
(Increase) decrease in trade and other receivables	73,006	(21,537)
(Increase) decrease in inventory	(979)	(16,453)
Increase (decrease) in other liabilities	9,912	280,575
Increase (decrease) in subscriptions in advance	74,096	36,733
Increase (decrease) in Provisions	(5,122)	34,807
Net cash provided by operating activities	<u>1,158,728</u>	<u>1,913,691</u>

16. Capital and Leasing Commitments

	2022	2021
	\$	\$
Not Longer than 1 Year	153,528	205,487
Longer than 1 year but not longer than 5 years	323,601	477,654
Longer than 5 years	-	-
	<u>477,129</u>	<u>683,141</u>

Nelson Bay Golf Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

17. Disclosure of Core and Non-Core Club Property as Required by the Registered Clubs ACT (1976)

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2022

a) the following properties are core property of the Club;

The land on which the club premises, car park, carts sheds, green keepers' sheds, golf course and surrounds are situated.

b) the following properties are non-core property of the Club;

The land if any that is owned or occupied by the club that is not core property.

Notes to members:

1. Section 41J(2) of the Registered Clubs Act requires the annual report to specify the core property and non-core property of the Club as at the end of the financial year which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - a) the defined premises of the Club; or
 - b) any facility provided by the Club for use of its members and their guests; or
 - c) any other property declared by a resolution passed by a majority of the members present at a general meeting of ordinary members of the Club to be core property of the Club.
3. Non-core property is any property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - b) the disposal has been approved at a general meeting of the ordinary members of the Club at which the majority of the votes cast support the approval and appointment of an independent real estate agent or auctioneer.
5. The disposal provisions and what constitutes a disposal for the purposes of section 41J are to some extent modified by regulations made under the Registered Clubs Act and by Section 41J itself. For example, the requirements in paragraph 4 above do not apply to:
 - a) core property that is being leased or licensed for a period not exceeding 10 years on terms that have been the subject of a valuation by a registered valuer if any sale is by way of public auction or open tender conducted by a valuer;
 - b) core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunications tower.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for Year Ended 30 June 2022

18. Key Management Personnel Details

Key Management Personnel Compensation

Benefits and payments made to the Directors and Other Key Management Personnel.

Any persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any directors (whether executive or otherwise) is considered to be key management personnel.

Key management personnel compensation

	2022	2021
	\$	\$
Salary-including Superannuation	<u>147,485</u>	<u>145,100</u>

19. Related Parties

Disclosures relating to key management personnel are set out in Note 18.

Directors' Transactions with the Company

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Nelson Bay Golf Club Limited

Notes to the Financial Statements for the Year Ended 30 June 2022

20. Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that he is a member or within one year thereafter. At 30 June 2021 there were 6922 members.

The registered office of the company is 57 Dowling Street, Nelson Bay, NSW 2315.

21. Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have 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.

22. Summary of Other Significant Accounting Policies

(a) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(b) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, With external sources of data.

(C) Comparative Figures

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

COMPILATION REPORT

We have compiled the accompanying financial data for Nelson Bay Golf Club Limited, which comprise the Profit and Loss statement for the year ended 30 June 2022.

The Responsibility of the Directors

The directors are solely responsible for the information contained in the general-purpose financial report appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

Kelly Partners



Brad Crooks
Director

Dated: 28th October 2022

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Liability limited by a scheme approved under Professional Standards Legislation



Nelson Bay Golf Club Limited

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
Income		
Bar		
Draught Beer	717,015	885,508
Packaged Beer	81,096	109,270
Soft Drink	121,905	150,064
Spirits	106,733	132,709
Wine	322,721	383,683
Other	82,931	74,098
Total Bar	<u>1,432,401</u>	<u>1,735,332</u>
Functions and Marketing		
Conferences	941	6,342
Corporate Sponsorship	21,623	12,457
Functions	40,680	50,750
Weddings	17,199	25,749
Other	(7,837)	(17,074)
Total Functions and Marketing	<u>72,607</u>	<u>78,224</u>
Gaming		
Poker Machine Income	682,051	920,643
Keno Income	19,707	21,191
Tab Income	(1,164)	1,292
Total Gaming	<u>700,594</u>	<u>943,125</u>
Golf Course		
Golf Carts	119,785	132,376
Green Fees Members	623,442	657,103
Green Fees Visitors	518,079	721,429
Trophy Income	6,336	13,236
Total Golf Course	<u>1,267,642</u>	<u>1,524,144</u>
Other Income		
Subscriptions and Memberships	857,165	796,460
Interest	7,475	11,148
Other Income	66,322	39,937
Profit On Sale of Assets	5,553	5,485
Rent	49,855	55,275
Total Other Income	<u>986,370</u>	<u>908,305</u>
Total Trading Income	<u>4,459,614</u>	<u>5,189,131</u>

These statements should be read in conjunction with attached compilation report

Nelson Bay Golf Club Limited

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
Less Cost of Sales		
Bar		
Draught Beer	298,318	365,988
Packaged Beer	36,890	47,520
Soft Drink	39,157	51,153
Spirits	36,886	36,755
Wine	108,749	119,575
Other	17,423	20,396
Total Bar	<u>537,423</u>	<u>641,387</u>
Gaming		
Repairs and Maintenance Poker Machines	27,431	13,267
Sky Channel	1,995	6,940
Total Gaming	<u>29,426</u>	<u>20,207</u>
Golf		
Professional Commission Green Fees	111,628	135,057
Professional Retainer	52,000	53,000
Total Golf	<u>163,628</u>	<u>188,057</u>
Total Cost of Sales	<u>730,477</u>	<u>849,651</u>
Total Trading Gross Profit	<u>3,729,138</u>	<u>4,339,480</u>

These statements should be read in conjunction with attached compilation report

Nelson Bay Golf Club Limited

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
Less Operating Expenses		
Accountancy	3,354	5,270
Advertising and Promotion	42,826	68,508
Affiliation and Golf Link Fees	60,407	54,217
Audit Fees	13,300	12,664
Bank Fees and Borrowing Costs	12,990	16,644
Chemicals	76,953	76,520
Cleaning	72,576	90,188
Computer Software and Subscriptions	53,938	52,532
Contractors and Consultants	28,010	26,698
Depreciation	631,182	673,905
Diesel and Petrol	32,243	20,667
Directors Expenses	5,297	5,412
Electricity and Gas	94,782	86,157
Entertainment	28,538	37,647
Equipment & Consumables	31,166	36,218
Equipment Hire	12,244	13,947
Fees and Permits	7,317	5,121
Fertiliser	69,969	58,265
General Expenses	42,743	17,052
Hire Purchase and Leasing	44,621	26,363
Irrigation	7,265	11,503
Insurance	116,601	106,386
Interest	37,220	53,204
Legal Costs	8,889	8,030
Loss on Disposal of Assets	9,560	8,665
Machinery Parts	31,492	24,161
Member Rewards	9,367	19,749
Motor Vehicles	1,754	4,793
Pennants	5,325	5,362
Printing, Postage and Stationery	12,012	23,995
Promotional Vouchers	6,367	9,747
Repairs and Maintenance Clubhouse	53,597	66,582
Repairs and Maintenance Course	47,033	38,241
Rates	33,278	34,390
Rent - Land	49,762	44,344
Security Costs	6,356	7,893
Telephone and Internet	17,810	20,473
Travel and Accommodation	502	717
Volunteers	2,670	4,000
Waste Disposal	18,545	16,280
Total Operating Expenses	1,839,860	1,892,506

These statements should be read in conjunction with attached compilation report

Nelson Bay Golf Club Limited

PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
Staff Expenses		
Wages and Salaries	1,443,804	1,577,436
Payroll Tax	5,718	14,556
Provision Annual Leave	29,540	30,847
Provision LSL	13,689	18,776
Superannuation	143,569	143,113
Staff Training, Uniforms etc	38,786	23,987
Workers Compensation	27,868	22,099
Total Staff Expenses	<u>1,702,975</u>	<u>1,830,813</u>
Total Operating and Staff Expenses	<u>3,542,835</u>	<u>3,723,319</u>
Operating Profit/(Loss)	<u>186,303</u>	<u>616,161</u>
Non-Operating Items		
Government Cash Boost	-	50,000
Government JobKeeper Payments	-	259,500
Services NSW Jobsaver Payments	182,831	-
Services NSW Small Business Grant	7,500	-
Total Non-Operating Items	<u>190,331</u>	<u>309,500</u>
Net Profit/(Loss)	<u>376,633</u>	<u>925,661</u>

These statements should be read in conjunction with attached compilation report