



BERMAGUI COUNTRY CLUB LIMITED

ABN: 69 001 027 916

(A Company Limited by Guarantee)

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

CONTENTS

	PAGE NO
President's Report	2
Annual Sports Report	3
Building & Development Report	4 - 5
Appendix A:	
- Financial Statements	1 – 33



BERMAGUI COUNTRY CLUB LIMITED

ABN: 69 001 027 916

PRESIDENTS ANNUAL REPORT

I am pleased to present to you, the members, the annual report and financial statement for the 12 months ending March 31, 2019. The annual statement shows a deficit of \$239,094 (2018 \$213,330).

It has been an extraordinary year to say the least. The expectations of the Board over the last 12 months were finally realised in October 2018, with the complete sale of Club land and the ending of the Joint Venture partnership with Paynter Dickson. After clearing the NAB, Paynter Dickson loans and paying our debt to Crown Lands, the remaining balance has been invested as a term deposit. Member approval must be sought for any substantial use of these funds in the future.

The board realises that Club operations must move in the direction of sustainability and we are, with management, seeking ways to minimise costs and increase Club income. Club participation and membership is in decline throughout the State with a downturn in poker machine and bar revenue. We are hoping to succeed despite this trend.

Our board members have attended seminars run by both Clubs NSW and Golf NSW. These seminars and workshops are helpful for us to make changes and instigate new ventures, which will keep our Club relevant and attractive to the Community and the increasing numbers of visitors discovering the town. As a tourist town, we have unique opportunities to attract patronage and we thank those who come up with initiatives such as the Twilight Golf promotion, Bare Foot bowls evenings and music events, all have increased patronage of the Club. We welcome the Big Game Anglers, who have leased the downstairs auditorium. With the rental, bar and restaurant sales plus memberships we believe this will be a positive gain for both parties into the future.

We are endeavouring to keep our outdoor facilities going to a standard we can be proud of, and we have purchased and leased new machinery when our old ones can no longer be repaired. Our fleet of golf cart has been turned over for new ones, which keeps them under warranty for the next 3 years.

Local organisations, again, benefited from our contribution to the Clubs Grants Scheme. Bermagui District Lions Club, Bermagui District Seniors, Bermagui Preschool, Bermagui Surf Life Saving Club and the Wallaga Lake/Bermagui Mens Shed all were the recipients with a total of \$2,650 being allocated from the scheme.

Our restaurant is now recognised as a reliable and welcoming venue with excellent offerings and service. There is still considerable work to do in this area and we are doing what we can to improve our returns. Thanks to the efforts of the kitchen and wait staff. Please encourage your friends to join you for a meal and evening at the Club when you are deciding on a night out.

I would like to make special mention that Bill Beaumont has retired from the Board after 17 years of sterling service. His tenure saw our Club through some tumultuous times, from the early days of the Joint Venture to the final sale of the Club land and completion of the partnership. Bill served many of those years as Vice President, responsible for many portfolios with finance his main involvement. The work and effort given by Bill has been invaluable. Thank you Bill for all those years of service to our Club, we all hope you continue to enjoy the BCC as a member, we know you won't miss all the early morning meetings!

I would also like to thank all our numerous volunteers who give their time for Committees, working bees, catering and car boot sales etc. To our amazing staff and Robbie for his leadership through very difficult times, also to Chris in the pro shop, for your friendly and professional service to our members and visitors. Thank you all.

Congratulations to all who have done well in their chosen sport over the last 12 months and good luck to all for the coming year ahead.

Lesley Ashton
President



BERMAGUI COUNTRY CLUB LIMITED

ABN: 69 001 027 916

ANNUAL SPORTS REPORT

It is with pleasure that I present the 2018 – 19 Sports Report on behalf of all the Sub-Clubs.

The Bermagui Country Club holds monthly meetings for their 12 sub-clubs to share information on their chosen sports and to discuss matters that they may wish to take to management and/or to the Board. My thanks to the sub-club representatives for attending these monthly meetings as it helps the Club to keep up with issues involving their area of interest.

The BCC is proud of all the competitors who choose to compete in district events. Apart from having fun they are also representing and promoting the Bermagui Country Club. At this point, I would like to congratulate all the winners in their chosen sport. A special mention must go to Maggie Hayes, who competed in the Veterans Golf tournament at Rich River. She won her age division and has been chosen to represent NSW in Port Stephens in October. Well done Maggie.

A special thankyou to all the volunteers for helping to improve the surrounds of the Club facilities. These include volunteering their time to attend meetings, attend working bees for grounds and tree management, raising funds for the golf course through BBQ's and so the list goes on.

The week of golf in September was again popular with golfers coming from near and far. The course again was in amazing condition and thanks to the ground staff and volunteers to make the competition such a success.

The Darts Club hosted the Biggest Morning tea to raise funds for Cancer Research. This was again well attended and raised funds to around \$5000. Well done.

Croquet and bowls continue to struggle for membership but have healthy competitions throughout the year to promote their sport.

Congratulations to the Big Game who are now tenants in the downstairs sports bar area.

Tennis are fielding players most days and are now competing in district competitions. Our other sub – clubs include indoor bowls, Art & Craft (which includes needlework, glass art, painting and pottery), Social fishing club and Dad's army golf.

Again, I would like to extend my thanks to all the Committee members and volunteers, Management and staff who make the club as successful as it is and I would like to wish all the Committees and their sub-clubs a productive and enjoyable 2019-20.

Fran Vercoe
Sports Director



BERMAGUI COUNTRY CLUB LIMITED

ABN: 69 001 027 916

BUILDING & DEVELOPMENT REPORT – 2018-2019

After 14 years of struggling with numerous impediments, hindrances, obstructions and escalating debt etc., trying to make a go of the Joint Venture Land Development, was becoming an impossibility therefore, it was pleasing to see a positive outcome with the sale and settlement of the Land in Oct 2018.

Due to the In-kind contribution of Paynter Dixon, the sale enabled BCC to pay outstanding debts, firstly, the “Incomplete Purchase” (Club House Land) and secondly, the NAB Debt (Synthetic Bowls Green).

The remaining Liquid Assets (Cash on Hand) which are held in the “Sale Proceeds Fund Account” will provide a measure of security for the Clubs future.

The “Sales Proceed Fund” was incorporated into the Constitution to prevent current and future BOM from erroneous expenditure which may jeopardise the Clubs financial resources. Therefore, the Board will be required to seek member’s approval, via a special resolution of Members in a general meeting to spend funds in the “sales Proceeds Account”. However, “in any financial year, the Club may use 5% of the balance of the Sale Proceeds Fund for general day to day trading expenses” and must be tabled in the annual budget for Sale Proceeds.

This involves members in the important decisions that may have a profound effect on Club Finances and Assets.

Having sold the land and paid our debts, it is important to note that:

We are now on our own.

BCC can no longer rely on the successful completion of the JV Development, to sustain us - as outlined by the Auditor for many years.

The Board now needs to address BCC’s current Operating Deficit, which will require making difficult, possibly unpopular decisions to ensure the “Club” is able to operate as a “going concern” into the future.

The BCC is Asset Rich and Cash Flow Poor.

Why?

- Our poker machine (\$158,019) and bar revenue (\$115,033) are down from last year.
- The increasing number of small venues, including a caravan park, who provide meals, have a liquor licence and compete for the local and tourist dollar. This has had a profound effect on BCC’s revenue.
- The Pub with its million-dollar view, has made extensive renovations which has changed clientele type, appeals to the younger generation and tourists.
- Our venue is old, too big, very tired looking which does not immediately appeal to the holiday maker, grey nomads, tourists or locals for that matter.

The Board has discussed the above problems and have resolved, with professional advice, to address what measures are required to increase the Clubs Cashflow by inducing and capturing the local, grey nomad and tourist dollar.



BERMAGUI COUNTRY CLUB LIMITED

ABN: 69 001 027 916

BUILDING & DEVELOPMENT REPORT – 2018-2019 (Continued)

Outdoor Facilities.

The Golf Course Expenditure (\$653,462) has incurred a loss of \$204,324.

Over many years, deficits incurred by the outdoor facilities has been sustained and maintained by the surplus of Poker Machine revenue.

This is no longer the case and measures must be taken to ensure budgetary constraint.

As mentioned above the Club House is old and in need of urgent attention.

The Roof is in need of urgent repair – approx. \$60,000
The Kitchen Floor requires replacing – approx. \$25,000
The front of the Club needs rendering – approx. \$20,000
The inside and outside of the Club need a face lift - Cost?

Bermagui Country Club Irrigation & Dam Programme.

The saga continues.

BCC representatives met with Andrew Constance to discuss the Ocean Outfall problem and how to effectively and efficiently resolve the problem via irrigation of treated effluent on the golf course. Andrew was very supportive and agreed the concept of putting the treated effluent on the golf course was the way to resolve the ocean outfall problem in Bermagui.

Andrew stated that, he was to allocate funds to the Bega Council for Water Purification. The allocation of \$25m was far in excess of what Council requested, therefore, \$2m would be included in the \$25m to fix the Bermagui Ocean Outfall.

At a meeting with the Mayor and senior Council representatives the Mayor said she/they knew nothing about the allocation of funds for the Bermagui Ocean Outfall.

We will arrange another meeting with Andrew to clarify this matter.

Crown Land – Perpetual Lease.

Crown Lands have asked if BCC would like to purchase the Perpetual Lease i.e. the land that forms part of the golf course holes, 1, 9,10,11,18, the "Old Mill Site and the land out to Hay St. Currently BCC is paying \$13,000 rental per annum. BCC has made application to purchase the land subject to an independent survey and valuation.

Finally, I would like to give a special mention and thanks to Derick Quinto's tireless work on the Tree Management Program.

Roy Davies OAM
Vice President
JV/Building & Development

APPENDIX A - Financial Statements

Contents

For the Year Ended 31 March 2019

	Page
Financial Statements	
Directors' Report	2
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	25
Independent Audit Report	26
Supplementary Information - Revenue and Divisional Trading Accounts	28

Bermagui Country Club Limited

A.B.N 69 001 027 916

Directors' Report

31 March 2019

The directors present their report on Bermagui Country Club Limited for the financial year ended 31 March 2019.

1. General information

Information on directors

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

Lesley ASHTON

Qualifications	Retired Teacher
Date of Appointment	4 July 2008
Special responsibilities	President

William BEAUMONT

Qualifications	Retired Logistics Manager
Date of Appointment	23 August 2007
Special responsibilities	Vice President

Roy DAVIES

Qualifications	Retired Senior Executive Victorian Regional Health Service
Date of Appointment	30 June 2013

Derek QUINTO

Qualifications	Small Business Owner
Date of Appointment	27 July 2010

Raymond STEPHENS

Qualifications	Retired Cartographer
Date of Appointment	9 October 2015

Fran VERCOE

Qualifications	Retired Registered Nurse / Midwife Unit Manager
Date of Appointment	26 June 2016

Harry CRIPPS

Qualifications	Retired Master Builder. Retired Mansfield Shire Councillor
Date of Appointment	26 June 2016
Date of Resignation	19 July 2018

Carol CARMODY

Qualifications	Retired Motel Proprietor, Retired Club Secretary Manager, Accountant, JP
Date of Appointment	15 July 2018

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

Bermagui Country Club Limited

A.B.N 69 001 027 916

Directors' Report

31 March 2019

Principal activities

The principal activity of Bermagui Country Club Limited during the financial year was that of a Registered Club and provision of sporting facilities.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- provide quality Club and sporting facilities in Bermagui for the benefit of members and guests.

Long term objectives

The Company's long term objectives are to:

- provide quality Club and sporting facilities in Bermagui for the benefit of members and guests.

Strategy for achieving the objectives

To achieve these objectives, the Company adopts current licensed club industry practices and strategies to ensure that the short and long term objectives are met.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by providing quality Club and sporting facilities in Bermagui for the benefit of members and guests.

Performance measures

The following measures are used within the Company to monitor performance:

- the quality of the service and facilities provided to members;
- the ability to generate strong cash flows from its operating activities;
- the trading and overall financial result; and
- the stability of the balance sheet with respect to the Company's liquidity.

Members guarantee

Bermagui Country Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is limited to \$4 subject to the provisions of the company's constitution.

At 31 March 2019 the collective liability of members was \$8,804 (2018: \$8,680).

Bermagui Country Club Limited

A.B.N 69 001 027 916

Directors' Report

31 March 2019

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number attended	Number eligible to attend
Lesley ASHTON	11	12
William BEAUMONT	11	12
Harry CRIPPS	-	3
Roy DAVIES	12	12
Derek QUINTO	12	12
Raymond STEPHENS	11	12
Fran VERCOE	12	12
Carol CARMODY	8	9

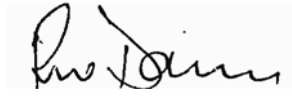
Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2019 has been received and can be found on page 5 of the financial report.

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



Director:
Lesley ASHTON



Director:
Roy DAVIES

Dated 28 May 2019



Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Bermagui Country Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2019, 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.

KOTHES
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Simon Byrne', is written over a horizontal line.

SIMON BYRNE
Partner
Registered Company Auditor (#153624)

BERMAGUI
28 May 2019



DIRECTORS
Simon Byrne
Fiona Dunham
Peter Mann
Gary Pearce
Kevin Philistin
Gary Skelton

BEGA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
JINDABYNE

T 02 6491 6491
admin@kothes.com.au
77 Main St, Merimbula NSW 2548
PO Box 285 Merimbula NSW 2548
www.kothes.com.au
Kothes Chartered Accountants
ABN 36 472 755 795

Bermagui Country Club Limited

A.B.N 69 001 027 916

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 March 2019**

	Note	2019 \$	2018 \$
Revenue	5	3,553,107	3,716,735
Profit on sale of poker machine entitlements		114,000	-
Profit on disposal of fixed assets		39,212	11,818
Cost of sales		(850,676)	(829,422)
Employee benefits expense		(1,633,558)	(1,617,408)
Depreciation and amortisation expense		(263,660)	(238,930)
Finance costs		(88,826)	(102,204)
Promotions & entertainment expenses		(137,319)	(172,622)
Poker machine tax		(37,426)	(82,804)
Outdoor and sporting club expenses		(251,743)	(253,506)
Insurance		(79,755)	(80,476)
Electricity and gas		(137,338)	(124,189)
Repairs and maintenance		(203,005)	(176,699)
Printing, postage & stationary		(13,571)	(20,357)
Rates & rent		(66,857)	(49,741)
Other expenses **		(181,679)	(193,525)
(Deficit) before income tax		(239,094)	(213,330)
Income tax expense	3(a)	-	-
(Deficit) for the year		(239,094)	(213,330)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on joint venture land sale		<u>2,332,639</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>2,332,639</u>	<u>-</u>
Total comprehensive income for the year		<u>2,093,545</u>	<u>(213,330)</u>

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

** For detailed information please refer to Supplementary Information

Bermagui Country Club Limited

A.B.N 69 001 027 916

Statement of Financial Position**31 March 2019**

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,235,057	227,201
Trade and other receivables	7	70,420	75,618
Inventories - Stock on hand		49,685	62,292
TOTAL CURRENT ASSETS		1,355,162	365,111
NON-CURRENT ASSETS			
Financial assets		20	20
Property, plant and equipment	8	2,266,582	2,442,045
Interest in joint venture	9	-	1,056,015
TOTAL NON-CURRENT ASSETS		2,266,602	3,498,080
TOTAL ASSETS		3,621,764	3,863,191
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	712,447	543,737
Borrowings	11	113,164	136,654
Provision for poker machine jackpots		17,296	20,691
Employee benefits	12	274,087	280,180
TOTAL CURRENT LIABILITIES		1,116,994	981,262
NON-CURRENT LIABILITIES			
Borrowings	11	98,752	2,569,456
TOTAL NON-CURRENT LIABILITIES		98,752	2,569,456
TOTAL LIABILITIES		1,215,746	3,550,718
NET ASSETS		2,406,018	312,473
EQUITY			
Retained earnings		73,379	312,473
Land Sale Reserve		2,332,639	-
TOTAL EQUITY		2,406,018	312,473

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Statement of Changes in Equity

For the Year Ended 31 March 2019

2019

	Retained Earnings	Land Sale Reserve	Total
	\$	\$	\$
Balance as at 1 April 2018	312,473	-	312,473
Deficit attributable to members of the entity	(239,094)	-	(239,094)
Gain on joint venture land sale	-	2,332,639	2,332,639
Balance at 31 March 2019	73,379	2,332,639	2,406,018

2018

	Retained Earnings	Land Sale Reserve	Total
	\$	\$	\$
Balance as at 1 April 2017	525,803	-	525,803
Deficit attributable to members of the entity	(213,330)	-	(213,330)
Balance at 31 March 2018	312,473	-	312,473

Land Sale Reserve

The Land Sale Reserve records the gain on sale of land.

The accompanying notes form part of these financial statements.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Statement of Cash Flows For the Year Ended 31 March 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	4,251,375	4,027,768
Payments to suppliers and employees	(4,006,583)	(3,831,340)
Interest received	1,291	481
Interest paid	(197,702)	(63,751)
Net cash provided by operating activities	<u>48,381</u>	<u>133,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plant and equipment	40,000	11,818
Proceeds from sale of poker machine entitlements	114,000	-
Proceeds from sale of land	2,463,237	-
Purchase of property, plant and equipment **	(219,583)	(157,387)
Net cash provided by / (used in) investing activities	<u>2,397,654</u>	<u>(145,569)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	18,880	-
Repayment of borrowings **	(1,457,059)	(97,690)
Net cash (used in) financing activities	<u>(1,438,179)</u>	<u>(97,690)</u>
Net increase / (decrease) in cash and cash equivalents held	1,007,856	(110,101)
Cash and cash equivalents at beginning of year	227,201	337,302
Cash and cash equivalents at end of financial year	6 <u>1,235,057</u>	<u>227,201</u>

**** Non-cash financing and investing activities**

Acquisition of plant and equipment by finance lease - 2019 - \$Nil (2018 - \$115,673)

The accompanying notes form part of these financial statements.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

The company was incorporated on 21 September 1972 (# 001 027 916) under the NSW Companies Act, 1961, NSW. It is registered with the Australian Business Register (Australian Business Number 69 001 027 916) and is registered for Goods & Services Tax purposes. The registered office and principal place of business of the company is Tuross Street, BERMAGUI, NSW, 2546. The financial report was authorised for issue by the Directors on 28 May 2019.

The financial report covers Bermagui Country Club Limited as an individual entity. Bermagui Country Club Limited is a Not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Bermagui Country Club Limited is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

2 Change in Accounting Policy

Financial Instruments - Adoption of AASB 9

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Company has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 April 2018.

3 Summary of Significant Accounting Policies

(a) Income Tax

The Company is a Not for Profit Entity with a main objective of providing quality sporting facilities in Bermagui NSW. The Board has reviewed its income tax status and have assessed the Company to be exempt from income tax under section 50-45 of the *Income Tax Assessment Act, 1997* (Cth). Consequently, no provision for taxation has been made in the financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2019

3 Summary of Significant Accounting Policies

(b) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(d) Goods and Services Tax (GST)

Revenue, 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 (ATO). Receivables and payable are stated inclusive of GST. Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Inventories

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

Notes to the Financial Statements

For the Year Ended 31 March 2019

3 Summary of Significant Accounting Policies

(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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use. Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	40 years
Plant and Equipment	3 to 15 Years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 31 March 2019

3 Summary of Significant Accounting Policies

(g) Financial instruments

Comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Current year

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

Notes to the Financial Statements

For the Year Ended 31 March 2019

3 Summary of Significant Accounting Policies

Financial assets

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on de-recognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 March 2019

3 Summary of Significant Accounting Policies

Financial assets

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 31 March 2019

3 Summary of Significant Accounting Policies

(k) Going concern

The accounts have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The company has recorded operating deficits for the 31 March 2019 and 2018 financial years, a small surplus of \$31,066 for the 31 March 2017 financial year. Prior to this the company incurred losses for the 7 years to 31 March 2010, a small operating surplus recorded for the year ending 31 March 2011 and recorded operating deficits for the year ended 31 March 2012 and 2013, a small operating surplus for the year ending 31 March 2014, and deficits for the years ending 31 March 2015 and 31 March 2016. Although as of 31 March 2019 the Company's current assets exceed its current liabilities by \$245,222, the current assets include \$1,061,576 cash held in term deposits. This cash is defined as 'Net Proceeds from the Sale Proceeds Fund' as per the Company's constitution. Under the constitution this amount is to be held in separate bank or capital accounts with a small percentage allowed to be used in the financial year for general trading expenditure of the Club, provided the purpose of the expenditure is tabled in the annual budget prepared at each Annual General Meeting.

(l) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 March 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

There are no areas that involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements other than those described in the accounting policies.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

5 Revenue and Other Income

Revenue from continuing operations	2019	2018
	\$	\$
Sales revenue		
-Bar sales	1,045,770	1,160,783
-Poker machine income	1,051,463	1,209,482
-Restaurant and function sales	698,070	596,022
-Keno & TAB commission	41,758	34,474
-Coffee shop income	24,707	23,636
-Outdoor facilities and sub club income	449,138	448,411
-Indoor sub club fundraising	2,445	1,967
-Raffles	74,143	88,685
-Snack machine income	573	915
	3,388,067	3,564,375
Finance income		
-Interest received	1,291	481
Other revenue		
-Subscriptions	67,383	66,307
-Rental income	8,317	8,353
-ATM commission	13,372	14,069
-Bingo income	17,324	22,641
-Wage subsidies & government grants	27,181	9,822
-Donations	-	10,438
-Other income	30,172	20,249
	163,749	151,879
	3,553,107	3,716,735

6 Cash and cash equivalents		
Cash at bank and on hand	1,235,057	227,201

The above figure is reconciled to cash at the end of the financial year as shown in the statement of cash flows.

The above figure includes \$1,061,576 cash held in term deposits. This is defined as 'Net Proceeds from the Sale Proceeds Fund' as per the Company's constitution. Under the constitution this amount is to be held in separate bank or capital accounts with a small percentage allowed to be used in the financial year for general trading expenditure of the Club, provided the purpose of the expenditure is tabled in the annual budget prepared at each Annual General Meeting.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

7 Trade and other receivables

	2019 \$	2018 \$
CURRENT		
Trade receivables	33,910	22,851
Prepayments	27,810	23,321
Other receivables	8,700	29,446
Total current trade and other receivables	70,420	75,618

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

8 Property, plant and equipment

	2019 \$	2018 \$
LAND AND BUILDINGS - CORE ASSETS **		
Freehold land		
At cost	426,284	556,882
Total Land	<u>426,284</u>	<u>556,882</u>
Buildings		
At cost	3,087,846	3,087,846
Accumulated depreciation	<u>(2,173,191)</u>	<u>(2,086,633)</u>
Total buildings	<u>914,655</u>	<u>1,001,213</u>
Total land and buildings	<u>1,340,939</u>	<u>1,558,095</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	957,761	948,553
Accumulated depreciation	<u>(877,092)</u>	<u>(840,994)</u>
Total plant and equipment	<u>80,669</u>	<u>107,559</u>
Course, courts & greens		
At cost	1,230,295	1,230,295
Accumulated depreciation	<u>(935,841)</u>	<u>(903,605)</u>
Total course, courts & greens	<u>294,454</u>	<u>326,690</u>
Poker machines		
At cost	1,139,184	1,068,679
Accumulated depreciation	<u>(830,176)</u>	<u>(890,744)</u>
Total poker machines	<u>309,008</u>	<u>177,935</u>
Course plant and equipment under finance lease		
At cost	268,076	268,076
Accumulated depreciation	<u>(55,202)</u>	<u>(43,092)</u>
Total Course plant and equipment under finance lease	<u>212,874</u>	<u>224,984</u>
Course plant and equipment		
At cost	547,480	529,902
Accumulated depreciation	<u>(518,842)</u>	<u>(483,120)</u>
Total course plant and equipment	<u>28,638</u>	<u>46,782</u>
Total plant and equipment	<u>925,643</u>	<u>883,950</u>
Total property, plant and equipment	<u><u>2,266,582</u></u>	<u><u>2,442,045</u></u>

** Core Assets

The sale of the land as part of the joint venture between the Company and Paynter Dixon Golf Pty Limited on 15 October 2018 has been accounted for in the financial statements of the company. Refer to Note 10 for further information on this land. All other land and buildings of the Company is considered Core Property as per the Registered Clubs Act.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

8 Property, plant and equipment

Valuation of Land & Buildings

Land and buildings were by an independent valuer on 4th December 2017. This value far exceeded the book value that is carried in the financial statements.

Non-current assets pledged as security

Refer to Note 11 for information on non-current assets pledged as security by the Company.

(a) Movements in Carrying Amounts

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

	Land \$	Buildings \$	Course, courts & greens \$	Plant and equipment \$
Opening balance	556,882	1,001,213	326,690	107,559
Additions	-	-	-	9,208
Disposals	(130,598)	-	-	-
Depreciation	-	(86,558)	(32,236)	(36,098)
Balance at the end of the year	426,284	914,655	294,454	80,669

	Course plant & equipment \$	Poker Machines \$	Course plant & equipment under finance lease \$	Total \$
Opening balance	46,782	177,935	224,984	2,442,045
Additions	17,578	192,797	-	219,583
Disposals	-	(788)	-	(131,386)
Depreciation	(35,722)	(60,936)	(12,110)	(263,660)
Balance at the end of the year	28,638	309,008	212,874	2,266,582

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

9 Interest in Joint Venture

	2019	2018
	\$	\$
Opening Balance	1,056,015	2,008,710
Capital costs for financial year	-	10,372
Interest costs for financial year	-	92,949
	1,056,015	2,112,031
Joint Venture Partner Share - 50%	-	(1,056,016)
Transfers (to) joint venture loan	(1,056,015)	-
Balance at end of the period	-	1,056,015

Land located at Parbery Avenue, Bermagui as owned by the Company was sold as a joint venture between the Company and Paynter Dixon Golf Pty Limited on 15 October 2018. Paynter Dixon Golf Pty Limited beared significant transaction costs for the development of this land. These transaction costs plus interest costs for financing the sale were repaid from the sale proceeds from the joint venture to Paynter Dixon Golf Pty Limited in the current year. The Company received a 50% share in all sale proceeds of the joint venture land.

(a) Reconciliation of proceeds from land sale

Net Proceeds from joint venture settlement	1,388,697
Rates and bank fees	40,213
Repayment of Paynter Dixon loans	1,012,527
Loan interest paid	21,800
Disposal of land sold	(130,598)
	<u>2,332,639</u>
Gain on joint venture land sale	<u>2,332,639</u>

10 Trade and other payables

Current

Trade payables	173,251	165,462
Members subscriptions and income received in advance	74,196	52,160
GST payable	330,431	62,386
Sundry payables and accrued expenses	134,569	253,829
Poker machine liability	-	9,900
	712,447	543,737

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

11 Borrowings

		2019 \$	2018 \$
CURRENT			
Unsecured liabilities:			
Interest free equipment loan		18,880	-
Insurance loan		5,992	5,413
		<u>24,872</u>	<u>5,413</u>
Secured liabilities:			
Lease liability secured	13	66,702	54,562
NAB Business loan		-	36,000
NSW Crown Lands loan		21,590	40,679
		<u>113,164</u>	<u>136,654</u>
NON-CURRENT			
Secured liabilities:			
Lease liability secured	13	98,752	166,660
NSW Crown Lands Loan		-	234,253
NAB Business loan		-	100,000
Paynter Dixon Golf Limited Loans		-	1,012,527
Joint venture loan	9	-	1,056,016
		<u>98,752</u>	<u>2,569,456</u>
Total borrowings		<u><u>211,916</u></u>	<u><u>2,706,110</u></u>

Security for Borrowings

Borrowings are secured by the following:

- (i) Paynter Dixon Golf Pty Limited Loans
Registered Mortgage NSW Freehold over Parbery Avenue land. This obligation was settled from the proceeds of the joint venture land settlement in the current year.
- (ii) NSW Crown Lands loan
The Club House land is subject to a conditional purchase agreement which requires the satisfaction of the debt before a full title will be granted. The majority of this obligation was settled from the proceeds of the joint venture land settlement in the current year.
- (iii) NAB Market Facility
Registered Mortgage over Club land at Tuross Street. This loan was settled from the proceeds of the joint venture land settlement in the current year.
- (iv) Finance Lease liabilities
Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.
- (v) A contingent liability which exists is a secured bank guarantee for \$5,000 in favour of the TAB in respect of the Club's TAB facilities.

Financing Facilities

The Company has settled all of the joint venture financing facilities with the proceeds from the joint venture sale of land in the current year.

Defaults and Breaches

During the current and prior year, there were no defaults or breaches on any of the loans. If there is any breach of any loan it will be fully transferred to current liabilities.

Bermagui Country Club Limited

A.B.N 69 001 027 916

Notes to the Financial Statements

For the Year Ended 31 March 2019

12 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Long service leave	113,940	131,911
Provision for annual leave	160,147	148,269
	<u>274,087</u>	<u>280,180</u>

13 Leasing Commitments

(a) Finance leases

Minimum lease payments:

- not later than one year	66,702	54,562
- between one year and five years	98,752	166,660
Minimum lease payments	<u>165,454</u>	<u>221,222</u>

Finance leases are in place for course equipment and normally have a term between 3 and 5 years.

(b) Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	3,604	3,604
- between one year and five years	7,507	11,111
	<u>11,111</u>	<u>14,715</u>

An operating lease is in place for office equipment which has a term of 5 years.

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any obligations of the Company. At 31 March 2019 the number of members was 2,201 (2018: 2,170).

15 Key Management Personnel Disclosures

The directors did not receive any remuneration from the company during the year other than reimbursement of out-of-pocket expenses that have been fully substantiated. The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosures are deemed appropriate.

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2019 (31 March 2018: None).

Notes to the Financial Statements

For the Year Ended 31 March 2019

17 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 15.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

(c) Loans from related parties

An unsecured, no interest loan was provided to the Club from a member of key management personnel during the current year. The loan is recorded in the Company's financial statements as at 31 March 2019. During the current year, no interest was expensed on the loan balance.

18 Events Occurring After the Reporting Date

The financial report was authorised for issue on 28 May 2019 by the Board of Directors.

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

Bermagui Country Club Limited

A.B.N 69 001 027 916

Directors' Declaration

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 March 2019 and of the performance for the year ended on that date of the Company.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director:

Lesley ASHTON



Director:

Roy DAVIES

Dated 28 May 2019



Independent Audit Report to the members of Bermagui Country Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bermagui Country Club Limited (the Company), which comprises the statement of financial position as at 31 March 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 March 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual 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.



DIRECTORS
Simon Byrne
Fiona Dunham
Peter Mann
Gary Pearce
Kevin Philistin
Gary Skelton

BEGA
MERIMBULA
EDEN
BOMBALA
BERMACUI
COOMA
JINDABYNE

T 02 6491 6491
admin@kothes.com.au
77 Main St, Merimbula NSW 2548
PO Box 285 Merimbula NSW 2548
www.kothes.com.au
Kothes Chartered Accountants
ABN 36 472 755 795

Independent Audit Report to the members of Bermagui Country Club Limited

Responsibilities of 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 - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KOTHES
Chartered Accountants



SIMON BYRNE
Partner
Registered Company Auditor (#153624)

BERMAGUI
28 May 2019



Supplementary Information For the Year Ended 31 March 2019

The additional financial data presented on the following pages is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 March 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Bermagui Country Club Limited) in respect of such data, including any errors of omissions therein however caused.

KOTHES
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Simon Byrne', is written over a horizontal line.

SIMON BYRNE
Partner
Registered Company Auditor (#153624)

BERMAGUI
28 May 2019



DIRECTORS
Simon Byrne
Fiona Dunham
Peter Mann
Gary Pearce
Kevin Philistin
Gary Skelton

BEGA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
JINDABYNE

T 02 6491 6491
admin@kothes.com.au
77 Main St, Merimbula NSW 2548
PO Box 285 Merimbula NSW 2548
www.kothes.com.au
Kothes Chartered Accountants
ABN 36 472 755 795

Bermagui Country Club Limited

A.B.N 69 001 027 916

For the Year Ended 31 March 2019

5 Year Summary - Key Figures

	2015	2016	2017	2018	2019
Revenue	3,042,000	3,096,230	3,202,890	3,716,735	3,553,107
Bar Sales	1,146,746	1,075,390	1,103,932	1,160,783	1,045,770
Gross Profit	60%	60%	60%	60%	58%
Poker Machine Net Receipts	1,267,421	1,315,469	1,344,871	1,209,482	1,051,464
Catering Sales	--	--	--	596,022	698,070
Outdoor Facilities Income	353,095	413,451	447,960	448,411	449,138
Employee Expenses	1,183,809	1,194,661	1,165,166	1,617,408	1,633,558
Depreciation	258,921	242,452	217,117	238,930	263,660
Net Operating Surplus / (Deficit)	(44,860)	(89,857)	31,066	(213,330)	(239,094)
EBITDA	9%	10%	11%	3%	(1)%
Net Assets	539,597	494,737	525,803	312,473	2,406,018

Detailed Income Statement

	2019	2018
	\$	\$
Income		
Bar trading account	327,148	368,669
Coffee shop trading account	14,757	13,330
Gaming trading account	(48,665)	(49,939)
Outdoor facilities trading account	(204,324)	(173,913)
Poker machine trading account	822,519	962,002
Restaurant and functions trading account	(21,394)	21,483
Raffles trading account	(1,948)	8,469
ATM commission	13,372	14,069
Bingo income	17,324	22,641
Commissions	5,457	3,736
Donations	-	10,438
Fuel tax rebate	8,373	8,189
Government grants	8,483	4,466
Interest	1,291	481
Profit on sale of poker machine entitlements	114,000	-
Profit on disposal of fixed assets	39,212	11,818
Rental income	8,317	8,353
Snack machine income	573	915
Indoor sub club fundraising	2,445	1,967
Subscriptions	67,383	66,307
Sundry income	3,099	4,046
Trivia income	4,637	4,277
Wage subsidies	18,698	5,356
Total income	1,200,757	1,317,160

Bermagui Country Club Limited

A.B.N 69 001 027 916

For the Year Ended 31 March 2019**Detailed Income Statement**

	2019	2018
	\$	\$
Less: Expenses		
Advertising	28,467	31,673
Auditor's remuneration	17,780	20,038
Bank charges	9,069	7,983
Bingo expenses	10,682	15,681
Conference and staff training expenses	8,335	13,418
Consultants and contractors	13,383	967
Depreciation and amortisation	122,656	123,610
Directors costs	1,879	2,023
Donations	4,750	16,428
Entertainment - Bands & artists	30,015	38,633
Entertainment - Foxtel	15,847	17,406
Entertainment - Catering & members expenses	27,356	46,718
Entertainment - Club promotions	59,303	66,066
Equipment rental	3,276	3,354
Equipment purchases (under \$500)	338	3,796
Insurance	79,755	80,476
Finance costs	88,826	102,204
Legal costs	5,362	-
Licences, permits and fees	4,768	12,210
Electricity and gas	137,338	124,189
Long service leave provision	(18,083)	16,648
Managers expenses	230	182
Motor vehicle expenses	5,907	12,857
Payroll tax	35,909	34,296
Printing, postage & stationary	13,571	20,357
Rates & rent	53,588	30,857
Repairs and maintenance	136,372	114,458
Salaries & wages - Administration	185,891	203,990
Salaries & wages - Cleaning	87,561	84,004
Salaries & wages - Club maintenance	372	17
Salaries & wages - Bus drivers	38,407	37,450
Salaries & wages - Promotions	17,506	14,429
Salaries & wages - Training	882	2,535
Salaries & wages - Dining room	20,980	48,729
Security costs	2,806	2,539
Sponsorship	2,500	2,423
Indoor sub-club expenses	1,662	1,575
Staff uniforms	360	814
Subscriptions	8,436	7,271
Superannuation contributions	133,156	127,142
Telephone	11,361	10,830
Trivia expenses	6,810	6,385
Travelling expenses	482	4,710
Unders & overs	1,931	234
Water & sewerage charges	13,269	18,885
Wetlands project expense	8,800	-
	1,439,851	1,530,490
(Deficit) for the year	(239,094)	(213,330)

Bermagui Country Club Limited

A.B.N 69 001 027 916

For the Year Ended 31 March 2019**Detailed trading account**

	2019	2018
	\$	\$
Bar		
Sales revenue		
Sales	1,045,770	1,160,783
Cost of sales		
Opening stock	49,167	45,006
Purchases	420,857	457,158
Freight in	10,048	11,275
Closing stock	(39,907)	(49,167)
Cost of goods sold	440,165	464,272
Gross profit	605,605	696,511
Less: Direct expenses		
Wages	274,994	323,912
Gas	2,195	2,920
Replacements, glasses etc.	1,268	1,010
	278,457	327,842
Surplus for the year	327,148	368,669
Poker Machines		
Income		
Net receipts	1,032,011	1,192,302
Poker machine GST rebate	19,452	17,180
	1,051,463	1,209,482
Less: Direct expenses		
Repairs and maintenance	62,884	58,617
Wages	62,900	52,778
Depreciation	60,936	49,483
Poker machine tax	37,426	82,804
Poker machine promotions	4,798	3,798
	228,944	247,480
Surplus for the year	822,519	962,002

Bermagui Country Club Limited

A.B.N 69 001 027 916

For the Year Ended 31 March 2019**Detailed trading account**

	2019 \$	2018 \$
Coffee Shop		
Sales revenue		
Sales	24,707	23,636
Cost of sales		
Purchases	9,950	10,306
Cost of goods sold	9,950	10,306
Surplus for the year	14,757	13,330
Restaurant and Functions		
Sales revenue		
Restaurant	672,127	569,620
Functions	25,943	26,402
	698,070	596,022
Opening stock	13,125	-
Purchases	309,983	284,832
Closing stock	(9,778)	(13,125)
Cost of goods sold	313,330	271,707
Gross profit	384,740	324,315
Less: Direct expenses		
Wages	402,384	298,009
Replacements	3,750	4,823
	406,134	302,832
(Deficit) / surplus for the year	(21,394)	21,483
Gaming		
Income		
Keno commission	34,766	28,140
TAB commission	6,992	6,334
	41,758	34,474
Less: Direct expenses		
Sky channel	16,979	17,422
TAB wages	36,154	37,345
Keno wages	31,505	29,555
Keno expenses	5,785	91
	90,423	84,413
(Deficit) for the year	(48,665)	(49,939)

Bermagui Country Club Limited

A.B.N 69 001 027 916

For the Year Ended 31 March 2019**Detailed trading account**

	2019	2018
	\$	\$
Outdoor Facilities		
Income		
Sporting subscriptions	133,937	131,540
Golf cart hire	65,126	57,606
Green & tennis fees	101,032	95,614
Competition fees and collections	109,218	121,019
Outdoor sub club fundraising	18,400	9,539
Sponsorship and promotions	10,114	16,000
Grounds income	11,311	17,093
	<u>449,138</u>	<u>448,411</u>
Less: Direct expenses		
Commission paid	62,018	61,622
Week of Golf	(3,791)	(6,187)
Repairs and maintenance	90,664	105,428
Wages	323,099	305,755
Depreciation and amortisation	80,068	65,837
Affiliation fees	9,119	11,561
Course equipment rental	-	9,158
Outdoor sub club expenses	66,368	47,150
PGA prize money	22,000	22,000
Sundry expense	3,917	-
	<u>653,462</u>	<u>622,324</u>
(Deficit) for the year	<u>(204,324)</u>	<u>(173,913)</u>
Raffles		
Income		
Raffle sales	74,143	88,685
	<u>74,143</u>	<u>88,685</u>
Less: Direct expenses		
Wednesday night raffle expenses	20,782	22,627
Friday night raffle expenses	41,065	43,286
Sunday night raffle expenses	14,244	14,303
	<u>76,091</u>	<u>80,216</u>
(Deficit) / surplus for the year	<u>(1,948)</u>	<u>8,469</u>