



22 June 2018

## **NOTICE TO ALL MEMBERS**

Dear Member,

The **Annual General Meeting** of the Crescent Head Country Club Limited ("the Club") will be held on **Sunday 29<sup>th</sup> July 2018, 10.00am**, at the Club premises 1 Rankine Street Crescent Head.

Those entitled to attend the Annual General Meeting are those financial members in the categories of **Life, Ordinary and Pensioner** members. Admission to the meeting will be on production of the member's current Club membership card.

**Nominations** for the 2018 – 2019 Board of Directors commences on **Monday 25th June**, at 11.00am.

Nomination forms are available from the Secretary Manager or front reception and must be delivered to the Secretary Manager no later than **6.00pm Friday 13th July 2018**. (Nominees are requested to make themselves available for a photo; so all nominees can be displayed and be easily identified for members voting).

**Mandatory Director Training:** The NSW Government has introduced Mandatory Director Training; *Registered Clubs Amendment (Training) Regulation 2013*. Members considering becoming a Club Director should be aware of their responsibilities in regard to corporate governance, ongoing training and education.

### **Election of Directors – Method of Voting**

Ordinary Members only are eligible to vote. Ballot papers are obtainable at the Club for personal voting from **Monday 16th July 2018**. Members who are unable for any reason to attend the Club may apply in writing for a postal vote. The ballot will close at **4.00pm on Saturday, 28th July 2018**.

### **Annual Report**

The Club's Annual Report for the year ended 31 March 2018 will be accessible from the Crescent Head Country Club Ltd's web site [www.chcclub.com.au](http://www.chcclub.com.au) from 22nd June 2018.

Members still have the option of receiving the annual report in hard copy, but should notify the Club before 22nd June 2018 so we can provide it to you by either:

Email – [accounts@chcclub.com.au](mailto:accounts@chcclub.com.au) OR **Phone – 02 6566 0268** for mailing

For information regarding the Agenda, Ordinary Resolutions and Resolution recommended by the Board, please see over.

Yours sincerely,

Michael Baker  
**Acting Secretary Manager**

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 65 660268 FAX : 02 65 660653**

**ABN 86 001 037 707**

**email: [secmanager@chcclub.com.au](mailto:secmanager@chcclub.com.au) - Colan Ryan**

**Website: [www.chcclub.com.au](http://www.chcclub.com.au)**



**NOTICE IS HEREBY GIVEN that the Annual General Meeting of Club Members (including Honorary Life and Foundation Life Members) of the Club will be held in the Clubrooms, on Sunday, 29<sup>th</sup> July, 2018 at 10.00am for the purpose of transacting the following business:**

1. To confirm the Minutes of the Annual General Meeting held on 9th July 2017.
2. To confirm the Minutes of the Extraordinary Meeting held on 19th Nov. 2017.
3. To receive and consider the report from the Board of Directors for the year ended 31<sup>st</sup> March, 2018.
4. To receive and consider the Financial Reports for the year ended 31<sup>st</sup> March, 2018.
5. To receive and consider the report of the Auditors.
6. To consider an ordinary resolution that members approve and agree to reasonable expenditure by the Club for director related expenditure as provided for by the Registered Clubs Act.
7. To consider an ordinary resolution that members approve and agree to reasonable expenditure by the Club for professional development and education of directors until the next Annual General Meeting.

### **NOTICE OF RESOLUTION**

Members will be asked to consider and, if thought fit, pass the following Resolution:

To consider a resolution recommended by the Board to elect a member to Life Membership for outstanding services to the Club.

8. To receive and consider the Chairperson's report.
9. To receive the report of the Election on the result of the ballot and declaration by the Returning Officer of the election of the seven (7) successful candidates as Directors for the Board for the ensuing term.
10. General Business: A maximum period of thirty (30) minutes shall be provided during the Annual General Meeting to allow Members to move resolutions which, if carried by the majority of the meeting, shall be a recommendation to the incoming Board.

**M. BAKER  
ACTING SECRETARY MANAGER**

**PLEASE NOTE:** Any questions relating to the Financial Statements should be put in writing to the Secretary Manager no later than Wednesday, 24<sup>th</sup> July, 2018 so that they can be answered adequately at the meeting.

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 65 660268 FAX : 02 65 660653**

**ABN 86 001 037 707**

**email: [secmanager@chclub.com.au](mailto:secmanager@chclub.com.au) - Colan Ryan**

**Website: [www.chclub.com.au](http://www.chclub.com.au)**





**MINUTES OF THE ANNUAL  
GENERAL MEETING HELD SUNDAY, 9th JULY 2017**

Chairman declared the meeting open at 10.03 am.

**ATTENDANCE:** Auditor D. Cheetham and Dan Wade (Wrights Accountants), Phil Harvey (Cooney Harvey Doney) and 47 Members as per attendance register.

**APOLOGIES:** Jenny Patterson.

**MINUTES OF 2016 AGM:** Moved: Rodney Leffers seconded Jo Watts that the minutes be adopted as a true and accurate record of proceedings. Carried.

**MATTERS ARISING:** Nil

**BOARD OF DIRECTORS REPORT:** Moved: Peter Willis-Jones seconded Ned Kelly that the report be adopted. Carried.

**FINANCIAL REPORTS:** Moved: Ned Kelly, seconded Rodney Leffers that the reports be adopted. Carried.

**AUDITORS REPORT:** Moved: Richard Curnow, seconded Sheila Curnow that the auditor's report be adopted. Carried.

Doug Cheetham spoke;

- Finance report tabled
- \$297,000 net profit down \$8,000 on last year
- Revenue up \$150,000 overall
- Main cost increase was depreciation
- Costs have been well maintained, club in a liquid position, well managed
- Club loan of \$625,000 due to settle in December
- Re-negotiate loan over longer period of time
- Sound position, strong management and strong board – diligent
- Members should be proud of what has been achieved

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 6566 0268 FAX : 02 6566 0653**

**ABN 86 001 037 707**

**email: [entertainment@chclub.com.au](mailto:entertainment@chclub.com.au) - Club General**

**email: [secmanager@chclub.com.au](mailto:secmanager@chclub.com.au) - Colan Ryan**

**Website: [www.chclub.com.au](http://www.chclub.com.au)**

- With continued good management the club will continue to prosper
- Politically the Poker machine issue may impact revenue. Diversification may be required, this is something the Club should be looking at.
- Finally I would like to introduce Dan Wade as the clubs new auditor as I will be retiring. He has a good knowledge of the club as he has been doing the audits for the last 4 years.
- I would like to thank the club and management for my time here. It is a great club and I enjoy coming here.

**ORDINARY RESOLUTION/DIRECTORS EXPENSES:** Moved: R Curnow seconded M Lucas that reasonable expenditure be allowed for Director related expenses. Carried.

**ORDINARY RESOLUTION/PROFESSIONAL DEVELOPMENT:** Moved: B Weekes and seconded R Standing, that reasonable expenses be approved for professional development and education of Directors. Carried.

**LIFE MEMBERSHIP PROPOSAL:** To consider a resolution recommended by the Board to elect a member to Life Membership for outstanding services to the Club.

*Nomination of Pam Bryant for life membership.*

**Pam Bryant:**

The Board make a recommendation that Pam Bryant, by resolution, be made a Life Member of Crescent Head Country Club.

**Moved: M Fenwick                      Seconded: M Lucas                      Carried Unanimous**

**Pam Bryant:** I think there are far more deserving people to get life membership than myself.  
Thankyou.

**SCRUTINEERS REPORT of ELECTION:**

**Chairman J. Patterson:** Firstly I would like to take this opportunity to thank Greg Morgan for the previous years he has been the club's Returning Officer.

Chairman J. Patterson handed the chair to Tony Norberry, the Returning Officer who declared all Directors positions vacant.

Mr Norberry advised; Due to only seven candidates nominating for positions on the board I declare John Patterson, Pam Bryant, Michael Buesnel, Mark Fenwick, Ross Kessler, Peter Wilson and Deb Russell duly appointed to positions for the upcoming term of director.

Mr Norberry congratulated the successful candidates.

Mr Norberry advised that all nominations for current board of directors be kept in club's safe.

Mr Norberry returned the chair to J. Patterson.

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 6566 0268 FAX : 02 6566 0653**

**ABN 86 001 037 707**

**email: [entertainment@chcclub.com.au](mailto:entertainment@chcclub.com.au) - Club General**

**email: [secmanager@chcclub.com.au](mailto:secmanager@chcclub.com.au) - Colan Ryan**

**Website: [www.chcclub.com.au](http://www.chcclub.com.au)**



J. Patterson: Thank you Tony.

### **GENERAL BUSINESS:**

**Paul Hayllar:** If Poker machine revenue is on the decline has the club sought to replace that revenue with anything? Maybe aged care?

**J Patterson:** We had a meeting at the club previously this year regarding over 55 living. It was decided that that would not go ahead. We are continuing to look at other forms of revenue. It is a challenge for the board.

**M Lucas:** Regarding over 55 living, are there any feasible developments that the board are working on?

**J Patterson:** The Board are still discussing. Nothing has been settled at this stage.

Any further general business? Nil

I would like to take this opportunity to thank Jodie Fowler for her 7 years on the board.

I would also like to thank the following:

- Our Secretary Manager, Colan Ryan who has been on leave for the last 3 months due to a car accident.
- Special thankyou to Michael Baker and Michelle Simms for taking on the day to day running of the club.
- Meg Ussher for her 26 years of service to the club before finally retiring this year.
- All our contractors, Mr Vic, Bumpa and Richard in the golf shop.
- The day to day staff, supervisors and cleaning staff.
- All my fellow directors including Peter Wilson. Despite his own personal issues he has kept himself up to speed with what is happening in the club

To all those who have lost family during the last year, you have our condolences.

To possum and family, our condolences for the passing of Jack Hazelwood.

Thank you to our loyal members. With no further business, I declare the meeting closed.

- Drink tickets have been provided and finger food will be available shortly.,  
Thank you,

**MEETING CLOSED 10.18am**

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 6566 0268 FAX : 02 6566 0653**

**ABN 86 001 037 707**

**email: [entertainment@chcclub.com.au](mailto:entertainment@chcclub.com.au) - Club General**

**email: [secmanager@chcclub.com.au](mailto:secmanager@chcclub.com.au) - Colan Ryan**

**Website: [www.chcclub.com.au](http://www.chcclub.com.au)**



**MINUTES OF THE GENERAL MEETING HELD SUNDAY, 19th  
NOVEMBER 2017**

Chairman declared the meeting open at 10.05 am.

**ATTENDANCE:** Pam Bryant (chair), Michael Baker (Sec Manager), M Buesnel, P Wilson, D Russell, C Ryan (guest) and 26 Members as per attendance register.

**APOLOGIES:** B Kay, M Fenwick, R Kessler and R Illingsworth

**Meeting honoured former Chairman John Patterson with one minutes silence prior to notices of resolution.**

**SPECIAL RESOLUTION 1.**

**Pam:** "That the members hereby approve the required amendments to the Club's Constitution (as tabled) to introduce Triennial Rule elections in accordance with the Registered Clubs Act AND towards the implementation of such change the Board elected at the annual general meeting held in 2017 shall be entitled to only hold office until the annual general meeting held in 2018 when the triennial election system will commence."

Explanatory notes to be read in conjunction with Special Resolution 1:

It is proposed that the Board be elected in accordance with the triennial rule election system specified in the Registered Clubs Act and recommended by the state government.

Triennial Rule elections are held each year, with effectively one-third of the Board elected each year to hold office for three years.

To implement Triennial Rule elections commencing at the 2018 annual general meeting, the following procedure will be used to elect the Board in accordance with the procedure specified in schedule 4 of the Registered Clubs Act. The seven directors are declared elected and then divided into three groups of two members, two members and three members. The groups will be determined by drawing lots and will be designated as group 1, group 2 and group 3. The members of the Board in group 1 will hold office for 1 year, and in group 2 will hold office for 2 years, and in group 3 will hold office for 3 years. The amendments include a restriction on former

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 6566 0268 FAX : 02 6566 0653**

**ABN 86 001 037 707**

**email: [entertainment@chcclub.com.au](mailto:entertainment@chcclub.com.au) - Club General**

**email: [secmanager@chcclub.com.au](mailto:secmanager@chcclub.com.au) - Colan Ryan**

**Website: [www.chcclub.com.au](http://www.chcclub.com.au)**



employees from becoming Board members until a period of at least three years has elapsed from the end of employment.

The Board of the Club has endorsed the proposed changes. The changes meet club best practice guidelines and are in line with that of other modern and successful clubs. A copy of the amendments is available from the Secretary/CEO of the Club.

A special resolution must be passed as a whole and cannot be amended from the floor of the meeting or divided into two or more separate resolutions. The majority required for passing a special resolution is seventy-five per cent (75%) of members present and voting at the meeting.

**J Tasker:** We need more information. Clubs NSW recommend board members only serve three terms. Board members could spend lengthy terms as a director with this in place.

**Pam:** Triennial elections keep the knowledge and experience on the board. Board takeovers from outside sources would not be possible.

**J Tasker:** I agree

**Pam:** The information you have from ClubsNSW we don't have and I don't think is quite correct.

**R Wauchop:** The current system of voting has been in for how long?

**Pam:** I am not quite sure but I expect since the inception of the club.

**M Lucas:** The Club is successful at present. With the new system you will have seven directors elected not on capability but random for different terms. With this system the most capable person could get a one year term.

**Pam:** That is right, however they are able to stand for nominations again. If this were adopted it would start from 2018 with the full effects felt in 2019.

**J Tasker:** Your directors with the most votes may still only get a one year term. If it isn't broken don't fix it.

**G Wettengel:** With this system you still get elected to the board if you are in the top votes.

**D Simmons:** If we vote this in can we get rid of it if it doesn't work?

**Pam:** Yes, it would take three to four years to give it a go however.

**P McGinley:** Can you outline the benefits to the club. Do you expect this will make it more attractive for people to stand for the board?

**Pam:** Interesting question. I will let Colan answer this one.

**C Ryan:** In 2016 AGM, 44 members attended. In 2017, 47 members attended the AGM. There was no voting for the Board this year as we only had seven candidates stand for the board.

The club is in a position at the minute that could be susceptible to a takeover; be it by a bikey gang which has happened at other venues or whoever.

With the current system of elections you could lose the entire knowledge base of the board in one election.

Board members do extensive training these days. After twelve months they are just starting to sink their teeth into it and their term is over.

It's fairer for the club (due to cost of education) and individual directors who are willing and generous enough with their time to undertake and commit to the training to do 3 year terms. So in answering your question, yes it would be more attractive (and fairer) to undertake a three year term for directors.

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 6566 0268 FAX : 02 6566 0653**

**ABN 86 001 037 707**

**email: [entertainment@chcclub.com.au](mailto:entertainment@chcclub.com.au) - Club General**

**email: [secmanager@chcclub.com.au](mailto:secmanager@chcclub.com.au) - Colan Ryan**

**Website: [www.chcclub.com.au](http://www.chcclub.com.au)**

With longer terms on the board you will only be voting one third of the board off at a time.

This system reduces the risk management for the club. Three year terms for directors is fairer for the club.

Projects that the board may undertake could be lost with changes of directors.

An example of this could be a new deck. By the time you get DA's and plans drawn, then get builders organised it could take three to four years. Knowledge of the plan could be lost from one year to the next.

This resolution doesn't affect the current board of directors. The board are doing this for the future of the club.

**Votes : 9 Against 16 For**

**Resolution 1 was not carried as it did not receive 75% of the member's votes that were present.**

### **SPECIAL RESOLUTION 2**

“That the members hereby approve the required amendments to the Club's Constitution (as tabled) to ensure that the Club correctly conforms to the current requirements of the Corporations Act, Registered Clubs Act, and Liquor Act.”

Explanatory notes to be read in conjunction with Special Resolution 2:

The amendments also include some minor changes relating to administrative/miscellaneous provisions under the Registered Clubs Act and Liquor Act that have occurred since the constitution was previously amended. These provisions deal with the mandatory valuation process of core property, requisitioning extraordinary general meetings, and removing persons from the club premises. Miscellaneous provisions are included in this resolution as essential tidying-up provisions to ensure that the constitution keeps track with all changes to legislation.

The board of the club has endorsed the proposed changes. A copy of the amendments is available from the Secretary/CEO of the Club.

A special resolution must be passed as a whole and cannot be amended from the floor of the meeting or divided into two or more separate resolutions. The majority required for passing a special resolution is seventy-five per cent (75%) of members present and voting at the meeting.

**Pam:** Is there anyone that is against Resolution 2?

**Resolution 2 carried unanimously.**

### **GENERAL BUSINESS:**

**R Wauchop:** We need more membership participation. I don't know how you do that?

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 6566 0268 FAX : 02 6566 0653**

**ABN 86 001 037 707**

**email: [entertainment@chclub.com.au](mailto:entertainment@chclub.com.au) - Club General**

**email: [secmanager@chclub.com.au](mailto:secmanager@chclub.com.au) - Colan Ryan**

**Website: [www.chclub.com.au](http://www.chclub.com.au)**



**Pam:** That's why we wanted both resolutions voted in.

**John Lewis:** Too many rules and regulations these days for people to get involved. Its getting out of hand.

**Pam:** We are trying to keep the club up to date with best practice guidelines. We are lucky and fortunate to have the calibre of Colan. While Colan is on leave due to a Motor Vehicle Accident we are fortunate to have Michael to step up.

We are lucky to have the staff we do to run the day to day of the club and to keep the club financially viable.

We are trying to take the club into the future.

**M Lucas:** Due to the lack of people here will you bring up resolution 1 at AGM.

**Pam:** No, this is it. We do what the members want.

Any further general business? Nil

Thank you to our members who attended today. With no further business, I declare the meeting closed.

- Drink tickets have been provided and finger food will be available shortly., Thank you,

**MEETING CLOSED 10.38am**

**1 RANKINE STREET CRESCENT HEAD NSW 2440**

**PH : 02 6566 0268 FAX : 02 6566 0653**

**ABN 86 001 037 707**

**email: [entertainment@chclub.com.au](mailto:entertainment@chclub.com.au) - Club General**

**email: [secmanager@chclub.com.au](mailto:secmanager@chclub.com.au) - Colan Ryan**

**Website: [www.chclub.com.au](http://www.chclub.com.au)**

## CHAIRPERSON'S REPORT 2017 - 2018

As the current Chairperson for Crescent Head Country Club, it is my pleasure to submit the Chairpersons Report for the year Ended 31 March, 2018.

Crescent Head Country Club has once again had a very successful year returning a profit of \$367,144. This amount is approximately \$69,885, over our profit of the previous year. Our Net Assets have increased to the value of \$4,297,466 from that of \$3,930,322 in 2016-2017.

The Club continues to be audited by external Auditors twice a year which enables the Club to continue to comply and operate within the stringent regulations of Corporations Act 2001 and Australian Accounting Standards.

I and fellow Board Members wish to thank wholeheartedly the outstanding effort our Acting Secretary Manager, Mr Michael Baker, has put in over the past twelve months. Michael was thrust into this position due to the untimely accident occurring to our Secretary Manager, Mr Colan Ryan.

Whilst Colan has not been able to be at work, he has been available to advise Michael and the Board through telephone and emails whenever needed. Through ongoing rehabilitation Colan will be slowly making his way back into his position. Michael has gained a thorough grounding, invaluable experience and knowledge over the last twelve months which the Board have fully appreciated.

As members are aware, the golf course lease expires in 2023. The Club applied for a lease extension on 25 July 2016, lodged with the Reserve Trust Managers, Kempsey Shire Council (KSC). Over the past twelve months KSC have had a lot of changes in their Managerial positions; consequently, whomever the Board and Secretary Manager have corresponded with are no longer working for KSC. We have been faced with the arduous process of re-introducing ourselves time and again. In 2017 the Club proposed a Memorandum of Understanding (MoU) be established between the Club and KSC, proposing that both parties commit openly/publicly to an extension of the golf course lease. KSC had indicated that they would sign the MoU. However, since recently meeting with the new General Manager, indications are that KSC will not be signing or using the MoU?

As part of the MoU, the Club also sort clarification and the guarantee that Crescent Head CBD carparks would remain for community use.

As previously forecast to members changes to the Crown Land Management Act are expected to commence on 1 July 2018 which will see KSC change from Reserve Trust Manager to Crown Land Manager.

It is difficult for the Club to make any long-term commitments for the golf course facility with any certainty. The Club will continue to care for the golf course, seek a new lease and keep members updated.

Whilst there have been proposals put forward for the Board and Management to peruse and reflect upon, at this stage there will be no decisions made to utilise the land that had been proposed for any development as such. We have been listening to Members ideas and wish lists; through time and commitment there will be changes as the Board sees fit. We sincerely thank those Members who have put time and effort into ideas.

The Board of Directors and Management will continue to investigate income alternatives, suggestions and viable options for the Clubs long term future.



During the year the Club updated various assets including resurfacing the bowling green (which is located on Club owned land). New shade sails have been ordered for the bowling green surrounds and a quotation has been approved by the Board to paint the exterior of the clubhouse; the commencement of these works is imminent.

The Board have been investigating the possibility of adding a Northern Alfresco Deck to the Club encompassing new dining areas. Members will be kept updated as information and decisions progress.

The Board held a special Meeting 19/11/2017 to introduce Two Special Resolutions.

- 1) Triennial rule for Elections: these rules are recommended as best practice by NSW Government (& Clubs NSW), these are already in place in successful Clubs and Organisations. This resolution was not passed at this period in time.
- 2) Legislative changes and updates: which was passed by the members.

The Special Meeting held was the only such meeting required by the Board in the past 15 years. The Secretary Manager and myself are available if members would like clarification or factual information on any matters in relation to the Club; being better informed can assist members in understanding concepts and help when making decisions relevant to the Club.

The Club has also continued to contribute donations and sponsorships over the past year to the value of \$23,400.70 to local community organisations.

During the year we lost a very valuable and much-loved Chairman, Mr John Paterson. John had been our Chairman for the past 13 Years, he led the Club with pride and passion and his passing has left a big void and big shoes to fill, our sincere sympathies to his wife Jenny and his children.

The Board also wishes to offer sincere condolences to those Members who have lost family members and friends over the past year, they will be sorely missed.

The Board and I would like to wholeheartedly thank our Acting Secretary Manager, Mr Michael Baker, Office Manager, Michelle Simms, Club Supervisors and dedicated Bar Staff for the commitment and professional service to the Club. To our cleaning team whom do a wonderful job, a big thank you. To Graeme Croad and Jesse for the great effort in keeping the Golf Course, Tennis Courts and Bowling Green in fantastic condition. A heartfelt thanks to our Contractors: Wayne (Bumpa) Brown and his staff, Mr Vick and Mai and their Staff, Richard and Lee Went at the Sports Shop, for their dedication in providing a wonderful service to Crescent Head Country Club during the year.

During the past year there have also been changes to Board positions namely due to the passing of John Paterson; Mr Alan Loveday has joined the Board bringing with him business knowledge and leadership and with the resignation of Ms Deb Russell, the Board has gained the experience of Mr Gordon McKay.

I personally wish to thank my fellow Board Members and Management for their dedication and professionalism in leading the Club forward both financially and sustainably to have the Club in an extremely positive position going into 2018 – 2019.

Members of the Board put in countless hours of volunteer time and effort to ensure members have the Club to enjoy and socialise in. A massive thank you to you, the Members who continually support and patronise the Club throughout the year.

May you all have a happy, healthy and prosperous year.

Pam Bryant.  
Chairperson.



# **Crescent Head Country Club Ltd**

## **Financial Statements**

**For the Year Ended 31 March 2018**

## Crescent Head Country Club Ltd

### Contents

For the Year Ended 31 March 2018

	<b>Page</b>
<b>Financial Statements</b>	
Directors' Report	1
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	26
Independent Audit Report	27



## Crescent Head Country Club Ltd

### Directors' Report

31 March 2018

The directors present their report on Crescent Head Country Club Ltd for the financial year ended 31 March 2018.

#### (a) General information

##### Information on directors Directors Training (Clubs NSW)

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

John Patterson †

Qualifications	RSA, RCG, AMLCTF and Directors Training (Clubs NSW)
Experience	John was on the Board for 15 years. He was the Club Chairperson for 12 of those years.
Occupation	Detective/Sergeant NSW Police (retired)

Pam Bryant

Qualifications	RSA, RCG, AMLCTF and Directors Training (Clubs NSW)
Experience	Pam has been on the Board for 16 years. Pam became Chairperson on the 16th November last year, she was Vice-Chairperson for 12 of those years.
Occupation	Supermarket Owner (retired)

Mark Fenwick

Qualifications	RSA, RCG, AMLCTF and Directors Training (Clubs NSW)
Experience	Mark has been on the Board for 14 years, he became Vice-Chairperson 16th November 2017
Occupation	Baker/Painter and Decorator

Michael Buesnel

Qualifications	RSA, RCG, AMLCTF and Directors Training (Clubs NSW)
Experience	Michael has been on the Board for 2 years
Occupation	Business Owner (retired)

Ross Kessler

Qualifications	RSA, RCG, AMLCTF and Directors Training (Clubs NSW)
Experience	Ross has been on the Board for 3 years
Occupation	Tourism Operator

Peter Wilson

Qualifications	RSA, RCG, AMLCTF and Directors Training (Clubs NSW)
Experience	Peter has been on the Board for 3 years
Occupation	Retail Business Owner (retired)

Alan Loveday

Qualifications	RSA, RCG, AMLCTF and Directors Training (Clubs NSW)
Experience	Alan was appointed to the Board on 4th January 2018
Occupation	Business Owner (retired)

## Crescent Head Country Club Ltd

### Directors' Report

31 March 2018

#### (a) General information

##### Information on directors

Gordon Mckay

Qualifications

RSA, RCG, AMLCTF and Directors Training (Clubs NSW)

Experience

Gordon was appointed to the Board on 29th March 2018

Occupation

Plant Operator (retired)

Deb Russell

Qualifications

RSA, RCG, AMLCTF and Directors Training (Clubs NSW)

Experience

Deb was elected to the Board 9th July 2017, Resigned 3rd March 2018

Occupation

Retail Sales

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

Directors have completed training requirements by Clubs NSW or are scheduled to complete within the permissible / allowable timeframes. Additionally, all Directors have completed (or are scheduled to complete) Responsible Service of Alcohol (RSA), Responsible Conduct of Gambling (RCG) Courses and AMLCTF training.

##### Principal activities

The principal activity of Crescent Head Country Club Ltd during the financial year was to supply facilities for the Club's members and their guests.

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

##### Short term objectives

The Club's short term objectives are to:

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

##### Long term objectives

The Club's long term objectives are to:

- To promote and conduct such sports, games, amusements and entertainments, pastimes and recreations, indoor and outdoor for the community
- Maintain a strong relationship with members of the Club and their guests
- Strive for continuous improvements in its industry to ensure best outcomes for the Club

## Directors' Report

31 March 2018

### (a) General information

#### Long term objectives

- Maintain strong Cashflow and Balance Sheet
- To construct, establish and maintain playing areas, amenities, conveniences to accommodate the sporting needs of its members
- Maintain and improve important community infrastructure

#### Strategy for achieving the objectives

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

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

#### Performance measures

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

- Gross profit margin
- Net Profit percentage
- Cashflow
- EBITARD or EBITDA

#### Members' guarantee

Crescent Head Country Club Ltd 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 \$2 for members that are corporations and \$2 for all other members, subject to the provisions of the company's constitution.

At 31 March 2018 the collective liability of members was \$ 6,800 (2017: \$ 6,702).



## Directors' Report

31 March 2018

### Meetings of directors

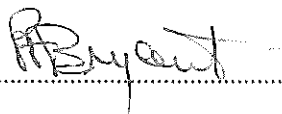
During the financial year, 18 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
John Patterson†	10	7
Pam Bryant	18	15
Mark Fenwick	18	17
Michael Buesnel	18	17
Ross Kessler	18	9
Peter Wilson	18	13
Alan Loveday	5	5
Gordon Mckay	1	1
Deb Russell	11	10

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 March 2018 has been received and can be found on page 5 of the financial report.

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

Director:  .....

Director:  .....

Dated this 7<sup>th</sup> day of JUNE 2018



**Crescent Head Country Club Ltd**

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

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2018, 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.

A handwritten signature in black ink, appearing to read 'Dan Wade', written in a cursive style.

Dan Wade  
Partner  
Wrights Chartered Accountants

7 June 2018

Kempsey NSW 2440

Crescent Head Country Club Ltd

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 March 2018**

	Note	2018 \$	2017 \$
Revenue	3	3,984,069	3,708,887
Other income	3	470,438	575,628
Changes in inventories of finished goods and work in progress		(804,480)	(786,924)
Raw materials and consumables used		(85,660)	(82,719)
Employee benefits expense		(1,223,992)	(1,236,228)
Depreciation and amortisation expense	8(a)	(524,882)	(506,961)
Other expenses		(1,412,826)	(1,330,099)
Finance costs		(35,523)	(44,325)
<b>Profit before income tax</b>		<b>367,144</b>	<b>297,259</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>367,144</b>	<b>297,259</b>
<b>Profit for the year</b>		<b>367,144</b>	<b>297,259</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>			
<b>Total comprehensive income for the year</b>		<b>367,144</b>	<b>297,259</b>

The accompanying notes form part of these financial statements.



Crescent Head Country Club Ltd

**Statement of Financial Position**

**31 March 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,574,260	1,162,240
Trade and other receivables	5	15,709	27,407
Inventories	6	68,765	66,310
Other assets	7	50,081	38,932
<b>TOTAL CURRENT ASSETS</b>		<b>1,708,815</b>	<b>1,294,889</b>
<b>NON-CURRENT ASSETS</b>			
Investments		750	750
Property, plant and equipment	8	3,304,919	3,408,384
Intangible assets	9	592,000	592,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,897,669</b>	<b>4,001,134</b>
<b>TOTAL ASSETS</b>		<b>5,606,484</b>	<b>5,296,023</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	329,303	264,849
Borrowings	11	259,794	722,570
Current tax liabilities	17	85,649	90,280
Employee benefits	13	125,936	108,664
Income in Advance		46,558	69,273
<b>TOTAL CURRENT LIABILITIES</b>		<b>847,240</b>	<b>1,255,636</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	440,776	95,098
Employee benefits	13	21,002	14,967
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>461,778</b>	<b>110,065</b>
<b>TOTAL LIABILITIES</b>		<b>1,309,018</b>	<b>1,365,701</b>
<b>NET ASSETS</b>		<b>4,297,466</b>	<b>3,930,322</b>
<b>EQUITY</b>			
Reserves		429,558	429,558
Retained earnings		3,867,908	3,500,764
<b>TOTAL EQUITY</b>		<b>4,297,466</b>	<b>3,930,322</b>

The accompanying notes form part of these financial statements.

Crescent Head Country Club Ltd

**Statement of Changes in Equity**  
For the Year Ended 31 March 2018

2018

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 April 2017	3,500,764	429,558	3,930,322
Profit attributable to members of the parent entity	367,144	-	367,144
Balance at 31 March 2018	<u>3,867,908</u>	<u>429,558</u>	<u>4,297,466</u>

2017

	Retained Earnings	Asset Revaluation Surplus	Total
Note	\$	\$	\$
Balance at 1 April 2016	3,203,505	429,558	3,633,063
Profit attributable to members of the parent entity	297,259	-	297,259
Balance at 31 March 2017	<u>3,500,764</u>	<u>429,558</u>	<u>3,930,322</u>

The accompanying notes form part of these financial statements.

Crescent Head Country Club Ltd

**Statement of Cash Flows**  
For the Year Ended 31 March 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,443,490	4,277,563
Payments to suppliers and employees	(3,457,432)	(3,511,117)
Finance costs	(35,523)	(44,325)
Net cash provided by/(used in) operating activities	<u>950,535</u>	<u>722,121</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(423,615)	(662,692)
Disposals Trade-ins	2,198	1,353
Net cash used by investing activities	<u>(421,417)</u>	<u>(661,339)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	145,075	220,486
Repayment of borrowings	(262,173)	(206,922)
Net cash used by financing activities	<u>(117,098)</u>	<u>13,564</u>
Net increase/(decrease) in cash and cash equivalents held	412,020	74,346
Cash and cash equivalents at beginning of year	<u>1,162,240</u>	<u>1,087,894</u>
Cash and cash equivalents at end of financial year	<u>4</u> <u>1,574,260</u>	<u>1,162,240</u>

The accompanying notes form part of these financial statements.



## Crescent Head Country Club Ltd

# Notes to the Financial Statements

For the Year Ended 31 March 2018

The financial report covers Crescent Head Country Club Ltd as an individual entity. Crescent Head Country Club Ltd is a Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Crescent Head Country Club Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 7 June 2018.

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

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

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

#### (b) Comparative Amounts

Comparative balances are consistent with prior years, unless otherwise stated.

#### (c) Income Tax

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

#### (d) 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 Club 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.

#### (e) 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 Club 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.

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

## Notes to the Financial Statements

### For the Year Ended 31 March 2018

#### 1 Summary of Significant Accounting Policies

##### (e) Revenue and other income

###### 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.

###### Interest revenue

Interest is recognised using the effective interest method.

###### 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 Club is entitled to it.

##### (f) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as either a tax asset or liability.

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.

##### (g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

##### (h) 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.

###### Land and buildings

Land and buildings are measured using the cost model.

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 1 Summary of Significant Accounting Policies

#### (h) Property, Plant and Equipment

##### 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 Club, commencing when the asset is ready for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

Fixed asset class	Depreciation rate
Buildings	2.5-10%
Plant and Equipment	5-50%
Leased Plant and Equipment	10-25%
Furniture, Fixtures and Fittings	5-10%
Office Equipment	10-34%

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.

#### (i) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Club commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;

## Notes to the Financial Statements

### For the Year Ended 31 March 2018

#### 1 Summary of Significant Accounting Policies

##### (i) Financial instruments

- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired.

The Club does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Club's trade and other receivables fall into this category of financial instruments.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Club's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.



## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 1 Summary of Significant Accounting Policies

(i) **Financial instruments**  
*Impairment of financial assets*

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

(j) **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.

(k) **Employee benefits**

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled .

Employee benefits are presented as current liabilities in the statement of financial position if the Club does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under ASSB 119.

(l) **Provisions**

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(m) **Adoption of new and revised accounting standards**

The Club has adopted all applicable standards which became effective for the first time at 31 March 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

The Club has chosen not to early adopt any standards or interpretations not yet in effect.

### 2 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 - impairment of property, plant and equipment

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

**Notes to the Financial Statements**  
For the Year Ended 31 March 2018

2 Critical Accounting Estimates and Judgments

2 Critical Accounting Estimates and Judgments continued

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

3 Revenue and Other Income

Revenue from continuing operations

	2018	2017
	\$	\$
Sales revenue		
- Bar and Poker Machines	3,826,502	3,535,852
	<u>3,826,502</u>	<u>3,535,852</u>
Other revenue		
- Member Subscriptions	72,036	71,241
- Discounts Received	8,995	26,470
- Raffles Income	76,536	75,324
	<u>157,567</u>	<u>173,035</u>
<b>Total Revenue</b>	<u><u>3,984,069</u></u>	<u><u>3,708,887</u></u>

	2018	2017
	\$	\$
Other Income		
- Golf, Bowls & Tennis	94,179	104,608
- Commissions	207,586	202,829
- Volume Rebates	24,868	36,680
- Recoveries	-	50,153
- Sporting Fees and Incomes	98,598	95,825
- Grants Received	4,227	38,060
- Interest Received	5,146	6,311
- Other Income	35,834	41,162
	<u>470,438</u>	<u>575,628</u>
<b>Total Revenue and Other Income</b>	<u><u>4,454,507</u></u>	<u><u>4,284,515</u></u>

4 Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	1,574,260	1,162,240

Crescent Head Country Club Ltd

Notes to the Financial Statements

For the Year Ended 31 March 2018

4	Cash and cash equivalents	2018	2017
		\$	\$
	Total cash and cash equivalents	<u>1,574,260</u>	<u>1,162,240</u>

5	Trade and other receivables	2018	2017
		\$	\$
	CURRENT		
	Trade receivables	<u>15,709</u>	<u>27,407</u>
	Total current trade and other receivables	<u>15,709</u>	<u>27,407</u>

(a) Impairment of receivables

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. No provision for impairment has been made as the Club expects to collect the balance in full.

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

6	Inventories	2018	2017
		\$	\$
	CURRENT		
	At cost:		
	Inventories	<u>68,765</u>	<u>66,310</u>
	Total inventories	<u>68,765</u>	<u>66,310</u>

7	Other non-financial assets	2018	2017
		\$	\$
	CURRENT		
	Prepayments	<u>50,081</u>	<u>38,932</u>
	Total other non-financial assets	<u>50,081</u>	<u>38,932</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**8 Property, plant and equipment**

	2018	2017
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	788,915	788,915
Total Land	<u>788,915</u>	<u>788,915</u>
Buildings		
At cost	2,006,432	1,981,806
Accumulated depreciation	(890,139)	(796,143)
Total buildings	<u>1,116,293</u>	<u>1,185,663</u>
Total land and buildings	<u>1,905,208</u>	<u>1,974,578</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	2,830,749	2,634,376
Capitalised leased assets	102,936	53,418
Accumulated depreciation	(1,928,049)	(1,699,319)
Total plant and equipment	<u>1,005,636</u>	<u>988,475</u>
Furniture, fixtures and fittings		
At cost	697,180	796,186
Accumulated depreciation	(436,100)	(494,880)
Total furniture, fixtures and fittings	<u>261,080</u>	<u>301,306</u>
Motor vehicles		
At cost	50,850	50,850
Accumulated depreciation	(13,112)	(6,756)
Total motor vehicles	<u>37,738</u>	<u>44,094</u>
Office equipment		
At cost	89,527	77,095
Accumulated depreciation	(59,091)	(48,841)
Total office equipment	<u>30,436</u>	<u>28,254</u>
Other property, plant and equipment		
At cost	107,243	107,243
Accumulated depreciation	(42,422)	(35,566)
Total other property, plant and equipment	<u>64,821</u>	<u>71,677</u>
Total plant and equipment	<u>1,399,711</u>	<u>1,433,806</u>
Total property, plant and equipment	<u>3,304,919</u>	<u>3,408,384</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

8 Property, plant and equipment

(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 \$	Plant and Equipment \$	Furniture, Fixtures and Fittings \$
<b>Year ended 31 March 2018</b>				
Balance at the beginning of year	788,915	1,185,663	988,475	301,306
Additions	-	24,626	364,808	20,090
Disposals	-	-	(862)	(1,336)
Depreciation expense	-	(93,996)	(346,785)	(58,980)
<b>Balance at the end of the year</b>	<b>788,915</b>	<b>1,116,293</b>	<b>1,005,636</b>	<b>261,080</b>

	Motor Vehicles \$	Office Equipment \$	Other Property, Plant and Equipment \$	Total \$
<b>Year ended 31 March 2018</b>				
Balance at the beginning of year	44,094	28,254	71,677	3,408,384
Additions	-	14,091	-	423,615
Disposals	-	-	-	(2,198)
Depreciation expense	(6,356)	(11,909)	(6,856)	(524,882)
<b>Balance at the end of the year</b>	<b>37,738</b>	<b>30,436</b>	<b>64,821</b>	<b>3,304,919</b>

The Board acknowledges that all properties, with the exception of Lot 226, DP 754441, are core properties under the definition of section 42J of the Registered Clubs Act.

9 Intangible Assets

	2018 \$	2017 \$
Licenses		
Cost	592,000	592,000
<b>Total Intangibles</b>	<b>592,000</b>	<b>592,000</b>



**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

The 2018 valuation was performed by the Directors. Valuations were made on the basis of open market value in an arms length transaction based on similar characteristics. The Directors felt that due to current economic environment no change to the value of the Club's intangible assets was required

**10 Trade and other payables**

	2018	2017
	\$	\$
CURRENT		
Trade payables	152,979	112,840
Sundry payables	6,580	7,305
Other accrued payables	169,744	144,704
<b>Total trade and other payables</b>	<b>329,303</b>	<b>264,849</b>

**11 Borrowings**

	2018	2017
	\$	\$
CURRENT		
Secured liabilities:		
Lease liability secured	152,685	97,972
Bank loans	107,109	624,598
<b>Total current borrowings</b>	<b>259,794</b>	<b>722,570</b>

	2018	2017
	\$	\$
NON-CURRENT		
Secured liabilities:		
Lease liability secured	11,939	95,098
Bank loans	428,837	-
<b>Total non-current borrowings</b>	<b>440,776</b>	<b>95,098</b>
<b>Total borrowings</b>	<b>700,570</b>	<b>817,668</b>

For the comparative year, the Club's loan with the Commonwealth Bank of Australia had a residual payment due for settlement on 17th December 2017 and therefore the principal balance outstanding at 31 March 2017 was disclosed as a current liability. It is noted that the Club renegotiated the payment of the outstanding principal to pay down over a longer term. The principal balance outstanding at 31 March 2018 is split between current and non-current as per the terms.

Leased liabilities are secured by the underlying leased assets.

**(a) Defaults and breaches**

During the current and prior year, there were no defaults or breaches on any of the loans.

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

**12 Income in Advance**

	2018	2017
	\$	\$
Rebates received in advance	-	22,475
Subs in advance	46,558	46,798
<b>Total income in advance</b>	<b>46,558</b>	<b>69,273</b>

**13 Employee Benefits**

	2018	2017
	\$	\$
Current liabilities		
Short-term provisions	125,936	108,664
<b>Total short-term employee benefits</b>	<b>125,936</b>	<b>108,664</b>
	2018	2017
	\$	\$
Non-current liabilities		
Long-term provisions	21,002	14,967
<b>Total long-term employee benefits</b>	<b>21,002</b>	<b>14,967</b>

**14 Leasing Commitments**

**(a) Finance leases**

Finance leases are in place for non current assets (Poker Machines, Equipment & Vehicles) and normally have a term between 1 and 3 years.

**(b) Operating leases**

An operating lease is in place for land on which the golf course sits, which is due to expire in 2023. Lease payments are increased on an annual basis to reflect market rentals.

**15 Financial Risk Management**

The Club is exposed to a variety of financial risks through its use of financial instruments.

The Club's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Club is exposed to are described below:

**Specific risks**

- Liquidity risk
- Credit risk

## Notes to the Financial Statements

### For the Year Ended 31 March 2018

#### 15 Financial Risk Management

- Market risk - currency risk, interest rate risk and price risk

##### Financial instruments used

The principal categories of financial instrument used by the Club are:

- Trade receivables
- Cash at bank
- Trade and other payables

##### Objectives, policies and processes

Specific information regarding the mitigation of each financial risk to which the Club is exposed is provided below.

##### Liquidity risk

Liquidity risk arises from the Club's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Club will encounter difficulty in meeting its financial obligations as they fall due.

The Club's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Club maintains cash to meet its liquidity requirements.

The Club manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Club expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any financing facilities.

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Club.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Club has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 15 Financial Risk Management

#### (i) Interest rate risk

The Club is exposed to interest rate risk as funds are borrowed at floating and fixed rates. Borrowings issued at fixed rates expose the Club to fair value interest rate risk.

The Club's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Club is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

#### Fair value estimation

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

### 16 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the Club. At 31 March 2018 the number of members was 3,400 (2017: 3,351).

### 17 Tax assets and liabilities

	2018	2017
	\$	\$
PAYG Withholding	13,012	17,174
GST payable	72,637	73,106
<b>Total current tax liabilities</b>	<b>85,649</b>	<b>90,280</b>

### 18 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Crescent Head Country Club Ltd during the year are as follows:

The total remuneration paid to key management personnel of the Club is \$ 225,534 (2017: \$ 306,376).

## Crescent Head Country Club Ltd

### Notes to the Financial Statements

For the Year Ended 31 March 2018

#### 19 Contingencies

In the opinion of the Directors, the Club did not have any contingent liabilities at 31 March 2018 (31 March 2017 :None).

#### 20 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.

Transaction with related parties:

##### (a) Identification of Related Parties Ultimate Parent Entity

Purchases were made by the Club from Off Shore Band Performance, in which Ross Kessler, a Director of the Club has an interest. 2018: \$4,000, 2017: \$4,200.

#### 21 Events Occurring After the Reporting Date

The financial report was authorised for issue on 7 June 2018 by the Board of Directors.

The current golf course lease (which includes the tennis courts and greens shed) expires in 2023. The Club applied for a lease extension on 25th July 2016, lodged with the Reserve Trust Managers, Kempsey Shire Council (KSC).

In 2017 the Club proposed a Memorandum of Understanding (MoU) be established between the Club and KSC, proposing that both parties commit openly/publicly to an extension of the golf course lease. Previously KSC had indicated they would sign the MoU, however since 31 March 2018 KSC have indicated that they will not sign the MoU.

The Club's position has not altered and remains committed to full transparency; continuing to care for the golf course and seeking a lease extension.

As previously forecast to members, changes to the Crown Land Management Act are expected to commence on 1 July 2018. This will see KSC change from Reserve Trust Manager to Crown Land Manager.

As part of the MoU, the Club also sort clarification and the guarantee that CBD car parks would remain for community use.

Since 31 March 2018 the Club made application for a government grant; to treat effluent and reuse on the golf course and foreshore areas. This effluent is currently fed into the waterways/ocean. KSC is responsible for the effluent (not the Club) but failed to support the grant application.

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

#### 22 Statutory Information

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

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



**Notes to the Financial Statements**  
**For the Year Ended 31 March 2018**

23 Other Information



*Serving the Community!!*

**Donations/Sponsorship**

2017/2018 Financial Year (1/4/2017 to 31/3/2018)

Anzac Day & Vietnam Vets	\$ 722.50
Cancer Council	\$ 50.00
CDSE (Club Grants / Kempsey Council)	\$2,800.00
Crescent Head Bluewater Fishing Club	\$1,000.00
Crescent Head Bushfire Brigade*	\$1,300.00
Crescent Head Community Hall*	\$ 300.00
Crescent Head Ladies Golf	\$ 99.00
Crescent Head Malibu Club	\$8,000.00
Crescent Head Mens Bowls	\$3,000.00
Crescent Head Netball Club	\$ 500.00
Crescent Head Pointers Swim Club	\$ 100.00
Crescent Head Pre School	\$ 100.00
Crescent Head Primary School	\$1,250.00
Crescent Head Rugby Sevens	\$1,500.00
Crescent Head to Head	\$ 50.00
Kempsey View Club*	\$ 600.00
MNC Cancer Institute	\$ 100.00
Senior Citizens	\$1,529.20
Special Olympics NSW North Coast Region	\$ 400.00
<b>TOTAL</b>	<b>\$23,400.70</b>

*\*Raffle proceeds*

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 23 Other Information

#### List of Past Presidents

1956	K.J Brenton	1965	T.A Miles
1957	K.J Brenton	1966	N.H Young
1958	K.J Brenton	1967	N.H Young
1959	K.J Brenton	1968	K.W Faulkner
1960	K.J Brenton	1969	K.W Faulkner (pt)
1961	W. Harvey	1969	K.J Brenton (pt)
1962	W. Harvey	1970	K.J Brenton
1963	W. Harvey	1971	K.J Brenton
1964	T.A Miles	1972	K.J Brenton (pt)

#### Incorporated on 12th October 1972

1972	K.J Brenton (pt)	1991	G.C Barsby	2009	J. Patterson
1973	K.J Brenton	1992	G.C Barsby	2010	J. Patterson
1974	K.J Brenton	1993	G.C Barsby	2011	J. Patterson
1975	L.L Boardman D.F.M	1994	G.W Selkirk	2012	J. Patterson
1976	L.L Boardman D.F.M	1995	G.W Selkirk(pt)	2013	J. Patterson
1977	L.L Boardman D.F.M		G.C Barsby(pt)	2014	J. Patterson
1978	L.L Boardman D.F.M	1996	G.C Barsby	2015	J. Patterson
1979	J.A Weingarh	1997	G.C Barsby	2016	J. Patterson
1980	F. Emmett	1998	G.C Barsby	2017	J. Patterson†
1981	F. Emmett	1999	G.C Barsby		P. Bryant(pt)
1982	T.G Lyttle	2000	G. Ball		
1983	T.G Lyttle	2001	G. Ball		
1984	P.W Harvey	2002	J.F Baxter		
1985	P.W Harvey	2003	J.F Baxter		
1986	P.W Harvey	2004	J.F Baxter		
1987	P.W Harvey	2005	J.F Baxter		
1988	P.W Harvey	2006	J. Patterson		
1989	P.K Shaw	2007	J. Patterson		
1990	P.K Shaw	2008	J. Patterson		

#### List of Honorary Life Members

1973	K.J Brenton (dec)	1991	G.C Barsby (dec)	2015	J. Baxter
1974	K.R.M Stretch (dec)	1995	T. Errey (dec)	2016	J. Patterson (dec)
1975	L.L Boardman (dec)	1997	W. Harvey (dec)	2017	P. Bryant
1985	T.G Lyttle (dec)	2014	R. Curnow		

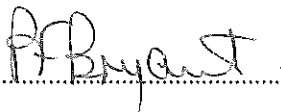
**Crescent Head Country Club Ltd**

**Directors' Declaration**

The directors of the Club declare that:

1. The financial statements and notes, as set out on pages 7 to 25, 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 2018 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

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

Director .....  .....

Director .....  .....

Dated this 7<sup>th</sup> day of JUNE 2018



## Crescent Head Country Club Ltd

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

## Report on the Audit of the Financial Report

### Opinion

I have audited the financial report of Crescent Head Country Club Ltd (the Club), which comprises the statement of financial position as at 31 March 2018, 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 my opinion, the accompanying financial report of the Club is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 31 March 2018 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

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Club 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 my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of Directors for the Financial Report

The directors of the Club 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.



Advice for growth

PARTNERS  
Anthony de Jager BCom CPA CA  
Chris Garrett BBus CA  
Dan Wade BCom CPA RCA  
Affiliate CA ANZ

## Crescent Head Country Club Ltd

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

In preparing the financial report, the directors are responsible for assessing the Club'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 Club or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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.

#### Wrights Chartered Accountants

A handwritten signature in black ink, appearing to read 'Dan Wade'.

Dan Wade  
Partner

Kempsey NSW 2440

Dated this 7th ..... day of JUNE ..... 2018