OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
Financial Report For The Year Ended
30 June 2011

Ocean Shores Country Club Ltd
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Financial Report For The Year Ended 30 June 2011

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OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2011.

Directors

The names of each person who has been a director during the year and to the date of this report are:
Peter Tornaros
Leslie Hoffman
Ray Bartlett appointed (24/10/2010)
Robert Baxter
Mervyn Brady
Anthony Dahl appointed (24/10/2010)
Robert James
Peter Moyle
Anne Slater
Ian Wingad
John I'Anson resigned (23/10/2010)

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

Company Secretary

The Company Secretary is Andrew Spice.

Principal Activities

The principal activity of the entity during the financial year was:
The principal activities of the entity during the financial year were the provision of social and sporting facilities and those of a registered club. There were no other significant changes in the nature of the entity's principal activities during the financial year.

The entity's short term objectives are to:

Enhance Members and visitors Golf and Bowls experience; Maintain and / or modernise the Club's premises and facilities;
Provide the best possible hospitality services to members and to the local community;
Ensure ongoing profitability of the company to secure its financial future; and
Promote the sporting and social operations of the company

OCEAN SHORES COUNTRY CLUB LTD
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DIRECTORS' REPORT

The entity's long term objectives are to:
To increase the participation level of Club members through promoting the sporting and social operations of the company; To maintain a financially healthy business;
To plan for the future development and expansion of the Club and facilities; and
To grow the company's operations.

To achieve these objectives, the entity has adopted the following strategies:
The preparation of an annual budget for financial performance. Management and directors regularly review the company performance against Marketing the Club and its facilities
Create and maintain a safe and family friendly club environment.
Further develop the Clubs Financial strategies

The entity measures its performance (including any key performance indicators) by:
Wage Cost % - wage costs as a percentage of sales Gross Profit % - gross profit as a percentage of sales

Information on Directors

Peter Tornaros	Chairman
Qualifications	Retired Public Servant/Business Owner
Experience	7 years 9 months
Special Responsibilities	Ex-officio all Committees
Leslie Hoffman	Deputy Chairman
Qualifications	Retired Journalist/Editor Daily Telegraph
Experience	4 years 9 months
Special Responsibilities	Chairman House & Social Committee, Finance Committee
Ray Bartlett	Director – Appointed 24th Oct 2010
Qualifications	Retired Electrical Supervisor
Experience	3 years 11 Months
Special Responsibilities	Bowls Greens Committee
Robert Baxter	Director
Qualifications	Retired Real Estate Agent
Experience	2 year 8 months
Special Responsibilities	House & Social Committee, Lands Committee

Mervyn Brady	Treasurer
Qualifications	Retired TV Technician/Business Owner
Experience	9 years 9 months
Special Responsibilities	Chairman Finance Committee
Anthony Dahl	Director – Appointed 24th Oct 2010
Qualifications	Consultant
Experience	8 months
Special Responsibilities	Lands Committee
Robert James	Bowls Representative
Qualifications	Retired Deputy Principal
Experience	4 years 7 months
Special Responsibilities	Chairman Bowls Greens Committee, Finance Committee
Peter Moyle	Director/Golf Representative
Qualifications	Self employed Tiler
Experience	1 year 8 Months
Special Responsibilities	Greens Golf Committee
Anne Slater	Director
Qualifications	Retired Banker/Small Business Owner
Experience	3 year 9 months
Special Responsibilities	Chairperson Lands Committee, House & Social Committee
Ian Wingad	Golf Representative/Director
Qualifications	Retired Business Owner
Experience	7 years 9 months
Special Responsibilities	Chairman Golf Greens Committee
John I'Anson	Director - Resigned 24th Oct 2010
Qualifications	Retired Transport Contractor
Experience	6 years
Special Responsibilities	House & Bowls Greens Committee

OCEAN SHORES COUNTRY CLUB LTD
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DIRECTORS' REPORT

Meetings of Directors

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

	Directors' Meetings		Special Board Meetings	
	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Peter Tornaros	12	12	1	1
Leslie Hoffman	12	11	1	1
Ray Bartlett	9	9	1	1
Robert Baxter	12	12	1	1
Mervyn Brady	12	11	1	1
Anthony Dahl	9	4	1	0
Robert James	12	11	1	0
Peter Moyle	12	9	1	0
Anne Slater	12	11	1	1
Ian Wingad	12	11	1	1
John I'Anson	4	2	0	0

The entity 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 $2 each towards meeting any outstanding obligations of the company. At 30 June 2011 the collective liability of members was $5156 (2010: $5272).

Core — Non Core Property as required under Section 41J of The Registered Clubs Act

Core property is

(a) the defined premises of the club, or

(b) any facility provided by the club for use of its members and their guests' or
(c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the Club.

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.

The Board of Directors consider our Core Property being the Club House and Golf Course including Practice Facilities, Motorised Cart Shed, Pro Shop, Halfway House and Maintenance Workshop. The Directors do not consider the Club to have Non-Core Property.

Auditor's Independence Declaration
The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found following the directors report of the financial report.

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

Director

Peter Tornaros

Dated this 19th day of **September 2011**

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF OCEAN SHORES COUNTRY CLUB LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.

Watson and Fenton Chartered Accountants

Name of Firm Watson and Fenton Chartered Accountants

B. D

Name of Partner Barry Dunnett

Date 15/09/2011

Address Suite 218 Level 2 Showcase on the Beach,

72 -80 Marine Parade

Coolangatta QLD 4225

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
INCOME STATEMENT FOR THE YEAR ENDED
30 JUNE 2011

	Note	2011 $	2010 $
Revenue	2	3,307,416	3,473,557
Other income	2	14,450	
Employee benefits expense		(1,147,243)	(1,158,242)
Depreciation and amortisation expense		(195,279)	(193,921)
Changes in inventories		37,799	40,892
Purchases, wastage and freight costs		(741,866)	(733,719)
Other expenses	3b	(1,266,954)	(1,360,805)
Profit before income tax		8,323	67,762
Income tax expense		-	-
Profit for the year		8,323	67,762

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
30 JUNE 2011

	Note	2011 $	2010 $
Profit for the year		8,323	67,762
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		8,323	67,762

The accompanying notes form part of these financial statements.

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2011

	Note	2011	2010
ASSETS		$	$
Current Assets			
Cash and cash equivalents	4	992,102	1,209,510
Trade and other receivables	5	24,015	8,159
Inventories	6	170,063	129,451
Other assets	7	24,663	37,493
Total Current Assets		1,210,843	1,384,613
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,776,770	1,573,030
Total Non-current Assets		1,776,770	1,573,030
TOTAL ASSETS		2,987,613	2,957,643
LIABILITIES			
Current Liabilities			
Trade and other payables	9	426,532	436,228
Borrowings	10	16,020	8,760
Short term provisions	11	89,675	78,691
Total Current Liabilities		532,227	523,679
Non-Current Liabilities			
Borrowings	10	22,000	16,790
Long term provisions	11	25,494	17,605
Total Non-Current Liabilities		47,494	34,395
TOTAL LIABILITIES		579,721	558,074
NET ASSETS		2,407,892	2,399,569
EQUITY			
Retained earnings		2,378,840	2,370,517
Reserves		29,052	29,052
TOTAL EQUITY		2,407,892	2,399,569

The accompanying notes form part of these financial statements.

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings $	Asset Realisation Reserve $	Total $
Balance at 1 July 2009	2,302,755	29,052	2,331,807
Profit/(loss) for the year	67,762		67,762
Balance at 30 June 2010	2,370,517	29,052	2,399,569
Profit/(loss) attributable to the entity	8,323		8,323
Balance at 30 June 2011	2,378,840	29,052	2,407,892

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers & members		3,465,098	3,639,290
Payments to suppliers and employees		(3,350,890)	(3,318,090)
Interest received		48,613	30,406
Finance costs paid		(8,132)	(9,801)
Net cash provided by/(used in) operating activities		154,689	341,805
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		15,409	-
Payment for property, plant and equipment		(399,976)	(204,908)
Net cash provided by/(used in) investing activities		(384,567)	(204,908)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease and instalment arrangement liabilities		(14,810)	(730)
Increase in finance lease and instalment arrangement liabilities		27,280	26,280
Net cash provided by/(used in) financing activities		12,470	25,550
Net increase/(decrease) in cash held		(217,408)	162,447
Cash and cash equivalents at the beginning of the financial year		1,209,510	1,047,063
Cash and cash equivalents at the end of the financial year	4	992,102	1,209,510

The accompanying notes form part of these financial statements.

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers & members		3,465,098	3,639,290
Payments to suppliers and employees		(3,350,890)	(3,318,090)
Interest received		48,613	30,406
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Payment for property, plant and equipment		(399,976)	(204,908)
Net cash provided by/(used in) investing activities		(384,567)	(204,908)
CASH FLOW FROM FINANCING ACTIVITIES			
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Net cash provided by/(used in) financing activities		12,470	25,550
Net increase/(decrease) in cash held		(217,408)	162,447
Cash and cash equivalents at the beginning of the financial year		1,209,510	1,047,063
Cash and cash equivalents at the end of the financial year	4	992,102	1,209,510

The accompanying notes form part of these financial statements.

The financial statements cover Ocean Shores Country Club Ltd as an individual entity, incorporated and domiciled in Australia. Ocean Shores Country Club Ltd is a company limited by guarantee.

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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.
The financial statements were authorised for issue on 19 September 2011 by the directors of the company.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is profitable that the economic benefits gained from the grant will blow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deterred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for bloating rate financial assets is the rate inherent n the instrument. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(b) Inventories
Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment
Each class of properly, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Property
The entity has adopted the cost model as its accounting policy for properly, plant and equipment.

Each class of properly is carried at cost less where applicable accumulated depreciation and impairment losses.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment
Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(b) for details of impairment.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation
The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the entity commencing from the time the asset is available for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 - 5%
Plant and equipment	10 - 34%
Leased plant and equipment	20.0%

The assets' residual values and useful lives are reviewed and adjusted, it appropriate, at the end of each reporting period.
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(d) Leases
Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.
Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. 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 the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell 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 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments,

and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment
At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash blows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets
At the end al each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine

whether there is any indication that those assets have been impaired. It such an indication exists, the recoverable amount al the asset, being the higher al the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the suture economic benefits al the asset are not primarily dependent on the assets ability to generate net cash inflows and when the entity would, it deprived al the asset, replace its remaining suture economic benefits, value in use is determined as the depreciated replacement cost al an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.
Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated suture 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash blows.

Contributions are made by the entity to an employee superannuation kind and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable tom, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash blows arising from investing or financial activities which

are recoverable tom, or payable to, the ATO are presented as operating cash blows included in receipts from customers or payments to suppliers.

(j) Income Tax

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

(k) Intangibles

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between 1 and 3 years. It is assessed annually for impairment.

(l) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is profitable 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 reporting period.

(m) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the
beginning of the earliest comparative period must be disclosed.

(n) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Critical Accounting Estimates and Judgments

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

(p) Economic Dependence

Ocean Shores Country Club Ltd is dependent on the members for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the members will not continue to support Ocean Shores Country Club Ltd.

(q) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

— AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).
This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments .
The Company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

– simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
– simplifying the requirements for embedded derivatives;
– removing the tainting rules associated with held-to-maturity assets;
– removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
– allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

– requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
– requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

— AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Company.

— AASB 1053 Application of Tiers of Australian Accounting Standards and

— AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)

— AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:
— Tier 1: Australian Accounting Standards; and
— Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.
Since the company is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.

— AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).
This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Company.

— AASB 2009–14: Amendments to Australian Interpretation-Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Company.

— AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011)
This Standard details numerous non-urgent but necessary changes to

accounting standards arising from the IASB's annual improvements project. Key changes include:

— clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standard financial statements;
— amending AASB 7 to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
— amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity
— amending AASB 134 by adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
— adding sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Company.

— AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

— AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards; and AASB 7: Financial Instruments: Disclosures; establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Company.

— 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

This Standard is not expected to impact the Company.

— AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an

entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is

recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Company.

— AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-

Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.
This Standard is not expected to impact the Company.

— AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9; and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7].

This Standard is not expected to impact the Company.

(r) Special Interest Groups ("SIGs")

The revenue and expenditure as reported reflect the gross amounts derived by the respective SIGs in accordance with their individual profit and loss accounts. Internal transactions between Club Ltd and the SIGs have, for the benefit of reporting to members only, been included in the reported revenue and expenditure of the SIGs. Accordingly, the gross revenue and expenditure of the entity, as reported in the income statement, includes internal transactions between Club Ltd and the SIGs.

OCEAN SHORES COUNTRY CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 2 Revenue and Other Income

	Note	2011 $	2010 $
Revenue from government grants and other grants			
- State/federal government grants		17,180	17,180
Revenue from operating activities			
- Bar (beverage)		1,064,269	1,058,159
- Golf		697,156	747,522
- Gaming		587,428	649,662
- Pro-shop	2(a)	381,917	442,720
- Special Interest Groups (competition fees, sponsorships, etc)		208,099	210,794
- Hallway House		132,905	152,255
- Sundry		83,767	82,407
- TAB, Keno and ATM commission		44,498	43,432
		3,258,803	3,443,151
Other revenue			
- Interest received		48,613	30,406
Total Revenue		3,307,416	3,473,557
Other Income			
- Gain on disposal of properly, plant and equipment		14,450	-
Total Other Income		14,450	-
Total Revenue and Other Income		3,321,866	3,473,557

Special Interest Groups ("SIGs") comprise: Men's Golf, Ladies Golf, Vets Golf, Men's Bowls and Ladies Bowls. Attention is drawn to note 16.

	2011 $	2010 $
(a) Pro-shop		
- Sale of goods	243,949	236,209
- Cart hire, etc	137,968	206,511
	381,917	442,720

OCEAN SHORES COUNTRY CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 3 Profit for the Year

	2011 $	2010 $
(a) Disclosable Expenses		
Depreciation and Amortisation		
Buildings	39,109	37,670
Plant and equipment	147,985	154,055
Leased assets	8,185	2,196
	195,279	193,921
Auditor Remuneration Audit services	12,990	12,890

Cost of sales	2011 $	2010 $
Bar	474,418	467,667
Pro-shop - sale of goods	159,438	148,676
Hallway House	70,210	76,484
	704,066	692,827

(b) Other expenses	Note		
Special Interest Group expenses (prizes and trophies, etc)	16	206,194	215,739
Operating lease rentals		144,759	150,430
Repairs and Maintenance		108,257	152,206
Competition fees paid by Club Ltd to the Special Interest Groups	16	89,440	101,730
Electricity & gas		83,877	79,428
Employee on costs		77,363	92,367
Fertilisers, sand and chemicals		72,599	83,593
Raffle & members draw expenses		52,068	59,730
Fuel and other vehicle costs		49,208	32,800
Advertising & promotions		37,505	35,029
Insurance		36,604	36,843
Members amenities		25,592	22,431
Printing and stationery		21,893	19,955
Security		21,354	22,898

Affiliation fees	20,265	19,319
Rates	19,552	18,575
Mid week packages-lunches	17,149	19,876
TAB Sky television	16,905	14,309
Central Monitoring expenses	15,709	15,275
Entertainment	8,858	6,763
Cleaning supplies	8,783	8,553
Legal expenses	8,586	5,630
Computer expenses	7,575	19,425
Other operating expenses	116,859	127,901
	1,266,954	1,360,805

Attention is drawn to note 16

Note 4 Cash and Cash Equivalents

	2011	2010
CURRENT		
Cash on hand	88,248	97,671
Cheque Account (Trading)	9,636	57,118
Cash Maximum Account	833,100	1,009,745
TAB Account	6,711	2,365
Keno Account	8,385	2,448
Cheque accounts (Special Interest Groups)	46,022	40,163
Total cash and cash equivalents as stated in the statement of financial position	992,102	1,209,510

Note 5 Trade and Other Receivables

		2011	2010
CURRENT			
Other receivables		24,015	8,159
Total current trade and other receivables	15	24,015	8,159

A provision for impairment in 2011 was not considered necessary by the Board.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 6 Inventories

	2011 $	2010 $
CURRENT		
At cost		
Beverage stock	38,849	35,014
Pro-shop stock	122,099	88,135
Golf course consumables	9,115	6,302
	170,063	129,451

Note 7 Other Assets

	2011 $	2010 $
CURRENT		
Prepayments	24,663	37,493
	24,663	37,493

Note 8 Property, Plant and Equipment and Capital Works in Progress

	Note	2011 $	2010 $
LAND AND BUILDINGS			
Freehold land:			
At cost		408,418	408,418
Total land		408,418	408,418
Buildings:			
At cost	*(ii)* below	1,191,238	1,132,377
Accumulated depreciation		(475,072)	(435,963)
Total buildings		716,166	696,414
Total land and buildings		1,124,584	1,104,832
PLANT AND EQUIPMENT			
Plant and equipment			
At cost		2,566,297	2,365,145
Accumulated depreciation		(2,017,843)	(1,934,894)
		548,454	430,251
Leased poker machines			
At cost		26,280	26,280

Accumulated depreciation		(8,774)	(2,196)
		17,506	24,084
CAPITAL WORKS IN PROGRESS			
At cost	(i) below	86,226	13,863
		86,226	13,863
Total property, plant and equipment and capital works in progress		1,776,770	1,573,030

Movements in Carrying Amounts

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

	Land	Buildings	Plant and Equipment	Leased Assets	Capital Works in Prog-ress	Total
2010						
Balance at the beginning of the year	408,418	679,493	474,132			1,562,043
Additions at cost		54,591	110,174	26,280	13,863	204,908
Depreciation expense		(37,670)	(154,055)	(2,196)		(193,921)
Carrying amount at end of year	408,418	696,414	430,251	24,084	13,863	1,573,030
2011						
Balance at the beginning of the year	408,418	696,414	430,251	24,084	13,863	1,573,030
Additions at cost		58,861	238,754		72,363	369,978
Disposals			(959)			(959)
Depreciation expense		(39,109)	(119,592)	(6,578)		(165,279)
Carrying amount at end of year	408,418	716,166	548,454	17,506	86,226	1,776,770

(i) Capital works in progress comprises professional fees and the costs of the DA in regards to the planned Club renovations.

(ii) Buildings include bridges costs to date of $39,027, that were capitalised in 2011. These bridges will be brought into use in the 2012 financial year.

Note 9 Trade and Other Payables

	Note	2011 $	2010 $
Current			
Trade Payables		56,709	70,310
Deferred income		252,245	236,310
Accrued expenses		42,296	50,975
GST payable		37,387	45,583
Golf points accrued		33,895	32,395
	9a	426,532	436,228

		2011 $	2010 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
- Total current		426,532	436,228
Less deterred income		(252,245)	(236,965)
Financial liabilities as trade and other payables	15	174,287	199,263

Note 10 Borrowings

	Note	2011 $	2010 $
CURRENT			
Lease liabilities	12	8,760	8,760
Installment arrangement		7,260	
		16,020	8,760
NON-CURRENT			
Lease liabilities	12	8,030	16,790
Installment arrangement		13,970	
		22,000	16,790
TOTAL BORROWINGS	15	38,020	25,550

The lease and installment liabilities are secured by the underlying assets. The installment arrangement (for a poker machine and software) spans 36 months, commencing in 2011.

Note 11 Provisions

CURRENT	2011	2010
Short-term Employee Benefits	$	$
Opening balance at 1 July 2010	78,691	81,767
Additional provisions raised during year	61,316	1,281
Amounts used	(50,332)	(4,357)
Balance at 30 June 2011	89,675	78,691
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 July 2010	17,605	11,475
Additional provisions raised during year	10,123	6,130
Amounts used	(2,234)	
Balance at 30 June 2011	25,494	17,605

	2011	2010
	$	$
Analysis of Total Provisions		
Current	89,675	78,691
Non-current	25,494	17,605
Balance at 30 June 2011	115,169	96,296

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 of financial statements.

Note 12 Capital and Leasing Commitments

(a) Finance Lease Commitments	2011	2010
Payable – minimum lease payments	$	$
— not later than 12 months	8,760	8,760
— later than 12 months but not later than 5 years	8,029	16,789
Present value of minimum lease payments	16,789	25,549

The poker machine lease commitment is a non-cancellable finance lease contracted for with a three year term.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

	2011	2010
	$	$
Payable – minimum lease payments		
not later than 12 months	128,533	123,268
later than 12 months but not later than 5 years	246,281	90,379
	374.814	213.647

The entity has rental agreements in place for use of golf course plant and equipment. The duration of the agreements is 48 months, whereupon it is the Board's intention at this stage, to return the equipment to the lessor. The entity has a new operating lease on golf course equipment that commenced in June 2011; the previous lease had expired.

Note 13 Related Party Transactions

a. Key Management Personnel

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

Key Management Personnel Compensation	2011 $	2010 $
Short-term benefits	150,860	144,161
Post-employment benefits	12,910	12,975
	163,770	157,136

Note 14 Cash Flow Information

Reconciliation of Cashflow from Operations with Profit after Income Tax	2011 $	2010 $
Profit after income tax	8,323	67,762
Non cash - flows		
Depreciation and amortisation	195,279	193,921
Profit on sale al properly, plant and equipment	(14,450)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(15,856)	25,622
Increase/(decrease) in trade and other payables	(9,698)	81,409
Increase/(decrease) in provisions	18,871	3,054
(Increase)/decrease in inventories	(40,612)	(40,431)
(Increase)/decrease in prepayments	12,832	10,468
	154,689	341,805
Credit Standby Arrangements		
Leasing	100,000	100,000
Amount utilised	-	-
Amount unused	100,000	100,000

Note 15 Financial Risk Management

The company's financial statements consist mainly al deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts tor each category al financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

		2011	2010
Financial Assets	Note	$	$
Cash and cash equivalents	4	992,102	1,209,510
Loans and receivables	5	24,015	8,159
Total Financial Assets		1,016,117	1,217,669
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	9(a)	174,287	199,263
— Borrowings	10	38,020	25,550
Total Financial Liabilities		212,307	224,813

Financial Risk Management Policies
Consisting of senior committee members, the finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include suture cash blow requirements.

Specific Financial Risk Exposures and Management

The entity does not consider itself exposed to credit risk as it is not in the business of selling on credit.

The entity does not consider itself exposed to price risk due to the nature of its sales and purchases and the industry it is in.

The entity has some exposure to market risk (namely interest rate risk). The potential died on the entities profit position is disclosed in the sensitivity analysis below.

The tables below reflect an undiscounted contractual maturity analysis tor financial liabilities.

Cash blows realised from financial assets reflect management's expectation as to the timing al realisation. Actual timing may therefore differ from that disclosed. The timing of cash blows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
Financial Liabilities	2011	2010	2011	2010	2011	2010	2011	2010
Trade and other payables (excluding estimated annual leave and deferred income	$ 174,287	$ 199,263	$ -	$ -	$ -	$ -	$ 174,287	$ 199,263
Finance lease and installment liabilities	16,020	8,760	22,000	16,789	-	-	38,020	25,549
Total expected outflows	190,307	208,023	22,000	16,789	-	-	212,307	224,812
Financial assets - cash flows realisable								
Cash and cash equivalents	992,102	1,209,510	-	-	-		992,102	1,209,510
Trade, term and loan receivables	24,015	8,159	-	-	-	-	24,015	8,159
Total anticipated inflows	1,016,117	1,217,669	-	-	-	-	1,016,117	1,217,669
Total anticipated outflows	825,810	1,009,646	(22,000)	(16,789)			803,810	992,857

Market Risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2011	Profit $	Equity $
+/- 1% in interest rates	8,331	8,331

Year ended 30 June 2010	Profit $	Equity $
+/- 1% in interest rates	10,100	10,100

No sensitivity analysis has been performed on foreign exchange risk as the company has no material exposures to currency risk.

Net Fair Values

Fair value estimation

The fairvalues of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. 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 judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

Differences between fairvalues and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (i.e. trade receivables, loan liabilities), are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

		2011		2010	
	Foot note	Net Carrying Amount	Net Fair Value	Net Carrying Amount	Net Fair Value
Financial assets					
Cash and cash equivalents	(i)	992,102	992,102	1,209,510	1,209,510
Trade and other receivables	(i)	24,015	24,015	8,159	8,159
Total financial assets		1,016,117	1,016,117	1,217,669	1,217,669
Financial liabilities					
Trade and other payables		174,287	174,287	199,263	199,263
Lease and installment liabilities		38,020	38,020	25,550	25,550
Total financial liabilities		212,307	212,307	224,813	224,813

The lair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and Trade and other payables are short-term instruments in nature whose carrying value is equivalent to lair value. Trade and other payables excludes amounts relating to the provision of annual leave which is outside the scope of AASB 139.

OCEAN SHORES COUNTRY CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 16 Special Interest Groups ("SIGs")

The results achieved by each Special Interest Group is as follows

		2011					
	Note	Men's Golf	Ladies Golf	Vets Golf	Men's Bowls	Ladies Bowls	Total
Revenue	2	72,776	37,239	24,809	39,844	33,431	208,099
Less : expenditure	3b & *(i)* below	69,278	36,331	23,999	39,999	36,331	205,938
		3,498	908	810	(155)	(2,900)	2,161
Less: golf improvements (see below)	*(ii)* below	15,000	-	-	-	-	15,000
Net income / (deficit) - SIGs		(11,502)	908	810	(155)	(2,900)	(12,839)

		2010					
	Note	Men's Golf	Ladies Golf	Vets Golf	Men's Bowls	Ladies Bowls	Total
Revenue	2	83,799	38,657	24,166	34,135	30,037	210,794
Less : expenditure	3b	89,065	40,842	24,049	32,663	29,120	215,739
Net income / (deficit) - SIGs		(5,266)	(2,185)	117	1,472	917	(4,945)

The revenue and expenditure as reported above reflect the gross amounts derived by the respective SIGs in accordance with their individual profit and loss accounts. Internal transactions between Club Ltd and the SIGs have, for the benefit of reporting to members, been included in the revenue and expenditure of the SIGs above. Accordingly, the gross revenue and expenditure of the entity per note 2 and 3 includes internal transactions between Club Ltd and the SIGs. The overall effect on the entity's gross revenue and expenditure is not considered material, however.

In 2011, the SIGs derived competition fee income of $89,440 (2010 $101,730). These fees are included in the respective revenues of the individual SIGs above. Club Ltd's expense, referred to as "competition fees paid to the SIGs", is disclosed per note 3b.

(i) Men's Golf expenditure of $69,278 above, includes the net cost to stage the PGA Legends Tournament, amounting to $2,568. In respect of the latter, revenue of $2,582 was generated and costs of $5,150 were incurred.

(ii) In 2011, Men's Golf and Ladies Golf made contributions of $15,000 and $ 25,000 respectively towards the irrigation system. In respect of Men's Golf, this amount is included in "other expenses' per the SIGs profit and loss statement. These contributions were applied directly towards capital expenditure and have accordingly not been recognised as income in Club Ltd's revenue; neither have they been included in "SIG expenditure in Club Ltd's records.

Note 17 Entity Details

The registered office of the entity is:

Ocean Shores Country Club Ltd
Orana Road
Ocean Shores NSW 2483

The principal places of business is:

Ocean Shores Country Club Ltd
Orana Road
Ocean Shores NSW 2483

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion there are reasonable grounds to believe that the entity 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

Peter Tornaros

Dated this 19th day of September 2011

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN SHORES COUNTRY CLUB LTD

Report on the Financial Report

We have audited the accompanying financial report of Ocean Shores Country Club Ltd, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair value in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

OCEAN SHORES COUNTRY CLUB LTD
ABN: 84 000 724 676
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN SHORES COUNTRY CLUB LTD

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Ocean Shores Country Club Ltd on 15 September 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Opinion

In our opinion, the financial report of Ocean Shores Country Club Ltd is in accordance with Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Watson and Fenton Chartered Accountants

Name of Firm Watson & Fenton Chartered Accountants

B. D

Name of Partner Barry Dunnett

Address: Suite 218 Level 2 Showcase on the Beach
72 - 80 Marine Parade
Coolangatta QLD 4225

Dated this 20th day of September 2011