

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

Your directors present their report on the Company for the financial year ended 31 December 2009.

DIRECTORS

The names of the directors in office at any time during or since the end of the financial year are:

Name and Qualifications	Experience and Special Responsibilities
S MEADS	Elected President of the club. Resigned 08/09. Qualifications: Retired
N SHWARZER	Currently Vice Captain of the club. Has been a Board Member since May 2003. Qualifications: Retired
C POTTS	Previously Treasurer of the club. Did not seek reappointment. Qualifications: Mst. Business
G RICE	Currently Acting President of the club. Has been a Board Member since May 2006. Qualifications: Retired
L ADAM	Elected Captain of the club. Resigned 10/09. Qualifications: Manager
T PAUL	Currently Treasurer of the club. Has been a Board Member since October 2007. Qualifications: A.A.S.A (Snr); MACS
J CONWAY	Elected Director of the club. Resigned 07/09. Occupation: Butcher
S. NEILAN	Currently Acting Captain of the club. Appointed: 07/09 Occupation: Courier
L. DEANE	Currently Director of the club. Appointed 11/09. Occupation: Plumber

MEETINGS OF DIRECTORS

During the financial year, 12 meetings of directors were held. Attendances were:

Directors	Directors' Meetings	
	No. Eligible to Attend	No. Attended
S MEADS	8	8
N SHWARZER	12	11
C POTTS	6	3
G RICE	12	10
L ADAM	10	9
T PAUL	12	10
J CONWAY	7	5
S. NEILAN	5	5
L. DEANE	2	2

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

COMPANY SECRETARY

The following person held the position of Secretary at the end of the financial year: Mr Dennis Beuganey.

OPERATING RESULTS

The loss of the Company for the financial year after providing for income tax amounted to \$128,321 (2008: Loss \$134,042). This result was after charging \$105,359 (2008: \$113,508) for Depreciation and Amortisation.

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FOR THE YEAR ENDED 31 DECEMBER 2009

MEMBERSHIP

The number of members at 31 December 2009 was 801 (2008: 1,104).

REVIEW OF OPERATIONS

The Company continued to provide the facilities of a licensed club to the members and visitors during the year under review.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company during the financial year.

PRINCIPAL ACTIVITY

The principal activities of the company during the course of the financial year consisted of the conduct and promotion of the game of golf for members and guests of the Company.

No significant change in the nature of these activities occurred during the 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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS:

The Company will continue to provide the facilities of a licensed club to the members and visitors and to promote sporting activities.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS:

The Company is a non profit organisation and is prevented by its constitution from paying dividends.

INDEMNIFICATION AND INSURANCE OF OFFICERS:

The Company has provided for and paid a premium during the year for directors and officers liability insurance. The insurance is in respect of legal liability for damages and legal costs arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as directors or officers of the Company.

The directors have not included details of the nature of the liability covered or the amount of the premium paid in respect of the directors and officers' liability and legal expenses contract as such disclosure is prohibited under the terms of the contract.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

AUDITORS INDEPENDENCE DECLARATION

The auditors independence declaration for the year ended 31 December 2009 is included in the financial report and follows this Directors report.

Signed at Sydney in accordance with a resolution of the directors.

G.RICE
Acting President

T.PAUL
Treasurer

Dated:

BONDI GOLF AND DIGGERS CLUB LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BONDI GOLF AND DIGGERS CLUB LIMITED

To the Directors of Bondi Golf and Diggers Club Limited:

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

The audit opinion expressed in this report has been formed on the above basis.

BRYAN RUSH & COMPANY
Chartered Accountants

D R Conroy
Principal

Sydney
Dated:

Currently Acting Captain of the club. Appointed: 07/09

BONDI GOLF AND DIGGERS CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
Revenues from continuing operations			
Sale of goods		615,323	607,178
Rendering of services		727,919	676,712
Other revenue		5,009	12,101
Total revenue from continuing operations	2	<u>1,348,251</u>	<u>1,295,991</u>
Expenses			
Cost of sales	3	(248,361)	(248,823)
Donations and subsidies		(500)	(986)
Employee benefits expense		(554,443)	(511,518)
Entertainment, marketing and promotional costs		(93,821)	(102,463)
Gaming taxes		-	-
Golf & Course Expenses		(185,686)	(175,027)
Property expenses		(13,218)	(11,848)
Other expenses from ordinary activities		(273,503)	(264,135)
Total Expenses		<u>(1,369,532)</u>	<u>(1,314,800)</u>
Earnings before depreciation, amortisation expense and finance costs		(21,281)	(18,809)
Depreciation	3	(105,359)	(113,508)
Finance costs		(1,681)	(1,725)
Loss before income tax		<u>(128,321)</u>	<u>(134,042)</u>
Income tax expense	1	<u>-</u>	<u>-</u>
Net Loss from ordinary activities after income tax expenses attributable to members of the company		<u>(128,321)</u>	Cu <u>(134,042)</u>
Total comprehensive income for the year, net of tax	12	<u><u>(128,321)</u></u>	<u><u>(134,042)</u></u>

BONDI GOLF AND DIGGERS CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	5	171,689	192,124
Trade and other receivables	6	25,665	6,216
Inventories	7	16,675	23,030
TOTAL CURRENT ASSETS		214,029	221,370
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,663,245	1,757,403
TOTAL NON-CURRENT ASSETS		1,663,245	1,757,403
TOTAL ASSETS		1,877,274	1,978,773
CURRENT LIABILITIES			
Trade and other payables	9	152,475	146,667
Short-term provisions	10	75,996	54,982
TOTAL CURRENT LIABILITIES		228,471	201,649
TOTAL LIABILITIES		228,471	201,649
NET ASSETS		1,648,803	1,777,124
		<i>Currently Acting Captain of the club. /</i>	
MEMBERS' FUNDS			
Reserves	11	149,340	149,340
Retained earnings	12	1,499,463	1,627,784
TOTAL MEMBERS FUNDS		1,648,803	1,777,124

BONDI GOLF AND DIGGERS CLUB LIMITED
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STATEMENT OF CHANGES IN MEMBERS' FUNDS
AS AT 31 DECEMBER 2009

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2008	149,340	1,761,826	1,911,166
Profit/(Loss) attributable to members of the company	-	(134,042)	(134,042)
Balance at 31 December 2008	<u>149,340</u>	<u>1,627,784</u>	<u>1,777,124</u>
Profit/(Loss) attributable to members of the company	-	(128,321)	(128,321)
Balance at 31 December 2009	<u>149,340</u>	<u>1,499,463</u>	<u>1,648,803</u>

BONDI GOLF AND DIGGERS CLUB LIMITED
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Cash Receipts from operating activities		1,473,666	1,416,050
Interest Received		2,970	7,020
PAYMENTS			
Cash Payments from operating activities		(1,484,189)	(1,429,675)
Interest Paid		(1,681)	(1,725)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	19	(9,234)	(8,330)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Plant and Equipment		-	-
Payments for Plant and Equipment		(11,201)	(21,198)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(11,201)	(21,198)
CASH FLOWS FROM FINANCING ACTIVITIES			
		Currently Acting Captain of the club. App	
Repayments of Loans		-	(5,763)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		-	(5,763)
NET CASH INCREASE/(DECREASE) IN CASH HELD		(20,435)	(35,291)
Cash at 1 January 2009		192,124	227,415
CASH AT 31 DECEMBER 2009	5 & 19	171,689	192,124

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

Bondi Golf and Diggers Club Limited is a company limited by guarantee incorporated and domiciled in Australia. The financial report covers the company as an individual entity. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report of Bondi Golf & Diggers Club Limited complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

The company is a non-profit sporting organisation and consequently is exempt from Income Tax under section 50-54 of the Income Tax Assessment Act.

Inventories

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

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Property, plant and equipment are measured on the cost basis less, where applicable, depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the 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.

The club has a ten year lease with Waverley Council which expires on the 1st October 2012 in respect of the land on which the golf club stands. The lease became Currently Acting Captain of the club. Appointed: 07/09
company policy continue to be amortised over a period of approximately 20 years based on the estimated effective life of those improvements.

Depreciation and Amortisation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line and diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

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

CLASS OF FIXED ASSET	DEPRECIATION RATE
Leasehold Improvements	5%
Course Equipment	10% - 22.5%
Clubhouse Furniture & Fittings	7.5% - 40%

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Industry and Geographical Segments

The company's activities are the Conduct of a Registered Club in Australia.

Employee Benefits

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year are 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 future cash outflows to be made for those benefits.

Contributions are made by the club to employee superannuation funds and are charged as expenses when incurred.

Revenue

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. 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).

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 tax 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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes:

- (i) cash on hand and at call deposits with banks of financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Comparative Figures

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

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 cost plus transactions cost where the instrument is not classified as 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.

Classification and subsequent measurement

1. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through the profit or loss when they are held for trading for the purpose of short term profit taking. 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.

2. 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.

3. Held to maturity investments

Held to maturity investments are non-derivative financial assets with 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.

4. 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.

5. Financial Liabilities

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

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements 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 economical data, obtained both externally and within the group.

Key Estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value in use calculations performed in assessing recoverable amounts incorporated a number of key estimates.

Key Judgments - Provision for Impairment of Receivables

The directors believe that the amount included in accounts receivable is recoverable and no provision for impairment has been made at the end of the financial year.

Australian Accounting Standards Not Yet Effective

The Company has not yet applied any Australian Accounting Standards or Interpretations that have been issued at balance date, but are not yet operative for the year ended 31st December 2009. (the "Inoperative Standards"). The impact of the Inoperative Standards has been assessed and identified as not being material. The Company only intends to adopt Inoperative Standards at the date which their adoption becomes mandatory.

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 2 - REVENUE	2009	2008
	\$	\$
Operating Activities:		
Sale of Goods		
- Bar Sales	615,323	607,178
Total Sale of Goods	<u>615,323</u>	<u>607,178</u>
Poker Machine Takings	331,657	309,349
GST Rebate	17,180	17,184
Membership Subs - Golf	88,142	82,098
Membership Subs - Social/Other	2,150	4,355
Function and Other Income	8,633	4,518
Green and Competition Fees	229,977	212,351
Locker Rentals	1,769	1,530
Grants, Donations and Contributions	-	1,000
Interest Received	2,970	7,020
Tab Commission	12,841	13,722
Keno Commission	34,646	30,922
Other Commission	924	683
Insurance Recoveries	2,039	4,081
	<u>1,348,251</u>	<u>1,295,991</u>
Non-Operating Activities:		
Profit on Sale of Property, Plant and Equipment	<u>-</u>	<u>-</u>
Total Revenue	<u>1,348,251</u>	<u>1,295,991</u>
NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
(a) Expenses		
Cost of Sales:		
Bar	248,361	248,823
Total Cost of Sales	<u>248,361</u>	<u>248,823</u>
Depreciation & Amortisation of Non-Current Assets:		
Improvements	62,864	63,435
Plant & Furniture	42,495	50,073
Total Depreciation of Non-Current Assets	<u>105,359</u>	<u>113,508</u>
NOTE 4 - AUDITOR'S REMUNERATION		
Auditing the Financial Report	15,450	15,450
Other Services	-	-
	<u>15,450</u>	<u>15,450</u>

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
NOTE 5 - CASH AND CASH EQUIVALENTS		
Cash at Bank - Commonwealth Bank	78,113	26,517
Cash on Hand	20,000	20,000
Term Deposits - Commonwealth Bank	73,576	145,607
	<u>171,689</u>	<u>192,124</u>
NOTE 6 - TRADE AND OTHER RECEIVABLES		
Trade Debtors	11,854	250
Prepayments	13,811	5,966
	<u>25,665</u>	<u>6,216</u>
NOTE 7 - INVENTORIES		
Stock on Hand - at Cost	<u>16,675</u>	<u>23,030</u>
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT		
Property		
Leasehold Improvements - at Cost	1,870,598	1,870,598
Less Accumulated Amortisation	428,236	365,372
	<u>1,442,362</u>	<u>1,505,226</u>
Plant and equipment		
Course Equipment - at Cost	166,959	165,651
Less Accumulated Depreciation	137,172	132,212
	<u>29,787</u>	<u>33,439</u>
Clubhouse Furniture & Fittings - at Cost	587,234	577,341
Less Accumulated Depreciation	396,138	358,603
	<u>191,096</u>	<u>218,738</u>
Total Plant and Equipment	<u>220,883</u>	<u>252,177</u>
Total Property, Plant and Equipment	<u>1,663,245</u>	<u>1,757,403</u>

Movement 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:

	Leasehold	Course	Furniture &	Total
	Improvements	Equipment	Fittings	
	\$	\$	\$	\$
Balance at the beginning of the year	1,505,226	33,439	218,738	1,757,403
Additions	-	1,308	9,893	11,201
Disposals	-	-	-	-
Depreciation/Amortisation expense	(62,864)	(4,960)	(37,535)	(105,359)
Carrying amount at the end of the year	<u>1,442,362</u>	<u>29,787</u>	<u>191,096</u>	<u>1,663,245</u>

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
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	2009	2008
	\$	\$
NOTE 9 - TRADE AND OTHER PAYABLES		
Trade Creditors & Accrued Charges	115,153	120,396
Subscriptions in Advance	36,678	25,627
Other	644	644
	<u>152,475</u>	<u>146,667</u>
NOTE 10 - SHORT-TERM PROVISIONS		
Current		
Employee Entitlements	<u>75,996</u>	<u>54,982</u>
Aggregate Employee Entitlements Liability	<u>75,996</u>	<u>54,982</u>
Number of employees at year-end	<u>9</u>	<u>9</u>
Superannuation commitments		
The Club contributes to the following superannuation plan for employees:		
Club Plus Superannuation Fund		
Types of benefits		
The funds provide benefits that represent the accumulation of contributions to employers, providing lump sum or annuity benefits upon retirement, death or disability.		
Contributions		
The Club is under a legal obligation to contribute 9% of each employee's base salary to a superannuation fund. Details of contributions during the year are as follows:		
Employer contributions to the plans	<u>43,143</u>	<u>40,364</u>
NOTE 11 - RESERVES		
Capital Profits Reserve	<u>149,340</u>	<u>149,340</u>
	<u>149,340</u>	<u>149,340</u>
NOTE 12 - RETAINED EARNINGS		
Balance at 1 January	1,627,784	1,761,826
Net profit/(loss) attributable to the members of the company	(128,321)	(134,042)
Balance at 31 December	<u>1,499,463</u>	<u>1,627,784</u>

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 13 – KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

The names of each person holding the position of director of Bondi Golf & Diggers Club Limited during the financial year are:

Non-Executive

S MEADS
N SCWARZER
C POTTS
G RICE
L ADAM
T PAUL
J CONWAY
S.NEILAN
L.DEANE

Executive

D BEUGANEY

The key management personnel compensations are as follows:

	2009	2008
	\$	\$
Short-term employee benefits	107,994	96,878
Other long term benefits	-	-
Termination benefits	-	-
Honorariums	-	-
	<u>107,994</u>	<u>96,878</u>

Apart from the details disclosed in this note, no director has entered into a material contract with the company or the company since the end of the previous financial year and there were no material contracts involving directors' interests at year-end.

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

NOTE 14 - SEGMENT REPORTING

The company's activities are the conduct of a RSL Club in New South Wales in Australia. The principal activity being that of a licensed Golf Club.

NOTE 15 - COMPANY DETAILS

The registered office of the Company is:

Bondi Golf and Diggers Club Limited

5 Military Road

NORTH BONDI NSW 2026

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 16 – FINANCIAL RISK MANAGEMENT

a) Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable, loans, bills, and leases. The director'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 board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Financial Risk exposures and management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

1. Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

2. Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

3. Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

4. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial report.

There are no material amounts of collateral held as security at the end of the financial year.

The company does not have any material credit risk exposure to any single receivable or group of receivables under the financial instruments entered in to by the company.

Credit risk is managed and reviewed regularly by the Board of Directors. It arises from exposures to customers as well as through deposits with financial institutions. The Board of Directors monitors credit risk by actively assessing the rating quality of counter parties.

5. Price risk

The company is not exposed to any material commodity price risk.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

NOTE 16 – FINANCIAL RISK MANAGEMENT (CONT'D)

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.

	Notes	Weighted average interest rate %	Floating Rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
2009						
Financial assets						
Cash assets	5	4.00%	78,113	73,576	20,000	171,689
Receivables	6	0.00%	-	-	25,665	25,665
Total		4.00%	78,113	73,576	45,665	197,354
Financial liabilities						
Payables	9	0.00%	-	-	152,475	152,475
Total		0.00%	-	-	152,475	152,475

c) Net fair values of financial assets and liabilities

For financial assets and liabilities, the fair net value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments, forward exchange contracts and interest rate swaps. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 \$	2008 \$
NOTE 17 - COMMITMENTS		
Interest Bearing Liabilities		
a. Commitments for Hire Purchase Liabilities		
Not later than 1 year	-	-
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
Minimum Hire Purchase Payments	-	-
Less : Future finance charges	-	-
Represented in the Statement of Financial Position by :		
Current	-	-
Non-current	-	-
Total Hire Purchase Liabilities	-	-
b. Operating Lease Commitments		
Operating leases contracted for but not capitalised in the financial statements:		
Within one year	23,105	23,105
One year or later and no later than five years	42,359	65,464
	65,464	88,569
The lease with the council has a ten-year term expiring on the 1st October 2012 with rent payable monthly in advance.		
c. Rental Agreement Commitments		
IBM Global Financing Rental Agreements are payable:		
Within one year	9,962	9,962
One year or later and no later than five years	7,471	17,433
	17,433	27,395

The Company leased security equipment under rental contract expiring on the 19th September 2011. At the end of the four year term the Company has the option to renew the rental contract.

NOTE 18 - CONTINGENT LIABILITY

A contingent liability exists in connection with a proposed increase in rent by the club's landlords Waverley Council which is currently the subject of discussions between the club and the council.

If the rent was increased it would be backdated to October 2007 being the fifth anniversary of the ten year lease which expires in October 2012.

The club is vehemently opposed to any increase in its rental levels based on its future viability.

A contingent liability exists in connection with a dispute with the Club Golf Professional over a claim for \$180,000 he is alleging is owed to him. The Club maintains that the Club Golf Professional has always been fully remunerated in accordance with the terms of his contract and that nothing is owing to him. A court hearing date has been set down for 10 June 2010 a mediation conference will be held prior to that date. At the date of this report, the dispute and the claim made by the Club Glop Professional have not been resolved.

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

**NOTE 19 - RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH
PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX**

Reconciliation of Cash

For the purposes of the statement of cash flows cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2009	2008
	\$	\$
Cash at Bank - Commonwealth Bank	78,113	26,517
Cash on Hand	20,000	20,000
Term Deposits - Commonwealth Bank	73,576	145,607
	<u>171,689</u>	<u>192,124</u>
Profit/(Loss) from ordinary activities after income tax	(128,321)	(134,042)
Non-cash flows in profit from ordinary activities		
Depreciation & Amortisation	105,359	113,508
(Profit)/Loss on Disposal of Non-Current Assets	-	-
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	(19,449)	2,168
(Increase)/Decrease in Inventories	6,355	(4,669)
(Decrease)/Increase in Trade and Other Payables	5,808	1,596
(Decrease)/Increase in Short Term Provisions	21,014	13,109
CASH FLOWS FROM OPERATIONS	<u>(9,234)</u>	<u>(8,330)</u>

BONDI GOLF AND DIGGERS CLUB LIMITED
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DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 the financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at December 31, 2009 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date;
- 2 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

G.RICE
Acting President

T.PAUL
Treasurer

Dated:

Currently Acting Captain of the club. Appointed: 07/09

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
BONDI GOLF AND DIGGERS CLUB LIMITED
A.B.N. 47 001 066 708**

Report on the Financial Report

We have audited the accompanying financial report of Bondi Golf and Diggers Club Limited, which comprises the statement of financial the year position as at 31 December 2009, and the statement of comprehensive income and the statement of changes in members' fund and cash flow statement for ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company.

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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Audit 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 au Currently Acting Captain of the club. Appointed: 07/09 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 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.

Auditor's Opinion

In our opinion:

- a. the financial report of Bondi Golf and Diggers Club Limited is in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the company's financial position as at 31 December 2009 and performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

BRYAN RUSH & CO

D. R. Conroy
154 Elizabeth Street, Sydney NSW 2000

Dated:

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

**DISCLOSURE REQUIREMENTS OF SECTION 41J OF THE REGISTERED
CLUBS ACT 1976**

Section 41J of the Registered Clubs Act 1976 requires the club to disclose its Core and Non Core Property, as defined, in the Annual Report.

The Clubs Core property comprises the defined trading premises of the club situated at 5 Military Road, North Bondi NSW.