

Newcastle Golf Club Limited

ACN 000 003 314

Financial Statements

For the Year Ended 30 September 2009

Newcastle Golf Club Limited

ACN 000 003 314

For the Year Ended 30 September 2009

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Newcastle Golf Club Limited

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Directors' Report

30 September 2009

Your directors present their report on the Club for the financial year ended 30 September 2009.

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

	Position	Occupation	No of Years as Director	Special Duties
Stephen Lambourne	President	Accountant	11	Member - Green Committee, House Committee, Finance Committee, Match Committee & Membership Committee
John Twohill	Captain	Hotelier	17	Chairman - Match Committee, Member - Green Committee
Ian Neale	Treasurer	Accountant	3	Chairman - Finance Committee
Gregory Hopper	Director	Company Director	3	Chairman - House Committee, Member - Membership Committee
Michael Mulvaney	Director	Account Manager	10	Chairman - Membership Committee Member - Match Committee & House Committee
Ross Wilson	Director	Company Director	2	Member - Green Committee
William Tonkin (Appointed 28/01/09)	Director	Accountant	1	Member - Match Committee & Membership Committee
David Rolston (Appointed 28/01/09)	Director	Tug Master	1	Chairman Green Committee, Member - House Committee
David Faulkner (Retired 28/01/09)	Director	Company Director	2	Member - Match Committee & House Committee
Eric Lewis (Retired 28/01/09)	Director	Retired	2	Member - Green Committee

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

Company Secretary

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

Paul Foulcher who is the Operations Manager of the Club has held the position of Secretary for 1 year.

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Directors' Report

30 September 2009

Principal Activities

The principal activities of Newcastle Golf Club Limited during the financial year were the encouragement and promotion of golf and golfing activities for the members of the Club and their guests.

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

Review of Operations

The loss of Newcastle Golf Club Limited amounted to \$36,998 (2008: profit of \$103,395).

Meetings of Directors

During the financial year, 15 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Sub Committee Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended
Stephen Lambourne	15	14	21	15
John Twohill	15	12	16	12
Ian Neale	15	11	3	3
Gregory Hopper	15	11	5	5
Michael Mulvaney	15	12	9	6
Ross Wilson	15	11	12	12
William Tonkin	10	7	7	5
David Rolston	10	9	14	11
David Faulkner	5	2	2	1
Eric Lewis	5	3	2	1

Significant Changes in State of Affairs

No significant changes in Newcastle Golf Club Limited's state of affairs occurred during the financial year.

After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Newcastle Golf Club Limited, the results of those operations or the state of affairs of Newcastle Golf Club Limited in future financial years.

Environmental Issues

The Club's operations are subject to environmental regulation under the law of the Commonwealth and State. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

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Directors' Report

30 September 2009

Future developments

No information is included on the likely developments in the operations of the Club and the expected results of those operations.

Insurance premiums paid for directors

During the year, the Club paid a premium for a directors and officers liability insurance policy. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors and officers of the Club. The contract prohibits the disclosure of the nature of the liabilities and the amount of the premium.

Under Article 76 of the club's Articles of Association, "the Club shall indemnify each Officer of the Club out of the assets of the Club to the relevant extent against any liability incurred by the officer in the conduct of the business of the Club or in the discharge of duties of the Officer unless incurred by the Officer through his or her own dishonesty or through his or her own negligence, default, breach of duty or breach of trust and in circumstances in which the Committee consider indemnification is not justified."

Dividends

The Club, being limited by guarantee and having no share capital, has paid no dividend.

Director Emoluments

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Club, with a Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 4.

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

Director: 

Director: 

Dated 10 December 2009

Newcastle Golf Club Limited

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2009 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.

McGregor & McGregor
Chartered Accountants



Ken Cross
Partner

9 December 2009

NEWCASTLE

Newcastle Golf Club Limited

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Independent Audit Report to the members of Newcastle Golf Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Newcastle Golf Club Limited, which comprises the balance sheet as at 30 September 2009, the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Club are responsible for the preparation and fair presentation of the financial report 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 report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Club's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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 review, 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 Newcastle Golf Club Limited on 9 December 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Newcastle Golf Club Limited

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Independent Audit Report to the members of Newcastle Golf Club Limited

Auditor's Opinion

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

- (a) giving a true and fair view of the Club's financial position as at 30 September 2009 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.

McGregor & McGregor
Chartered Accountants



Ken Cross
Partner

NEWCASTLE

11 December 2009

Newcastle Golf Club Limited


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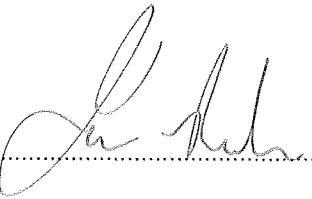
Directors' Declaration

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 8 to 26, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 September 2009 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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: 10 December 2009

Newcastle Golf Club Limited

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Income Statement

For the Year Ended 30 September 2009

		2009	2008
	Note	\$	\$
Bar sales		261,214	238,421
Cost of goods sold	3	(108,845)	(98,400)
		<u>152,369</u>	<u>140,021</u>
Dining room sales		181,538	160,212
Cost of goods sold	3	(81,668)	(69,420)
		<u>99,870</u>	<u>90,792</u>
Gross profit		<u>252,239</u>	<u>230,813</u>
Membership subscriptions and golf fees		1,420,871	1,393,529
Other revenue from ordinary activities	2	185,180	190,240
Employee benefits expenses		(925,188)	(840,463)
Depreciation expense	3	(229,991)	(188,791)
Borrowing cost expense	3	(20,968)	(14,327)
Course alteration and maintenance expenses		(259,148)	(258,012)
Affiliation and competition costs		(150,370)	(109,434)
Clubhouse maintenance and overhead expenses		(105,984)	(104,199)
Administrative expenses		(115,620)	(90,614)
Other operating expenses from ordinary activities		(88,019)	(105,347)
Profit before income tax		<u>(36,998)</u>	<u>103,395</u>
Income tax expense	1(b)	-	-
Profit attributable to members		<u>(36,998)</u>	<u>103,395</u>

The accompanying notes form part of these financial statements

Newcastle Golf Club Limited

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Balance Sheet

As At 30 September 2009

	Note	2009 \$	2008 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	516,248	509,801
Trade and other receivables	6	79,609	22,718
Inventories	7	14,028	12,748
Other current assets	8	17,032	23,501
Total current assets		<u>626,917</u>	<u>568,768</u>
Non-current assets			
Property, plant and equipment	9	1,128,727	953,685
Total non-current assets		<u>1,128,727</u>	<u>953,685</u>
TOTAL ASSETS		<u>1,755,644</u>	<u>1,522,453</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	376,222	233,270
Borrowings	11	220,386	197,486
Short-term provisions	12	62,274	107,853
Total current liabilities		<u>658,882</u>	<u>538,609</u>
Non-current liabilities			
Borrowings	11	214,389	109,394
Long-term provisions	12	80,975	36,054
Total non-current liabilities		<u>295,364</u>	<u>145,448</u>
TOTAL LIABILITIES		<u>954,246</u>	<u>684,057</u>
NET ASSETS		<u>801,398</u>	<u>838,396</u>
EQUITY			
Reserves	13	422,910	422,910
Retained earnings		378,488	415,486
TOTAL EQUITY		<u>801,398</u>	<u>838,396</u>

The accompanying notes form part of these financial statements

Newcastle Golf Club Limited

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Statement of Recognised Income and Expenditure

For the Year Ended 30 September 2009

2009

	Retained Earnings	Capital Profits Reserve	Total
	\$	\$	\$
Balance at 1 October 2008	415,486	422,910	838,396
Profit attributable to members	(36,998)	-	(36,998)
Balance at 30 September 2009	378,488	422,910	801,398

2008

	Retained Earnings	Capital Profits Reserve	Total
	\$	\$	\$
Balance at 1 October 2007	312,091	422,910	735,001
Profit attributable to members	103,395	-	103,395
Balance at 30 September 2008	415,486	422,910	838,396

The accompanying notes form part of these financial statements

Newcastle Golf Club Limited

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Cash Flow Statement

For the Year Ended 30 September 2009

	2009	2008
Note	\$	\$
Cash from operating activities:		
Receipts from customers	2,281,696	2,107,675
Payments to suppliers and employees	(2,017,459)	(2,015,811)
Interest received	30,107	47,859
Interest paid	(20,968)	(14,327)
Net cash provided by (used in) operating activities	<u>15</u> 273,377	<u>125,396</u>
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	29,317	704
Acquisition of property, plant and equipment	(424,140)	(101,047)
Net cash provided by (used in) investing activities	<u>(394,823)</u>	<u>(100,343)</u>
Cash flows from financing activities:		
Proceeds from borrowings	277,471	-
Repayment of borrowings	(149,577)	(64,816)
Net cash provided by (used in) financing activities	<u>127,894</u>	<u>(64,816)</u>
Net increase (decreases) in cash held	6,447	(39,763)
Cash at beginning of financial year	509,801	549,564
Cash at end of financial year	<u>5</u> 516,248	<u>509,801</u>

The accompanying notes form part of these financial statements

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

1 Accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Newcastle Golf Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Newcastle Golf Club Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The financial report is presented in the Australian currency.

The following is a summary of the material accounting policies adopted by the Club in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(b) Income taxes

Being a Sporting Club in terms of section 50-45 of the income tax assessment act 1997 as amended, the company is considered not liable for income tax, and thus no provision is made.

(c) Inventories

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

(d) 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.

(e) Employee Benefits

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year have been measured at their nominal amount. Employee entitlements not expected to be settled within one year have been measured at their nominal amount as it has been determined that they are not materially different from their present value.

Contributions are made by the Club to employee superannuation funds and are charged as expenses when incurred.

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Notes to the Financial Statements

For the Year Ended 30 September 2009

1 Accounting policies continued

(f) Property, plant and equipment

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

Property

Freehold land and buildings is measured on the cost basis.

Plant, furniture and other equipment

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

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 their useful lives to the Club commencing from the time the asset is held ready for use.

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

Class of Fixed Asset

Clubhouse building and parking area	4%-10%
Course improvements	10%-15%
Furniture and equipment	10%-50%
Plant and machinery	5%-20%
Watering system	5%-10%

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

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 or losses are included in the income statement.

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Notes to the Financial Statements

For the Year Ended 30 September 2009

1 Accounting policies continued

(g) Revenue

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

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(h) Goods and Services Tax (GST)

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

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

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(j) Hire Purchase

Hire purchase assets are capitalised, recording an asset and a liability equal to the present value of the minimum payments, including any guaranteed residual values. Hire purchase assets are depreciated on a straight-line basis over their estimated useful lives. Payments are allocated between the reduction of the liability and the interest expense for the period.

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

1 Accounting policies continued

(k) Trade payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Comparative Figures

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

(m) Critical accounting estimates and judgments

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

(i) *Key estimates - Impairment*

The Club assesses impairment at each reporting date by evaluating conditions specific to the Club that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The financial report was authorised for issue on 10 December 2009 by the directors.

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

2 Revenue

	2009	2008
	\$	\$
Operating activities		
Trading revenue	1,863,623	1,792,161
Other Revenue from Ordinary Activities		
- Hire & storage of golf carts	127,471	72,385
- Interest received	30,107	47,859
- Profit/(Loss) on sale of fixed assets	10,210	364
- Insurance proceeds	-	56,058
- Sundry Income	17,392	13,575
Sub-total other operating revenue	185,180	190,240
Total revenue	2,048,803	1,982,401

3 Profit from Ordinary Activities

(a) Expenses

Cost of goods sold	190,513	167,820
Borrowing cost expense	20,968	14,327
Depreciation		
Clubhouse building and parking area	36,336	34,862
Course improvements	8,216	7,767
Plant and equipment	185,439	146,162
Total depreciation	229,991	188,791
Profit/(Loss) on sale of fixed assets	10,210	364

(b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant to explaining the financial performance:

Proceeds from insurance claim from June Storms	-	56,058
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Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

4 Auditors' Remuneration

	2009	2008
	\$	\$
Remuneration of the auditor of the Club for:		
- Audit or review of financial reports	6,500	6,000

5 Cash and cash equivalents

Cash on hand	2,800	2,800
Cash at bank	219,150	231,760
Short-term bank deposits	294,298	275,241
	<u>516,248</u>	<u>509,801</u>

Reconciliation of Cash

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	<u>516,248</u>	<u>509,801</u>
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6 Trade and other receivables

CURRENT		
Trade receivables	<u>79,609</u>	<u>22,718</u>

7 Inventories

CURRENT		
At Cost		
Stock on hand	<u>14,028</u>	<u>12,748</u>

8 Other Assets

CURRENT		
Prepayments	<u>17,032</u>	<u>23,501</u>

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

9 Property plant and equipment

	2009	2008
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	47,698	47,698
Buildings		
At cost	786,197	761,890
Less accumulated depreciation	(444,262)	(407,926)
Total	<u>341,935</u>	<u>353,963</u>
Course Improvements		
At cost	136,205	136,205
Less accumulated depreciation	(108,523)	(100,306)
Total	<u>27,682</u>	<u>35,899</u>
Total land and buildings	<u>417,315</u>	<u>437,560</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	2,085,754	1,792,250
Less accumulated depreciation	(1,374,342)	(1,276,125)
Total plant and equipment	<u>711,412</u>	<u>516,125</u>
Total property, plant and equipment	<u>1,128,727</u>	<u>953,685</u>

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

9 Property plant and equipment continued

(a) Movements in Carrying Amounts

	Land	Buildings	Course Improvements	Plant and equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	47,698	353,963	35,899	516,125	953,685
Additions	-	24,308	-	399,832	424,140
Disposals	-	-	-	(19,108)	(19,108)
Depreciation expense	-	(36,336)	(8,216)	(185,439)	(229,991)
Carrying amount at the end of year	47,698	341,935	27,682	711,412	1,128,727

(b) Core & non-core property

As required by the Registered Clubs Act 1976 all Clubs are required to specify core and non core property of the Club. As at 30 September 2009 the entire balance shown above is core property.

(c) Valuations of land and buildings

The directors performed a valuation of the land and buildings on 7 December 2005. The valuation has not been reflected in the Financial Report and is on the following basis (land has subsequently been updated to the latest Valuer General Valuation):

- Land was valued at \$2,980,000 using the Valuer General's valuations dated 1 July 2007.
- Buildings were valued at \$3,150,000 based on insurance values.

The directors believe that the above values are a reasonable estimate of the value of these assets in their current use.

10 Trade and other payables

	2009	2008
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	110,405	98,638
Sundry payables and accrued expenses	30,651	35,839
Subscriptions in advance	235,166	98,793
	<u>376,222</u>	<u>233,270</u>

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

11 Borrowings

	Note	2009 \$	2008 \$
CURRENT			
Unsecured Member Loans	(d)	137,000	116,000
Secured liabilities			
Hire purchase liabilities		83,386	81,486
		<u>220,386</u>	<u>197,486</u>
NON-CURRENT			
Secured liabilities			
Hire purchase liabilities		214,389	109,394
		<u>214,389</u>	<u>109,394</u>
(a) Total current and non-current secured liabilities			
Hire purchase liabilities		<u>297,775</u>	<u>190,880</u>
(b) Bank loan facility			
Bank overdraft		<u>90,000</u>	<u>90,000</u>
(c) The carrying amounts of non-current assets pledged as security are:			
Land and buildings		389,633	401,661
Hire Purchase Assets		312,798	172,131
		<u>702,431</u>	<u>573,792</u>

(d) Unsecured loans

Unsecured loan holders receive a \$60 reduction in yearly subscriptions for each \$1,000 unsecured loan held. The unsecured loans are payable at call.

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

12 Provisions

	Employee entitlements	Total
	\$	\$
Balance at 1 October 2008	143,907	134,064
Accrual	65,965	75,808
Amounts used	(66,623)	(66,623)
Balance at 30 September 2009	<u>143,249</u>	<u>143,249</u>

Analysis of Total Provisions

	2009	2008
	\$	\$
Current	62,274	107,853
Non-current	80,975	36,054
	<u>143,249</u>	<u>143,907</u>

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. Long service leave has been calculated based on nominal amounts rather than present values, as the carrying amount is immaterial when compared to net assets.

13 Capital profits reserve

The capital profits reserve is used to record gains or losses on the sale of land and buildings. There were no movements in the reserve during the year.

14 Members' Guarantee

The Club is 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 any outstanding obligations of the Club. At 30 September 2009 the number of members was 911 (2008: 956).

Newcastle Golf Club Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2009

15 Cash Flow Information

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

	2009	2008
	\$	\$
Net income/(loss) for the year	(36,998)	103,395
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation - fixed assets	229,991	188,791
(Profit)/Loss on sale of fixed assets	(10,210)	(364)
changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/Decrease in receivables	(56,891)	(2,190)
(Increase)/Decrease in inventories	(1,280)	5,670
(Increase)/Decrease in other assets	6,470	616
Increase/(Decrease) in trade creditors and accrual	142,952	(180,365)
Increase/(Decrease) in employee provisions	(658)	9,843
	<u>273,377</u>	<u>125,396</u>

16 Capital and Leasing Commitments

(a) Hire Purchase Commitments

Payable - minimum lease payments		
- no later than 12 months	104,342	90,197
- between 12 months and 5 years	250,015	115,085
Minimum lease payments	<u>354,357</u>	<u>205,282</u>
Less future finance changes	(56,582)	(14,402)
Present value of minimum lease payments	<u>297,775</u>	<u>190,880</u>

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Notes to the Financial Statements

For the Year Ended 30 September 2009

17 Financial instruments

(a) Financial Risk Management

The Club's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, leases.

(i) Financial Risks

The main risks the Club is exposed to through its financial instruments are market risk, liquidity risk and credit risk.

Market risk

(i) Interest rate risk

The Club constantly analyses its interest rate exposure on all interest bearing loans. Within the analysis, consideration is given to potential renewals of existing positions, alternative financing and the mix of fixed and variable interest rates.

Currently all of the Club's borrowings are either non-interest bearing or have had interest rates fixed.

At 30 September 2009, if interest rates had changed by +/-1% from the year-end rates with all other variables held constant, profit for the year would have been \$5,134 higher/lower (2008: \$5,070).

Credit risk

The maximum exposure to credit risk, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Club has policies in place to ensure that services are made to customers with an appropriate credit history. The Club engages in normal debt collection procedures to assist in managing the credit risk of its customers.

The Club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Club.

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Notes to the Financial Statements

For the Year Ended 30 September 2009

17 Financial instruments continued

Liquidity Risk

The Club's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Club's reputation.

To assist in the above the Club maintains undrawn borrowing facilities of up to a maximum of \$90,000.

Net Fair Values

There is no material difference between the carrying value of the assets and liabilities and the fair values of the assets and liabilities.

18 Key Management Personnel Compensation

(a) Key Management Personnel Compensation 2009

	Short-term benefits	Post employment benefits	Other long-term benefits	Total
	\$	\$	\$	\$
Total Compensation	140,000	12,600	-	152,600

2008

	Short-term benefits	Post employment benefits	Other long-term benefits	Total
	\$	\$	\$	\$
Total Compensation	140,000	12,318	-	152,318

Directors in the course of carrying out their duties at meetings and on other occasions are provided with meals and drinks on a complimentary basis.

19 Segment Reporting

The Club operates solely in the registered Club industry from premises in Fern Bay NSW.

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Notes to the Financial Statements

For the Year Ended 30 September 2009

20 Lady Members Funds

Cash on hand and at bank - Lady Members Funds represents funds raised and available for purposes intended by the Lady Members.

21 Company Details

Registered office

The registered office and principal place of business of the company is:

Vardon Road
FERN BAY NSW 2295

22 Change in Accounting Policy

The following Australian Accounting Standards issued or amended which are applicable to the to the Club but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	AASB Standard Affected	Outline of Amendment	Application Date of the Standard	Application Date for the Entity
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5: Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing AASB 8:	1 January 2009	1 October 2009
	AASB 102: Inventories	Segment Reporting in February 2007. These amendments will		
	AASB 107: Cash Flow Statements	involve changes to segment reporting disclosures. However		
	AASB 119: Employee Benefits	it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report as the company does not fall within the scope of AASB 8.		
AASB: 136: Impairment of Assets				
AASB 8: Operating Segments	AASB 114: Segment Reporting	As above	1 January 2009	1 October 2009

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Notes to the Financial Statements

For the Year Ended 30 September 2009

22 Change in Accounting Policy continued

AASB Amendment	AASB Standard Affected	Outline of Amendment	Application Date of the Standard	Application Date for the Entity
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1: First-time Adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007	1 January 2009	1 October 2009
	AASB 101: Presentation of Financial Statements	has removed the option to expense all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the company as it already capitalise borrowing costs related to qualifying assets.		
	AASB 107: Cash Flow Statements			
	AASB 116: Property, Plant and Equipment			
AASB 138: Intangible Assets				
AASB 123: Borrowing Costs	AASB 123: Borrowing Costs	As above	1 January 2009	1 October 2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure.	1 January 2009	1 October 2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1 January 2009	1 October 2009

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Compilation Report

Scope

On the basis of information provided by the Directors of Newcastle Golf Club Limited, We have compiled in accordance with APS 9 'Statement on Compilation of Financial Reports' the following;

- 1) s 41J Disclosure of Core and Non-core Property
- 2) Detailed Income Statement of Newcastle Golf Club Limited for the period ended 30 September 2009.

The specific purpose for which the above detailed financial reports have been prepared is to provide private information to the Directors (and members). Accounting Standards and Australian Accounting Interpretations have been adopted in the preparation of the above detailed financial reports.

The Directors are solely responsible for the information contained in the above detailed financial reports and have determined that the accounting policies used are consistent with the financial reporting requirements of Newcastle Golf Club Limited's constitution and are appropriate to meet the needs of the Directors and Members of the Club.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors have provided into the detailed financial reports. My statutory audit procedures do not include verification or validation procedures over allocations within the above detailed financial reports and accordingly no assurance or opinion is expressed as to their accuracy.

To the extent permitted by law, I do not accept liability for any loss or damage which any person, other than the Club, may suffer arising from any negligence on my part. No person should rely on the above detailed financial reports without having an audit or review conducted upon them.

The above detailed financial reports were prepared for the benefit of the Directors and members of Newcastle Golf Club Limited and the purpose identified above. I do not accept responsibility to any other person for the contents of the special purpose financial report.

McGregor & McGregor
Chartered Accountants



Ken Cross
Partner

Newcastle

11 December 2009

Newcastle Golf Club Limited

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Disclosure of Core & Non Core Property

For the Year Ended 30 September 2009

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 September 2009:

- a) the following properties are core property of the Club;
 - i) Vardon Road
FERN BAY NSW 2295
- b) further to this the Club has no non 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;
- 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
- c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

5. These 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;

- 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;
- Core property that is leased or licensed to a telecommunications provider for the purposes of a telecommunications tower.

6. The requirement to specify core property and non core property in the Annual Report of the Club came into effect on 21 December 2007 which is why this information has not previously been reported in the Annual Report.

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Detailed Profit and Loss

For the Year Ended 30 September 2009

Income	2009 \$	2008 \$
Surplus transferred from bar trading statement	61,347	51,926
Surplus/(deficit) transferred from dining room statement	(7,031)	(14,173)
Net profit/(loss) transferred from statement of Lady Members Fund	2,210	1,231
Members subscriptions	765,617	813,346
Entrance fees	28,075	13,728
Locker fees	59	600
Green fees		
- members	282,234	253,450
- visitors	245,925	198,446
Capital Expenditure Levy	58,794	74,873
Competition fees	18,526	17,869
Golf cart storage	9,243	14,320
Buggy hire	118,228	58,065
Interest	30,107	47,859
Insurance proceeds	-	56,058
Sundry income	14,386	12,203
Trophy sponsorship	21,641	21,216
Sale of ties, badges and centenary income	855	141
<i>Carried Forward</i>	<u>1,650,216</u>	<u>1,621,158</u>

The profit and loss statement is to be read in conjunction with the compilation report.

Newcastle Golf Club Limited

ACN 000 003 314

Detailed Profit and Loss

For the Year Ended 30 September 2009

	2009 \$	2008 \$
<i>Brought Forward</i>	<u>1,650,216</u>	<u>1,621,158</u>
Expenditure		
Advertising	7,379	5,916
Affiliation fees	25,733	23,269
Auditors remuneration	6,500	6,981
Bank and credit card charges	11,334	12,725
Cleaning and laundry	26,946	24,760
Conference expenses	3,690	1,684
Committee expenses	2,441	2,957
Computer expenses	28,978	17,176
Depreciation	229,991	188,791
Electricity and gas	35,227	34,426
First Aid supplies	265	520
General expenses	1,313	2,088
Golf functions and representation	8,168	5,855
Insurance	<u>64,768</u>	<u>54,283</u>
<i>Carried forward</i>	<u>452,733</u>	<u>380,849</u>

The profit and loss statement is to be read in conjunction with the compilation report.

Newcastle Golf Club Limited

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Detailed Profit and Loss

For the Year Ended 30 September 2009

	2009 \$	2008 \$
<i>Brought forward</i>	<u>452,733</u>	<u>380,849</u>
Interest paid - hire purchase agreements	20,968	14,326
Locker room sundries	9,188	8,764
Net (gain)/loss on disposal of plant and equipment	(10,210)	(364)
Members benefits	4,470	4,021
Motor vehicle expenses	1,153	1,410
Payroll tax	12,785	13,784
Printing, postage and stationery	18,271	24,983
Professional retainer and commission	65,696	39,825
Rates	12,270	31,615
Repairs and maintenance, equipment and fertilisers – course	267,662	267,074
Repairs and maintenance – clubhouse	20,488	5,363
Security	5,879	3,407
Staff amenities	9,795	8,461
Subscriptions	2,329	2,339
Superannuation	70,855	57,591
Telephone	16,646	16,549
Training	3,558	2,438
Trophies	43,394	34,570
Uniforms	1,538	923
Wages - administration and cleaning	156,366	139,625
Wages – course	492,462	452,395
Waste removal	<u>8,918</u>	<u>7,234</u>
	<u>1,687,214</u>	<u>1,517,764</u>
Operating Profit/(loss)	<u>(36,998)</u>	<u>103,395</u>

The profit and loss statement is to be read in conjunction with the compilation report.

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Trading Statement

For the Year Ended 30 September 2009

	2009 \$	2008 \$
Bar Trading		
Sales	261,214	238,421
Cost of sales	<u>108,845</u>	<u>98,400</u>
Gross Profit: 58.3% (2008: 58.7%)	<u>152,369</u>	<u>140,021</u>
Less:		
Wages	89,363	83,488
Sundry bar replacements	1,659	3,117
Sundry expenses	<u>-</u>	<u>1,490</u>
	<u>91,022</u>	<u>88,095</u>
Surplus Transferred to Profit and Loss Statement	<u>61,347</u>	<u>51,926</u>
Dining Room Trading		
Sales	181,538	160,212
Cost of sales	<u>81,668</u>	<u>69,420</u>
Gross Profit 55.0% (2008: 56.7%)	<u>99,870</u>	<u>90,792</u>
Less:		
Wages	85,511	77,175
Sub-contract caterer	16,385	23,340
Sundry dining room expenses	<u>5,005</u>	<u>4,450</u>
	<u>106,901</u>	<u>104,965</u>
Surplus/(deficit) Transferred to Profit and Loss Statement	<u>(7,031)</u>	<u>(14,173)</u>

The trading statement is to be read in conjunction with the compilation report.

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Statement of Receipts & Payments – Lady Members Fund

For the Year Ended 30 September 2009

	2009 \$	2008 \$
Receipts		
Competition fees	16,454	6,612
Interest received	80	231
Social and other income	6,568	14,388
	<u>23,102</u>	<u>21,231</u>
Payments		
Bank charges and duties	-	7
WGNSW	1,841	1,123
Social functions	6,525	7,739
Social and sundry expenses	7,306	9,459
Trophies	5,220	1,672
	<u>20,892</u>	<u>20,000</u>
Net Profit/(loss) for Year	<u>2,210</u>	<u>1,231</u>

The statement of receipts and payments is to be read in conjunction with the compilation report.