OCEAN SHORES COUNTRY CLUB LTD

ABN: 84 000 724 676

Annual Financial Report For The Year Ended 30 June 2009

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

Your directors present their report on the entity for the financial year ended 30 June 2009.

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
John Thomas
Ian Wingad
Robert James
Mervyn Brady
Anne Slater
Robert Baxter (appointed 7/11/08)
Marie Anders (appointed 26/10/08)
John I'Anson (appointed 26/10/08)

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

Company Secretary

Mr Andrew Spice was appointed as the Company Secretary in May 2007 and held the position of the Company Secretary at the end of the financial year.

Principal Activities

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.

Operating Results

The profit of the entity amounted to $76,542.

Review of Operations

The Club had a change in accounting policy this year incorporating the SIG trading accounts into the Country Club Limited trading accounts for the year ended 30 June 2009. While this has introduced some new complexities we anticipate that these will be significantly less in future years.

Bar profit improved by $15,962; we believe that this is a result of the continued influence of the point of sale software which monitors stock control and improves gross profit percentage.

Poker machines showed a further decline in profit, possibly influenced by the overall economic climate and the continued impact of smoking regulations.

The most significant decrease in profit occurred in Golf; several contributory factors need to be considered to explain this decrease in profitability. The major impact was the continual wet weather from late December right through the second half of the financial year. The course was closed on numerous occasions thus denying the Club revenue for green fees, cart hire, member and visitor participation. The other consideration is that we had increased expenditure in terms of repairs and maintenance to cart paths and the 10th green. The combination of all of these factors resulted in a significant loss in an area which traditionally provides a positive contribution to the Club.

During this financial year the Club took over the responsibility for two new areas which have had some impact on profitability. Whilst the Pro Shop has produced positive results, the Board believes that this position can be improved if we are able to overcome some of the difficulties associated with staffing because of the extended operating hours. Similarly the Halfway House has produced profits; however these are not of the same magnitude as previously produced when the operations were staffed using volunteer labour. Controlling staff wages particularly during week ends and public holidays needs to occur to ensure continued profitability.

Other areas of the Clubs operation basically produced results comparable to the previous financial years.

Financial Position

The Club's total member's equity has increased from $2,081,297 30 June 2008 to $2,332,128 June 2009. The total cash at bank figure as the 30 June 2009 has decreased to $961,295 compared to $1,068,003 as at the 30 June 2008 representing a decrease of $106,708.

The entity's strong financial position has enabled the company to continue to operate with no borrowings and to increase its working capital ratio. The company's working capital, being current assets less current liabilities, has improved from $596.026 in 2008 to $769,764 in 2009.

The directors believe the entity is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

There have been no signification changes in the state of affairs of the Club during the financial year.

After Balance Date Events

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

Future Developments

To further improve the entity's profit and maximise its equity position, the following developments are intended to be implemented in the near future:

The Board of Directors are currently working with design and construction companies to develop a master plan for future Club developments.

The development of two blocks of land adjacent to the 9th green will commence once the appropriate plans and agreements between Byron Shire Council and the Club are finalised. This land will then be suitable for sale for the purpose of raising funds if required.

Environmental Issues

The entity's operations are subject to significant environmental regulation under the law of the Commonwealth or of the State of NSW.

Directors advise that in their opinion there are no environmental issues currently existing which have affected or may affect the company's operation.

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

Information on Directors

Peter Tornaros	— Chairman
Qualifications	— Retired Public Servant / Business Owner
Qualifications & Experience	— 5 years 9 months
Special Responsibilities	— Ex-officio all Committees
Leslie Hoffman	— Vice Chairman
Qualifications	— Retired Editor Daily Telegraph
Qualifications & Experience	— 2 years 9 months
Special Responsibilities	— Chairman House Committee
John Thomas	— Treasurer
Qualifications	— Retired Senior Education Officer
Qualifications & Experience	— 3 years 9 months
Special Responsibilities	— Chairman - Finance Committee
Ian Wingad	— Director
Qualifications	— Retired Business Owner
Qualifications & Experience	— 5 years 9 months
Special Responsibilities	— Lands & Golf Greens Committee
Robert James	— Bowls Representative
Qualifications	— Retired Deputy Principal
Qualifications & Experience	— 2 years 7 months
Special Responsibilities	— Chairman Bowls Greens Committee & Lands Committee
Mervyn Brady	— Director
Qualifications	— Retired TV Technician & Business Owner
Qualifications & Experience	— 7 years 9 months
Special Responsibilities	— Finance & Golf Greens Committee
Anne Slater	— Director
Qualifications	— Retired banker & Small Business Owner
Qualifications & Experience	— 1 year and 9 months
Special Responsibilities	— Chairperson - Lands Committee & House committee

Robert Baxter — Golf Representative
Qualifications — Retired real Estate Agent
Qualifications & Experience — 8 months
Special Responsibilities — Chairman Greens Golf

Marie Anders — Director
Qualifications — Retired Hotel / Motel manager
Qualifications & Experience — 8 months
Special Responsibilities — Bowls Greens committee

John I'Anson — Director
Qualifications — Retired Transport Contractor
Qualifications & Experience — 4 years 8 months
Special Responsibilities — House & Bowls Greens Committee

Meetings of Directors

During the financial year, 14 meetings of directors were held. Attendees by each director were as follows:

	Board Meetings		Special Board meetings	
	Number held	Number attended	Number held	Number attended
Peter Tornaros	12	12	2	2
Leslie Hoffman	12	11	2	2
John Thomas	12	12	2	2
Ian Wingad	12	10	2	2
Robert James	12	10	2	2
Mervyn Brady	12	12	2	2
Anne Slater	12	12	2	2
Robert Baxter	8	8	2	2
Marie Anders	8	7	2	2
John I'Anson	8	7	2	2

Indemnifying Officers or Auditor

During or since the financial year the company has paid premiums to insure each of the directors named in the directors report and Mr Andrew Spice Secretary Manager against liabilities for cost and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in the capacity of officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premiums were $3,121.53.

Proceedings on Behalf of the Entity

Ocean Shores Country Club Limited is not party to ongoing litigation at the date of this report.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on the page following the directors' report.

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

Director

Peter Tornaros

Dated this 24th day of September 2009

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WFD Assurance Services Pty Ltd

Name of Firm **WFD Assurance Services Pty Ltd**

B. D

Name of Partner **Barry Dunnett**

Date 19 September 2009

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 2009

	Note	2009 $	2008 $
Revenue from operating activities	2	2,892,857	2,819,947
Other income	2	121,030	60,107
Employee benefits expense		(1,038,085)	(898,035)
Depreciation and amortisation		(191,998)	(193,881)
Changes in inventories		52,822	(3,735)
Purchases		(595,972)	(440,093)
Other expenses	3a	(1,164,112)	(1,165,192)
Profit before income tax		76,542	179,118
Income tax expense		-	-
Profit after income tax		76,542	179,118

OCEAN SHORES COUNTRY CLUB LTD ABN: 84 000 724 676
BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,047,063	1,215,099
Trade and other receivables	5	32,954	5,275
Inventories	6	89,020	36,198
Other current assets	7	29,794	32,480
TOTAL CURRENT ASSETS		1,198,831	1,289,052
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,562,043	1,484,950
Other non-current assets	7	19,880	41,564
TOTAL NON-CURRENT ASSETS		1,581,923	1,526,514
TOTAL ASSETS		2,780,754	2,815,566
CURRENT LIABILITIES			
Trade and other payables	10	353,309	427,881
Short term provisions	11	81,767	86,114
TOTAL CURRENT LIABILITIES		435,076	513,995
NON-CURRENT LIABILITIES			
Trade and other payables	10	2,396	12,446
Long term provisions	11	11,475	33,860
TOTAL NON-CURRENT		13,871	46,306
TOTAL LIABILITIES		448,947	560,301
NET ASSETS		2,331,807	2,255,265
EQUITY			
Retained earnings		2,303,074	2,226,532
Reserves	12	28,733	28,733
TOTAL EQUITY		2,331,807	2,255,265

OCEAN SHORES COUNTRY CLUB LTD ABN: 84 000 724 676
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Retained Earnings $	Asset Realisation Reserve $	Total $
Balance at 1July 2007	1,891,608	28,733	1,920,341
Profit/(Loss) attributable to the entity	179,118	-	179,118
Retrospective adjustment upon change in accounting policy	155,806	-	155,806
Balance at 30 June 2008	2,226,532	28,733	2,255,265
Profit/(Loss) attributable to the entity	76,542	-	76,542
Balance at 30 June 2009	2,303,074	28,733	2,331,807

OCEAN SHORES COUNTRY CLUB LTD ABN: 84 000 724 676
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,218,625	3,046,836
Payments to suppliers and employees		(3,164,550)	(2,741,495
Interest received		46,161	59,027
Finance costs		(8,594)	-
Net cash generated from operating activities	17(b)	91,642	364,368
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and		23,455	2,000
Payment for property, plant and equipment		(283,133)	(233,873)
Net cash used in investing activities		(259,678)	(231,873)
Net increase in cash held		(168,036)	132,495
Cash at the beginning of the financial year		1,215,099	1,082,604
Cash at the end of the financial year	17(a)	1,047,063	1,215,099

OCEAN SHORES COUNTRY CLUB LTD ABN: 84 000 724 676
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 1 Statement of Significant Accounting Policies

The financial report is for 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.

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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

Accounting Policies

(a) Revenue

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

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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 cost, adjusted when applicable for any loss of service potential.

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

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

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

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued 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 asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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%

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

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(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, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording 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 charged as expenses in the period in which 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

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows 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 expire. The difference between the carrying value of the financial liability 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

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) 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 using the effective interest rate method.

(iii) 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 using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for- sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

(f) Impairment of Assets

At each reporting date, 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. If such an indication exists, the recoverable amount of the asset, being the higher of 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 expensed to the Income Statement.

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.

(g) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the entity to an employee superannuation fund 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 balance sheet.

(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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(j) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(k) Contributions

Ocean Shores Country Club Ltd receives non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

(l) Income Tax No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(m) 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 one and two years. It is assessed annually for impairment.

Computer software that is an internal part of a computer controlled machine is treated as property, plant and equipment. The operating system of a computer is treated the same way.

(n) Provisions

Provisions are recognised when the entity 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.

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

(p) Critical accounting estimates and judgments

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

Key estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 2 Revenue

	Note	2009 $	2008 $
Revenue from Government and Other Grants			
Government grants		17,180	17,180
Revenue from operating activities			
Gaming		650,514	720,317
Beverage sales		927,474	932,261
Golf		726,367	742,895
Halfway House	2(a)	145,278	-
Pro-shop		129,700	-
Special Interest Groups	2(a) & 23	149,397	252,113
TAB and Keno commission		34,079	33,596
Raffles		39,156	33,451
Other		73,712	88,134
		2,892,857	2,819,947
Other Revenue			
Gain on disposal of non current assets		9,414	1,080
Interest received		46,161	59,027
Compensation received		65,455	-
		121,030	60,107
Total Revenue		3,013,887	2,880,054

2(a) In 2008, revenue generated by the Special Interest Groups included revenue of the Halfway House, which amounted to $166,287.

Note 3 Profit

(a) Other expenses	Note	2009 $	2008 $
Retainer Pro		24,184	37,748
Raffle & members draw expenses		52,623	66,483
Advertising & promotions		28,416	38,914
Cleaning contractors & supplies		6,379	66,012
Insurance		32,255	33,951
Electricity & gas		57,866	56,260
Rates		18,149	16,126
Repairs & maintenance		193,498	109,146
Security		22,327	21,197
Members amenities		20,427	20,319
Operating lease rentals		117,407	93,348
Entertainment		13,382	14,813
Fuel		27,684	31,155
Expenses incurred by Special Interest Groups (SIG's)	23	126,698	233,630
Other operating expenses		422,817	326,090
		1,164,112	1,165,192
(b) Other disclosure expenses			
Cost of sales		543,150	443,830
Auditor Remuneration			
- audit services		10,750	11,750
Total Audit Remuneration		10,750	11,750

Note 4 Cash and Cash Equivalents

	2009	2008
	$	$
CURRENT		
Cash on hand	85,768	63,266
Cheque account	9,010	78,183
Cash Maximum Account	902,541	934,826
TAB Account	2,780	2,626
Keno Account	4,411	2,292
Business Management Account	-	50,076
Cheque accounts - SIGs	42,553	83,830
	1,047,063	1,215,099

Note 5 Trade and Other Receivables

	2009	2008
	$	$
CURRENT		
Other receivables	32,954	5,275
	32,954	5,275

(i) Provision for Impairment of Receivables

Receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual receivable is impaired.

Whilst there are balances within receivables that are post due, the Board does not believe they are impaired.

Note 6 Inventories

	2009	2008
	$	$
CURRENT		
At cost		
Beverage stock	32,983	28,382
Pro-shop stock	49,273	-
Golf course stock	6,764	7,816
	89,020	36,198

Note 7 Other Assets

	2009 $	2008 $
CURRENT		
Prepayments	29,794	32,480
	29,794	32,480
NON-CURRENT		
Prepayments	19,880	41,564
	19,880	41,564

Note 8 Property, Plant and Equipment

	2009 $	2008 $
LAND AND BUILDINGS		
Freehold land:		
At cost	408,418	408,418
Total land	408,418	408,418
Buildings		
At cost	1,077,786	987,587
Less accumulated depreciation	(398,293)	(364,238)
Total buildings	679,493	623,349
Total land and buildings	1,087,911	1,031,767
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	2,306,082	2,187,054
Less accumulated depreciation	(1,831,950)	(1,733,871)
Total plant and equipment	474,132	453,183
Total property, plant and equipment	1,562,043	1,484,950

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 $	Total $
2008				
Balance at the beginning of the year	408,418	656,102	381,359	1,445,879
Additions at cost	-	10,399	223,474	233,873
Disposals	-	-	(920)	(920)
Depreciation expense	-	(32,753)	(161,129)	(193,882)
Carrying amount at end of year	408,418	633,748	442,784	1,484,950
2009				
Balance at the beginning of the year	408,418	633,748	442,784	1,484,950
Additions at cost	-	79,800	203,333	283,133
Disposals	-	-	(14,041)	(14,041)
Depreciation expense	-	(34,055)	(157,944)	(191,999)
Carrying amount at end of year	408,418	679,493	474,132	1,562,043

Note 9 Investment Property

The entity has no investment property as at 30 June 2009.

Note 10 Trade and Other Payables

	2009 $	2008 $
CURRENT		
Trade payables	55,182	51,478
Income received in advance	202,254	276,516
Accrued expenses	64,517	49,547
Creditor-poker machine purchase	-	29,447
GST payable	17,774	20,893
Golf points accrued	13,582	-
	353,309	427,881
NON-CURRENT		
Income received in advance	2,396	12,446
	2,396	12,446

(b) The carrying amounts of non-current assets pledged as security are:

Freehold land and buildings	1,087,911	1,031,767

Note 11 Provision

CURRENT	2009	2008
Employee Benefits	$	$
Opening balance at 1 July 2008	86,114	105,813
Additional provisions raised during year	7,052	56,687
Amounts used	(11,399)	(76,386)
Balance at 30 June 2009	81,767	86,114

NON-CURRENT		
Employee Benefits		
Opening balance at 1 July 2008	33,860	33,573
Additional provisions raised during year	6,297	4,678
Amounts used	(28,682)	(4,391)
Balance at 30 June 2009	11,475	33,860

Analysis of Total Provisions	2009 $	2008 $
Current	81.767	86.114
Non-current	11,475	33,860
	93,242	119,974

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave and annual 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 to this report.

Note 12 Reserves

Asset Realisation Reserve

This reserve records realised gains on sale of non-current assets.

Note 13 Capital and Leasing Commitments

	2009	2008
Capital Expenditure Commitments	**$**	**$**
Capital expenditure commitments contracted for:		
Plant and equipment purchases	46,957	-
Payable:		
- not later than 12 months	46,957	-

Operating Lease Commitments

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

	2009	2008
Payable - minimum lease payments	$	$
—not later than 12 months	129,285	72,203
—later than 12 months but not later than 5 years	213,647	138,389
	342,932	210,592

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.

Note 14 Events After the Balance Date

The financial report was authorised for issue on 24 September 2009 by the Board of Directors.

Note 15 Key Management Personnel Compensation

	Short – term benefits $	Post employment benefits $	Other long term benefits $	Total $
2009				
Total compensation	136,978	11,356	12,186	160,520
2008				
Total compensation	139,249	12,115	-	151,364

Note 16 Related Party Transactions

There were no transactions between related parties of directors and key management personnel that occurred during the financial year ending 30/06/2009.

Note 17 Cash Flow Information

		2009	2008
		$	$
(a)	**Reconciliation of cash**		
	Cash at bank	961,295	1,151,833
	Other cash	85,768	63,266
		1,047,063	1,215,099
(b)	**Reconciliation of cash flow from operations with profit after income tax**		
	Profit after income tax	76,542	179,118
	Non-cash flows in profit/loss		
	Depreciation and amortisation	191,998	193,881
	Net loss/(gain) on disposal of property, plant and equipment	(9,414)	(1,080)
	Changes in assets and liabilities		
	(Increase)/decrease in trade and other	(27,679)	5,607
	(Increase)/decrease in prepayments	24,371	22,916
	(Increase)/decrease in inventories	(52,822)	3,735
	Increase/(decrease) in trade and other payables	(84,622)	(20,397)
	Increase/(decrease) in provisions	(26,732)	(19,412)
	Cash flows provided by operating activities	91,642	364,368
	Credit Standby Arrangements		
	Credit facility	-	100,000
	Leasing facility	100,000	100,000
	Amount utilised	-	-
		100,000	200,000

The major facilities are summarised as follows:

The bank overdraft facility arranged with National Australia Bank in 2008 was discontinued in 2009, following a decision by the Board.

Note 18 Financial Risk Management

(a) Financial Risk Management Policies

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 effect on the entities profit position is disclosed in the sensitivity analysis below.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing	
	2009	2008	2009	2008	2009	2008
	%	%	$	$	$	$
Financial assets						
Cash and cash equivalents	4.04	5.23	906,952	987,194	-	-
Trade and other receivables	0.00	0.00	-	-	-	-
Total financial assets			906,952	987,194	-	-

	Weighted Average Effective Interest Rate		Non interest Bearing		Total	
	2009	2008	2009	2008	2009	2008
	%	%	$	$	$	$
Financial assets						
Cash and cash equivalents	4.04	5.23	140,111	227,905	1,047,063	1,215,099
Trade and other receivables	0.00	0.00	32,954	5,275	32,954	5,275
Total financial assets			173,065	233,180	1,080,017	1,220,374

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing	
	2009	2008	2009	2008	2009	2008
	%	%	$	$	$	$
Financial liabilities						
Trade and other payables	0.00	0.00	-	-	-	-
Total financial liabilities			-	-	-	-

	Weighted Average Effective Interest Rate		Non interest Bearing		Total	
	2009	2008	2009	2008	2009	2008
	%	%	$	$	$	$
Financial liabilities						
Trade and other payables	0.00	0.00	151,053	151,365	151,053	151,365
Total financial liabilities			151,053	151,365	151,053	151,365

Trade and other payables are expected to be paid as follows:

	2009	2008
	$	$
Trade payables		
Less than 6 months	55,182	51,478
	55,182	51,478
Sundry payables		
Less than 6 months	95,871	99,987
	95,871	99,987
Total trade and sundry payables	151,053	151,465

The balance of trade and other payables represents income received in advance, totalling $204,650 (2008: $288,962).

(c) Net Fair Values

The net fair values of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	2009		2008	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial assets	$	$	$	$
Trade and other receivables	32,954	32,954	5,275	5,275
	32,954	32,954	5,275	5,275

A provision for impairment is not considered necessary by the Board.

(d) Sensitivity analysis

Interest rate risk:

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2009	2008
	$	$
Change in profit		
- Increase in interest rate by 1%	11,426	11,486
- Decrease in interest rate by 1%	(11,426)	(11,486)
Change in equity		
- Increase in interest rate by 1%	11,426	11,486
- Decrease in interest rate by 1%	(11,426)	(11,486)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Note 19 Capital Management

The finance committee, comprising senior staff and members of the Board consider the Club's working capital position and capital expenditure requirements and make recommendations to the Board when appropriate.

As far as investing surplus funds is concerned, consideration is given to the flexibility with which these funds may be invested and prevailing interest rates. In terms of managing the Club's cash, consideration is given to expense control, budgeting, prevailing economic conditions and current ratio analysis. These factors, together with the anticipated profits of the Club are taken into account when planning capital expenditure. The Board has decided to develop a capital purchase policy to add greater formability to the processes involved with acquiring capital equipment. This policy will be reviewed when appropriate.

Note 20 Accounting Standards

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

New Accounting Standards for application in future periods

The AASB has issued new, revised and amended 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 2008-11: Amendments to Australian Accounting Standard - Business Combinations among Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 July 2009). These amendments make the requirements in AASB 3: Business Combinations applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled, and to include specific recognition, measurement and disclosure requirements in AASB 3 for restructures of local governments.

• AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007- 10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.

- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Company as a policy of capitalising qualifying borrowing costs has been maintained by the Company.

- AASB Interpretation 18: Transfers of Assets from Customers (applicable for annual reporting periods commencing from 1 July2009). This guidance applies prospectively to entities that receive transfers of assets, such as plant and equipment from their customers in order to connect customers to a network and provide them with access to a supply of goods or services. The Interpretation outlines the appropriate accounting treatment in respect of such transfers.

The Company does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the Company's financial statements.

Note 21 Entity Details

The registered office of the entity is: Ocean Shores Country Club Ltd Orana Road Ocean Shores NSW 2483

The principal place of business is: Ocean Shores Country Club Ltd Orana Road Ocean Shores NSW 2483

Note 22 Disclosure Requirements under Section 41J of the Registered Clubs Act

Core and Non Core Property

(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, not 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.

Note 23 Special Interest Groups (SIG`s)

The net income derived by each Special Interest Group, in relation to the organisation as a whole (and after eliminating internal transactions) is as follows

	2009					
	Men's Golf	Ladies Golf	Vet's Golf	Men's Bowls	Ladies Bowls	**Total**
Income	55,128	45,375	11,685	19,649	17,560	149,397
Less : expenditure	42,428	36,122	12,630	18,367	17,151	126,698
Net income added to Ocean Shores Country Club Ltd	12,700	9,253	(945)	1,282	409	22,699

	2008					
	Men's Golf	Ladies Golf	Vet's Golf	Men's Bowls	Ladies Bowls	**Total**
Income	67,195	129,813	12,540	24,212	18,353	252,113
Less : expenditure	63,137	114,020	11,356	28,042	17,075	233,630
Net income added to Ocean Shores Country Club Ltd	4,058	15,793	1,184	(3,830)	1,278	18,483

In 2008, the results of the Ladies Golf Committee included the Halfway House. The Ladies Golf Committee ceased responsibility for the Halfway House in 2009.

The income and expenditure attributable to Special Interest Groups for the 2008 financial year have not been audited.

Note 24 Change in Accounting Policy

The entity changed its accounting policy for the financial year ending 30 June 2009 with respect to the inclusion of the Special Interest Groups ("SIG's") into its financial statements. Special interest groups include the golf and bowling activities of men and ladies, each with their respective Committees.

Previously these SIG's, which are listed under note 23, were excluded from the entity's statutory reporting. After due consideration, a decision was taken by the Board to include the SIG's in the Income Statement, Balance Sheet and Cashflow Statement of Ocean Shores Country Club Ltd.

In accordance with the Australian Accounting Standards, the change in accounting policy has been applied retrospectively.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2009 is as follows (no taxation effect results from these changes).

	Previously stated 2009	Adjustment 2009	Restated 2009	Previously stated 2008	Adjustment 2008	Restated 2008
Income Statement						
Changes in revenue	2,864,490	149,397	3,013,887	2,627,941	252,113	2,880,054
Changes in expenses	2,810,647	126,698	2,937,345	2,467,306	233,630	2,700,936
Profit before income tax expense	53,843	22,699	76,542	160,635	18,483	179,118
Balance Sheet						
Assets	2,738,201	42,553	2,780,754	2,731,736	83,830	2,815,566
Liabilities	519,015	(70,068)	448,947	650,760	(90,459)	560,301
Adjustment to opening retained earnings	2,052,243	174,289	2,226,532	1,891,608	155,806	2,047,414

Note 25 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $1each towards meeting any outstandings and obligations of the entity. At 30 June 2009 the number of members was 2472.

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, comprising the income statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to the financial statements, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2009 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 24th day of September 2009

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 balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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 in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

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

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

Independence
In conducting our 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 19 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

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

Qualification

1. Special Interest Groups provide a significant source of revenue for Ocean Shores Country Club Ltd. As is common for organisations of this type, it is impracticable for Special Interest Groups to maintain effective systems of control over collection of receipts prior to entry into its financial records.

Accordingly, as evidence available to us regarding revenue from this source was limited, our audit procedures with respect to revenue incurred by Special Interest Groups in 2009 had to be restricted to amounts recorded in the financial records.

2. Revenue in respect of Ocean Shores Country Club Ltd in 2009 includes cash sales incurred by Halfway House. Prior to February 2009, during which Halfway House sales amounted to $98,657, there were no effective systems of control over such sales on which we could rely for the purpose of our audit, prior to entry into its financial records.

Accordingly, as evidence available to us regarding revenue from this source was limited, our audit procedures with respect to revenue incurred by Halfway House to February 2009 had to be restricted to amounts recorded in the financial records.

3. The income and expenditure attributed to Special Interest Groups for the 2008 financial year have not been audited. Accordingly, we do not express an opinion on them.

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

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of Ocean Shores Country Club Ltd is in accordance with the Corporations Act 2001, including:

a. giving a true and fair view of the company's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

WFD Assurance Services Pty Ltd

Name of Firm: **WFD Assurance Services Pty Ltd**

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 25th day of September 2009

OCEAN SHORES COUNTRY CLUB LTD SUPPORTS

Mullumbimby Junior Rugby League Club
Shores United Soccer Club
Mullumbimby Hockey Club
Walter & Eliza Institute of Cancer
Ferris Village Retirement Home
Brunswick Heads RSL Sub Branch
Brunswick Valley Woodchop
Brunswick Byron Netball Assoc
Clubs NSW Bush Fire Disaster Relief
Brunswick Valley Rescue Squad
Billinudgel Ocean Shores Rural Fire Brigade
Edyn Fawcett Charity Golf Day
Ocean Shores Public School
Animal Welfare League
Accommodation Network
Cancer Council
Ocean Shores Gardening Club
Lions Club
Ocean Shores Art Expo
Primary School Sports Assoc
Probus
Quota Club
Rotary Club
St Vincent De Paul