

Tura Beach Country Club Limited

ABN: 77 151 071 564

A Company Limited by Guarantee

APPENDIX A - Financial Statements

For the Year Ended 31 December 2020

Tura Beach Country Club Limited

ABN: 77 151 071 564

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For the Year Ended 31 December 2020

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Tura Beach Country Club Limited

ABN: 77 151 071 564

Directors' Report

31 December 2020

The directors present their report on Tura Beach Country Club Limited for the financial year ended 31 December 2020.

Information on directors

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

John Hall

Qualifications Panelbeater, Groundsman, Tiler
Experience Managing director of A and J Smash Repairs Pty Ltd and Principal of Merimbula Pambula Smash Repairs. Member of the Tura Beach Country Club for 35 years. Worked as a Groundsman of the Club for 5 years.
Date of Appointment 27 December 2018

Michael McCarron

Qualifications Plumber
Experience Over 20 years' experience as a plumber. Over 13 years' experience in the club/hospitality industry, including managerial roles. 3 years' experience on men's golf committee.
Date of Appointment 14 May 2017

Ray Redman

Qualifications Semi-retired business professional running his own book keeping business for 5 years.
Experience Operations Manager with KBR for 15 years. Member of the Defence Force Survey Corp for 20 years. Canberra Harness Racing Club Board Member 20 years, 15 years as President. Current TBCC Bowling Club Secretary/Treasurer.
Date of Appointment 30 July 2020

Colin Salt

Qualifications Accountant
Experience Over 20 years' experience in public accounting practice. Certified Practising Accountant and Auditor of Self-Managed Superannuation Funds.
Date of Appointment 28 February 2019

Myriam Van Hock

Qualifications Registered Nurse
Experience Commenced playing golf 40 years ago as a member of Kingswood and Anglesea Golf Clubs. Member of Tura Beach Country Club for 17 years, serving on Ladies and Match Committee's since 2002. Served as captain of Ladies Committee for 3 and half years from 2007 to 2010 and again from 2016 until present.
Date of Appointment 14 May 2018

Alek Werchanowski

Qualifications Management / Project Management
Experience 14 years in the management of Department of Foreign Affairs. 23 years in the Australian International Aid Agency Aus Aid. 6 years in the International Aid Consultancy. Member of the Tura Beach Mens' Golf Committee.
Date of Appointment 27 December 2018

Tura Beach Country Club Limited

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Directors' Report

31 December 2020

Information on directors

Michael Wood

Qualifications	Business owner, Greenskeeper
Experience	37 years in the greenskeeping trade including running a landscaping business. Board member and Captain of Mollymook Golf Club for 2 years.
Date of Appointment	14 May 2018

Grahame Hocking

Date of Appointment	14 May 2017
Date of Resignation	30 July 2020

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

Principal activities

The principal activities of Tura Beach Country Club Limited during the financial year were the operation of the Golf Club, Bowling Club and other sporting activities together with related Members amenities.

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

Short and long term objectives

The Company's short and long term objectives are to continue to provide quality Club and sporting facilities in Tura Beach 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.

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 and the total levels of debt.

Members' guarantee

Tura Beach 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 who ceased to be a member in the year prior to the winding up, is limited to \$5 subject to the provisions of the company's constitution.

At 31 December 2020 the collective liability of members was \$18,270 (2019: \$14,510).

Tura Beach Country Club Limited

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Directors' Report

31 December 2020

Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

- (i) The break out of the COVID-19 virus, the community's response to the break out and associated government regulations in March 2020 have significantly affected the Company's operations. The main operations of the Company being the operation of a licensed Club were shut down by government regulations from 23 March 2020 until early June 2020.
- (ii) Bushfires in the region in December 2019 and January 2020 significantly affected the Club's trading during the peak trading season. This resulted in a decrease in operating revenue from the prior year for this period until the COVID-19 breakout however was partially offset by insurance recovery income.

Future developments and results

The ongoing disruptions caused by the COVID-19 virus will continue to have an effect on the operations of the Company and future financial results. The ongoing effects are unknown as at the date of this financial report.

Meetings of directors

During the financial year 12 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Hall	12	10
Grahame Hocking	8	8
Michael McCarron	12	12
Ray Redman	5	5
Colin Salt	12	12
Myriam Van Hock	12	12
Alek Werchanowski	12	12
Michael Wood	12	10

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 December 2020 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:
Alek Werchanowski

Director:
Michael McCarron

Dated 24 February 2021



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Tura Beach Country Club Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, 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 'S. Byrne', is written over a horizontal line.

SIMON BYRNE
Partner
Registered Company Auditor (#153624)
TURA BEACH
24 February 2021



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

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

BEGA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
JINDABYNE

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Kothes Chartered Accountants
ABN 36 472 755 795

Tura Beach Country Club Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	2,985,195	3,336,746
Finance income	5	10,291	23,005
Other revenue - Gain on sale of fixed assets		16,000	46,354
Cost of sales		(305,750)	(507,166)
Finance expenses	5	(16,700)	(9,280)
Employee benefits expense		(1,147,242)	(1,379,570)
Depreciation and amortisation expense – property, plant and equipment	8	(215,962)	(254,652)
Amortisation expense – right of use assets	9	(60,997)	(45,916)
Impairment losses on receivables		-	(10,386)
Advertising and promotions		(50,984)	(80,745)
Cleaning		(34,970)	(69,361)
Electricity and gas		(75,811)	(90,796)
Entertainment		(74,330)	(128,991)
Greens expenses		(126,232)	(132,592)
Insurance		(45,925)	(76,908)
Poker machine tax and monitoring		(16,259)	(27,015)
Repairs and maintenance		(238,178)	(305,635)
Tournament expenses		(19,552)	(62,902)
Other expenses **		(163,694)	(220,730)
Surplus before income tax		418,900	3,460
Income tax expense	2(a)	-	-
Surplus from continuing operations		418,900	3,460
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		418,900	3,460

** For detailed income and expenditure amounts refer to supplementary information.

The accompanying notes form part of these financial statements.

Tura Beach Country Club Limited

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Statement of Financial Position

31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,384,186	1,142,899
Trade and other receivables	7	112,459	70,256
Inventories - stock on hand		39,850	29,892
Prepayments		22,233	30,197
TOTAL CURRENT ASSETS		1,558,728	1,273,244
NON-CURRENT ASSETS			
Trade and other receivables - TAB security deposit		5,000	5,000
Property, plant and equipment	8	1,723,879	1,617,505
Right-of-use assets	9	18,492	211,968
TOTAL NON-CURRENT ASSETS		1,747,371	1,834,473
TOTAL ASSETS		3,306,099	3,107,717
LIABILITIES			
CURRENT LIABILITIES			
Lease liabilities	9	6,939	79,219
Trade and other payables	10	176,094	249,976
Other liabilities	12	183,945	168,199
Employee benefits	13	94,736	130,094
Provision for poker machine jackpots & bonus points		44,931	36,869
TOTAL CURRENT LIABILITIES		506,645	664,357
NON-CURRENT LIABILITIES			
Lease liabilities	9	9,776	122,582
Borrowings	11	50,000	-
TOTAL NON-CURRENT LIABILITIES		59,776	122,582
TOTAL LIABILITIES		566,421	786,939
NET ASSETS		2,739,678	2,320,778
EQUITY			
Retained earnings		2,739,678	2,320,778
TOTAL EQUITY		2,739,678	2,320,778

The accompanying notes form part of these financial statements.

Tura Beach Country Club Limited

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Statement of Changes in Equity

For the Year Ended 31 December 2020

2020

	Retained Earnings
	\$
Balance at 1 January 2020	<u>2,320,778</u>
Surplus for the year	<u>418,900</u>
Balance at 31 December 2020	<u><u>2,739,678</u></u>

2019

	Retained Earnings
	\$
Balance at 1 January 2019	<u>2,317,318</u>
Surplus for the year	<u>3,460</u>
Balance at 31 December 2019	<u><u>2,320,778</u></u>

The accompanying notes form part of these financial statements.

Tura Beach Country Club Limited

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Statement of Cash Flows For the Year Ended 31 December 2020

	2020	2019
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and members	3,262,621	3,647,078
Payments to suppliers and employees	(2,713,121)	(3,372,542)
Interest received	18,698	23,184
Interest and other costs of finance paid	(17,968)	(9,280)
Net cash provided by operating activities	<u>550,230</u>	<u>288,440</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(189,857)	(273,085)
Proceeds for sale of property, plant & equipment	16,000	46,354
Net cash used by investing activities	<u>(173,857)</u>	<u>(226,731)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	(2,338)
Proceeds from borrowings	50,000	-
Principal repayments of lease liabilities	(185,086)	(56,475)
Net cash used by financing activities	<u>(135,086)</u>	<u>(58,813)</u>
Net (decrease) in cash and cash equivalents held	241,287	2,896
Cash and cash equivalents at beginning of year	<u>1,142,899</u>	<u>1,140,003</u>
Cash and cash equivalents at end of financial year	6 <u>1,384,186</u>	<u>1,142,899</u>

The accompanying notes form part of these financial statements.

Tura Beach Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2020

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

The functional and presentation currency of Tura Beach Country Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 24 February 2021.

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 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 for the playing and promotion of Golf, Lawn Bowls and other sporting activities. The Board has reviewed its income tax status and has 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.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Sales revenue

Sale revenue includes bar sales, poker machine income, catering income, greens income, keno income and TAB income. All of the services and goods for these revenue items are provided to customers at the time of the sale and income is accounted for at that time. If deposits are held for any of these revenue items a liability is booked until the service or goods have been provided to the customer and then for as income.

Membership income

Membership income is received in advance for the period of membership paid for. A liability is booked for membership income received in advance with the income spread over the membership period paid for.

Other income

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

(c) 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 payables 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.

(d) Inventories

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

(e) 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 significantly less than fair value 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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(e) Property, Plant and Equipment

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 depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	40 years
Plant and Equipment	3 - 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.

(f) Financial instruments

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 has only ever held financial assets categorised as at '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:

- 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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

Financial assets

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 derecognition 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 significantly 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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

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 and lease liabilities.

(g) 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.

(h) 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.

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability and initial direct costs.

The right-of-use asset is depreciated over its useful life for assets to be retained by the company at the end of the lease term or over the lease term on a straight line basis if it is to be returned at the end of the lease term and are assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Notes to the Financial Statements

For the Year Ended 31 December 2020

2 Summary of Significant Accounting Policies

(h) Leases

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(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.

3 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.

The significant estimates and judgements made have been described below.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Tura Beach Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2020

4 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Bar sales	760,312	1,116,176
- Poker machine income	652,935	921,711
- Member subscriptions	321,872	323,795
- Catering income	-	242,110
- Greens income	402,641	517,455
- Keno income	14,377	20,283
- TAB income	9,223	14,360
- Bingo, raffle and trivia income	64,477	83,413
- Sponsorship income	58,161	46,203
- Sundry revenue	45,462	50,239
	<u>2,329,460</u>	<u>3,335,745</u>
Other income		
- Donations income	85,050	1,000
- Insurance claims	50,535	-
- Job Keeper subsidies	420,150	-
- ATO Cash Flow Boost income	100,000	-
	<u>655,735</u>	<u>1,001</u>
Total Revenue	<u><u>2,985,195</u></u>	<u><u>3,336,746</u></u>

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated into timing of revenue and the following table shows this breakdown:

Revenue recognition

- At a point in time	2,663,323	3,011,950
- Overtime - member subscriptions	321,872	323,795
Revenue from contracts with customers	<u><u>2,985,195</u></u>	<u><u>3,335,745</u></u>

5 Finance Income and Expenses

Finance income

Interest income

- Assets measured at amortised cost

<u><u>10,291</u></u>	<u><u>23,005</u></u>
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Finance expenses

Interest expense on lease liabilities

<u><u>16,700</u></u>	<u><u>9,280</u></u>
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Tura Beach Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2020

6 Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	469,458	176,089
Short-term bank deposits	914,728	966,810
	<u>1,384,186</u>	<u>1,142,899</u>

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows. Included in Cash at bank is \$6,059 which is committed funds from a donation to be used for golf tournaments to be held in the future. A liability for the committed funds is included in current liabilities.

7 Trade and other receivables

CURRENT

Trade receivables	5,354	7,481
Other receivables	107,105	62,775
Total current trade and other receivables	<u>112,459</u>	<u>70,256</u>

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.

Tura Beach Country Club Limited

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Notes to the Financial Statements

For the Year Ended 31 December 2020

8 Property, plant and equipment

	2020	2019
	\$	\$
LAND AND BUILDINGS - CORE PROPERTY		
Freehold land - Core Property		
At cost	<u>545,000</u>	545,000
Buildings - Core Property		
At cost	799,789	799,789
Accumulated depreciation	<u>(285,986)</u>	(251,358)
Total buildings	<u>513,803</u>	548,431
Total land and buildings	<u>1,058,803</u>	1,093,431
Plant and equipment		
At cost	1,145,543	856,754
Accumulated depreciation	<u>(744,771)</u>	(618,891)
Total plant and equipment	<u>400,772</u>	237,863
Course and greens plant and sheds		
At cost	175,132	171,591
Accumulated depreciation	<u>(132,532)</u>	(120,981)
Total motor vehicles	<u>42,600</u>	50,610
Poker machines		
At cost	838,561	811,376
Accumulated depreciation	<u>(616,857)</u>	(575,775)
Total poker machines	<u>221,704</u>	235,601
Total property, plant and equipment	<u>1,723,879</u>	<u>1,617,505</u>

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 & greens plant & sheds	Plant and Equipment	Poker machines	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2020						
Opening balance	545,000	548,431	50,610	237,863	235,601	1,617,505
Additions	-	-	3,541	119,831	66,485	189,857
Depreciation expense	-	(34,628)	(11,551)	(89,401)	(80,382)	(215,962)
Transfer from right of use assets (Note 9)	-	-	-	132,479	-	132,479
Balance at the end of the year	<u>545,000</u>	<u>513,803</u>	<u>42,600</u>	<u>400,772</u>	<u>221,704</u>	<u>1,723,879</u>

Tura Beach Country Club Limited

ABN: 77 151 071 564

Notes to the Financial Statements

For the Year Ended 31 December 2020

8 Property, plant and equipment

Land and Buildings

The Company's freehold land is situated at Lot 1441, The Fairway, Tura Beach. This incorporates the Clubhouse, parking lot, tennis courts and bowling greens. Land and buildings were valued by an independent valuer on 1 July 2011.

Restriction on Asset Purchases

As per the Company's constitution, the Board shall not unless approved by a resolution passed by a 75% majority of members present and voting at a General Meeting, spend more than four hundred thousand dollars (\$400,000) on any item or items of capital expenditure in any one financial year.

Gaming Machine Entitlements

The Club operates 37 poker machines and holds a corresponding 37 Gaming Machine Entitlements. The Directors estimated the market of these entitlements to be approximately \$647,500 (less selling costs) at 31 December 2020. At this time, it is not the intention of the Club to trade in or sell these entitlements and therefore no future benefit will arise, as such no value has been included in the Club's balance sheet for these entitlements.

9 Leases

Company as a lessee

The Company has leases over two assets including the golf course land and office equipment. The golf course land is under lease from Bega Valley Shire Council. The term of this lease ends on 30 June 2022. Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Equipment lease terms varying from 4 - 5 years, the lease payments are fixed during the lease term.

The Company has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability. The lease of the golf course land has been accounted for in this manner as the use of the land is restricted and the lease term currently expires on 30 June 2022. Yearly lease fees for this land are non-interest bearing and are calculated on an annual basis dependent on the factors as per the lease agreement. The expected increase in the variable lease payments based on past history is not significant.

Right-of-use assets

	Land under operating lease	Plant and Equipment under finance lease	Plant and Equipment under operating lease	Total
	\$	\$	\$	\$
Year ended 31 December 2020				
Balance at beginning of year	14,462	155,073	42,433	211,968
Transfer to property, plant and equipment (note 8)	-	(132,479)	-	(132,479)
Depreciation charge	-	(22,594)	(33,440)	(56,034)
Land amortisation over lease period	(4,963)	-	-	(4,963)
Balance at end of year	9,499	-	8,993	18,492

Notes to the Financial Statements For the Year Ended 31 December 2020

9 Leases

	Land under operating lease	Plant and Equipment under finance lease	Plant and Equipment under operating lease	Total
	\$	\$	\$	\$
Year ended 31 December 2019				
Balance at beginning of year	-	-	-	-
Transfer from property, plant and equipment (note 9)	-	102,841	-	102,841
Operating leases from prior years capitalised	19,283	-	73,033	92,316
Additions during the year	-	62,727	-	62,727
Depreciation charge	-	(10,495)	(30,600)	(41,095)
Land amortisation over lease period	(4,821)	-	-	(4,821)
Balance at end of year	14,462	155,073	42,433	211,968

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$
2020				
Lease liabilities	7,418	10,309	17,727	16,715
2019				
Lease liabilities	86,427	131,687	218,114	201,801

All finance lease liabilities have been paid out during the financial year. As at 31 December 2020 only leases for a copier and the golf course land were in place.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2020	2019
	\$	\$
Interest expense on lease liabilities	16,700	9,280
Depreciation of right-of-use assets	56,034	41,095
Amortisation of land lease	4,963	4,821
	77,697	55,196

Statement of Cash Flows

Total cash outflow for leases	185,086	56,475
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Notes to the Financial Statements

For the Year Ended 31 December 2020

10 Trade and Other Payables

	2020	2019
	\$	\$
Current		
Trade payables	98,742	196,718
Sundry payables and accrued expenses	70,194	46,100
Income received in advance	7,158	7,158
	176,094	249,976
	176,094	249,976

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.

11 Borrowings

NON-CURRENT

Unsecured liabilities:

Special Disaster Relief loan - unsecured

Total non-current borrowings

Special Disaster Relief loan - unsecured	50,000	-
	50,000	-
	50,000	-

Special Disaster Relief Loan

The loan from the NSW Government Rural Assistance Authority is unsecured and is repayable over a 3 year period. The repayments begin in the 31 December 2022 financial year. The loan is interest free for the first two years then converts to interest at a Commonwealth bond rate (30 June 2020 0.82%).

Financing Facilities

The Company has no financing facilities available to the Company as at 31 December 2020. The Company does however have access to a business card facility of \$15,000.00.

Restriction on Borrowings

As per the Company's constitution, the Board shall not unless approved by a resolution passed by a 75% majority of members present and voting at a General Meeting:

- (i) Borrow any sum or sums which result in the then current borrowings of the Club being greater than two hundred thousand dollars (\$200,000); and
- (ii) Borrow any sum whatsoever if any real property of the Club is used as security for the loan.

12 Other Liabilities

CURRENT

Members subscriptions in advance

Members subscriptions in advance	183,945	168,199
	183,945	168,199
	183,945	168,199

13 Employee Benefits

Current liabilities

Provision for long service leave

Provision for annual leave

Provision for long service leave	36,482	51,965
Provision for annual leave	58,254	78,129
	94,736	130,094
	94,736	130,094

Tura Beach Country Club Limited

ABN: 77 151 071 564

Notes to the Financial Statements

For the Year Ended 31 December 2020

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 \$5 each towards meeting any outstandings and obligations of the Company. At 31 December 2020 the number of members was 3,654 (2019: 2,902).

15 Key Management Personnel Disclosures

Other key management personnel transactions

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. For details of other transactions with key management personnel, refer to Note 16: Related Party Transactions.

16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

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. There were no transactions with related parties.

18 Cash Flow Information

Non-cash financing and investing activities

	2020	2019
	\$	\$
Acquisition of assets by means of leases	-	62,727

19 Events Occurring After the Reporting Date

The financial report was authorised for issue on 24 February 2021 by the Board of Directors.

The ongoing disruptions caused by the COVID-19 virus will continue to have an effect on the operations of the Company and future financial results. The ongoing effects are unknown as at the date of this financial report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Tura Beach Country Club Limited

ABN: 77 151 071 564

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 22, 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 December 2020 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:

Alek Werchanowski

Director:

Michael McCarron

Dated: 24 February 2021



Independent Audit Report to the members of Tura Beach Country Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tura Beach Country Club Limited (the Company), which comprises the statement of financial position as at 31 December 2020, 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 December 2020 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

The restrictions relating to the COVID-19 virus since 23 March 2020 have had a significant effect on the Company's operations. The financial results for the financial year ended 31 December 2020 have been significantly affected by "one-off" items including JobKeeper income and ATO Cash Flow Boost income. The ongoing financial effect of the COVID-19 virus is unknown and if needed it is not known whether government backing would continue as it has in 2020. The financial report has been prepared on the basis that the company is a going concern however due to the uncertainty of the effects of the ongoing COVID-19 virus disruptions the future financial viability of the company may be significantly affected.

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.



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

DIRECTORS

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

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MERIMBULA
EDEN
BOMBALA
BERMACUI
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Kothes Chartered Accountants
ABN 36 472 755 795

Independent Audit Report to the members of Tura Beach Country Club Limited (Continued)

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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KOTHES

Chartered Accountants



SIMON BYRNE
Partner
Registered Company Auditor (#153624)
TURA BEACH
24 February 2021



APPENDIX B - Supplementary Information

For the Year Ended 31 December 2020

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 December 2020. 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 Tura Beach Country Club Limited) in respect of such data, including any errors or omissions therein however caused.

KOTHES
Chartered Accountants

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

SIMON BYRNE
Partner
Registered Company Auditor (#153624)
TURA BEACH
24 February 2021



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme
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DIRECTORS
Simon Byrne
Fiona Dunham
Peter Mann
Gary Pearce
Kevin Philistin
Gary Skelton

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Kothes Chartered Accountants
ABN 36 472 755 795

Profit and Loss- FY Comparison

Tura Beach Country Club Limited

For the year ended 31 December 2020

Account	Financial Year 2020	Financial Year 2019
Gaming Income		
PM Income	652,935	922,227
Keno Income	14,377	20,283
TAB Income	9,223	14,360
Total Gaming Income	676,535	956,871
Gaming Expenses		
PM Wage Expense	11,951	42,686
PM Operation Expense	50,625	78,284
Poker Machines Depreciation	80,382	94,992
Keno Wage Expense	5,976	8,235
Keno Operating Expenses	1,548	1,725
TAB Wage Expense	5,929	8,235
TAB Operating Expenses	13,290	24,099
Total Gaming Expenses	169,702	258,257
PM Nett Profit/Loss	590,358	801,257
Keno Nett Profit/Loss	6,853	10,323
TAB Nett Profit /Loss	(9,996)	(17,974)
GAMING TRADE NETT PROFIT/LOSS	506,833	698,614
Bar Income		
Bar Sales	760,312	1,116,176
Liquor Rebates	19,778	33,340
Total Bar Income	780,089	1,149,516
COGS Bar		
Bar Purchases	319,454	438,505
Bar Stock Movement	(9,958)	3,639
Total COGS Bar	309,496	442,144
Gross Profit/Loss Bar	470,593	707,371
Gross Profit %	60.3%	61.5%
Bar Expenses		
Wages expense Bar	390,460	437,832
Bar Operation Expenses	54,168	52,470
Bar Depreciation	7,067	7,874
Total Bar Expenses	451,695	498,175
BAR TRADE NETT PROFIT/LOSS	18,897	209,196

Profit and Loss- FY Comparison

Tura Beach Country Club Limited

For the year ended 31 December 2020

Account	Financial Year 2020	Financial Year 2019
Catering Income		
Catering Sales	-	242,110
Catering Apprentice Subsidy	-	2,500
Catering Contribution	15,117	2,000
Total Catering Income	15,117	246,610
COGS Catering		
Catering Purchases	140	75,467
Catering Stock Movement	-	6,316
Total COGS Catering	140	81,782
Gross Profit/Loss Catering	14,977	164,827
Catering Expenses		
Wages Expense Catering	-	137,935
Catering Operation Expense	52,468	68,200
Catering Depreciation	8,005	11,209
Total Catering Expenses	60,473	217,343
CATERING TRADE NETT PROFIT/LOSS	(45,496)	(52,515)
Golf Course Income		
Green Fee Revenue	125,826	147,990
Cart Hire Revenue	90,040	98,267
Tournament income	35,672	94,388
Corporate Sponsorship Revenue	58,161	46,203
Fuel Rebate	5,624	6,581
Golf Member Subs Revenue	288,637	282,708
Junior Golf Revenue	-	373
Total Golf Course Income	603,960	676,510
Golf Course Expenses		
Golf Course Wage Expense	380,217	366,632
Golf Cart Expenses	17,768	20,331
Golf Course Operating Expenses	159,672	216,359
Tournament Expenses	19,552	62,902
Pro Shop Expenses		
Green Fee Commission	25,144	29,598
Golf Pro Fee	55,703	54,670
Total Pro Shop Expenses	80,848	84,268
Golf Advertising	1,650	1,971
Golf Affiliation Fees	18,260	18,670
Golf Depreciation	109,686	120,695
Golf License Fees	4,963	4,821
Golf Members Amenities	3,176	298
Golf Volunteer Expenses	-	590
Junior Golf Expenses	-	237
Total Golf Course Expenses	795,792	897,773
GOLF COURSE TRADE NETT PROFIT/LOSS	(191,832)	(221,263)

Profit and Loss- FY Comparison

Tura Beach Country Club Limited

For the year ended 31 December 2020

Account	Financial Year 2020	Financial Year 2019
Trading Income		
GAMING TRADE NETT PROFIT/LOSS	506,833	698,614
BAR TRADE NETT PROFIT/LOSS	18,897	209,196
CATERING TRADE NETT PROFIT/LOSS	(45,496)	(52,515)
GOLF COURSE TRADE NETT PROFIT/LOSS	(191,832)	(221,263)
ADMINISTRATION/CLUBHOUSE INCOME	171,649	198,511
BOWLING INCOME	19,106	23,054
DONATION INCOME	228,897	162,546
SOCIAL MEMBERSHIP INCOME	14,129	18,033
JUNIOR SPORT INCOME	1,632	8,310
JOBKEEPER INCOME	420,150	-
ATO CASH FLOW BOOST INCOME	100,000	-
Total Trading Income	1,243,965	1,044,486
Operating Expenses		
Administration Wage Expense	304,055	323,685
Admin expenses	198,487	250,422
Admin Depreciation	66,856	60,977
Cleaning Wage Expense	8,819	12,214
Bowling Expenses	25,156	29,231
Clubhouse Operating Expenses	191,931	303,096
Members Expense	14,228	11,182
Courtesy Bus Expense	7,104	18,450
Tennis Court Expenses	1,537	6,007
Board of Directors Expenses	5,891	3,084
Donation Expenses	1,000	10,000
Professional Services - Catering	-	2,291
Bad Debt Expense	-	10,386
Total Operating Expenses	825,065	1,041,025
CLUB TRADING PROFIT & LOSS	418,900	3,460

NOTE:

Some prior year comparatives have been adjusted to current management accounting allocations.