

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

Your directors present their report on the Company for the financial year ended 31 December 2010.

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
G RICE	Currently President of the club. Board Member since May 2006. Qualifications: Retired
L DEANE	Former Vice President of the club. Board Member since November 2009. Occupation: Plumber
T PAUL	Currently Treasurer of the club. Board Member since October 2007. Qualifications: A.A.S.A (Snr); MACS
N SCHWARZER	Currently Director of the club. Board Member since May 2003. Qualifications: Retired
S. NEILAN	Currently Captain of the club. Board Member since 2009. Occupation: Courier
P McFADYEN	Elected Director of the club. Appointed May 2010. Qualifications: Computer Operator
B DOMINISH	Elected Director of the club. Appointed May 2010. Occupation: School Teacher

MEETINGS OF DIRECTORS

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

Directors	Directors' Meetings	
	No. Eligible to Attend	No. Attended
G RICE	12	12
L DEANE	12	10
T PAUL	12	11
N SCHWARZER	12	11
S NEILAN	12	12
P McFADYEN	7	7
B DOMINISH	7	7

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

BONDI GOLF AND DIGGERS CLUB LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

PRINCIPAL ACTIVITY

The principal activity of the company during the financial year was to provide the facilities of a licensed club to the members and visitors.

The club's short term objectives are to:

- i) provide the best possible golf course and clubhouse facilities to members.
- ii) encourage new membership.
- iii) remain financially viable to achieve the above objectives.

The club's long term objectives are to:

- i) establish and maintain membership that fosters the game of golf; and
- ii) be sustainable and strive for continuous improvement so as to offer the best possible golfing and social amenities to members.

To achieve these objectives, the club has adopted the following Strategies:

- i) the Board strives to attract and retain quality management and provide high standards of service levels to the members. The Board believes that attracting and retaining quality staff will assist with the success of the club in both the short and long term.
- ii) maintain rigorous control over the club's finances to ensure the club remains viable and is able to continually upgrade the course and clubhouse for the benefit of members and encourage new membership.
- iii) the Board is committed to meet consistent standards of governance, best practice and provide clear expectations of professional accountabilities and responsibilities to all members.

The club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the club is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 towards meeting any outstanding obligations of the club. At 31st December 2010 the collective liability of members was \$2,014.

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATION ACT 2001

A copy of the Auditor's Independence Declaration follows this Directors' Report.

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

G.RICE
President

T.PAUL
Treasurer

Dated: 13/04/2011

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

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 2010 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: 13 April 2011

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
Revenues from continuing operations			
Sale of goods		591,057	615,323
Rendering of services		686,361	727,919
Other revenue		109,886	5,009
Total revenue from continuing operations	2	<u>1,387,304</u>	<u>1,348,251</u>
Expenses			
Cost of sales	3	(242,932)	(248,361)
Donations and subsidies		(550)	(500)
Employee benefits expense		(524,539)	(554,443)
Entertainment, marketing and promotional costs		(109,948)	(93,821)
Gaming taxes		-	-
Golf & Course Expenses		(167,895)	(185,686)
Property expenses		(15,018)	(13,218)
Other expenses from ordinary activities		(371,341)	(273,503)
Total Expenses		<u>(1,432,223)</u>	<u>(1,369,532)</u>
Earnings before depreciation, amortisation expense and finance costs		(44,919)	(21,281)
Depreciation	3	(101,792)	(105,359)
Finance costs		<u>(1,815)</u>	<u>(1,681)</u>
Loss before income tax		<u>(148,526)</u>	<u>(128,321)</u>
Income tax expense	1	<u>-</u>	<u>-</u>
Net Loss		<u>(148,526)</u>	<u>(128,321)</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income for the year, net of tax	12	<u><u>(148,526)</u></u>	<u><u>(128,321)</u></u>

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	112,929	171,689
Trade and other receivables	6	17,472	25,665
Inventories	7	19,991	16,675
TOTAL CURRENT ASSETS		<u>150,392</u>	<u>214,029</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,620,851	1,663,245
TOTAL NON-CURRENT ASSETS		<u>1,620,851</u>	<u>1,663,245</u>
TOTAL ASSETS		<u>1,771,243</u>	<u>1,877,274</u>
CURRENT LIABILITIES			
Trade and other payables	9	188,578	152,475
Short-term provisions	10	82,388	75,996
TOTAL CURRENT LIABILITIES		<u>270,966</u>	<u>228,471</u>
TOTAL LIABILITIES		<u>270,966</u>	<u>228,471</u>
NET ASSETS		<u>1,500,277</u>	<u>1,648,803</u>
MEMBERS' FUNDS			
Reserves	11	149,340	149,340
Retained earnings	12	1,350,937	1,499,463
TOTAL MEMBERS FUNDS		<u>1,500,277</u>	<u>1,648,803</u>

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

STATEMENT OF CHANGES IN MEMBERS' FUNDS
AS AT 31 DECEMBER 2010

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2009	149,340	1,627,784	1,777,124
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>
Profit/(Loss) attributable to members of the company	-	(148,526)	(148,526)
Balance at 31 December 2010	<u>149,340</u>	<u>1,350,937</u>	<u>1,500,277</u>

BONDI GOLF AND DIGGERS CLUB LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Cash Receipts from operating activities		1,409,776	1,473,666
Interest Received		1,819	2,970
PAYMENTS			
Cash Payments from operating activities		(1,511,451)	(1,484,189)
Interest Paid		(1,815)	(1,681)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	17	<u>(101,671)</u>	<u>(9,234)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Plant and Equipment		102,309	-
Payments for Plant and Equipment		(59,398)	(11,201)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>42,911</u>	<u>(11,201)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of Loans		-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
NET CASH INCREASE/(DECREASE) IN CASH HELD		(58,760)	(20,435)
Cash at 1 January 2010		171,689	192,124
CASH AT 31 DECEMBER 2010	5 & 17	<u><u>112,929</u></u>	<u><u>171,689</u></u>

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

The financial statements are for Bondi Golf & Diggers Club Limited as an individual entity, incorporated in Australia. Bondi Golf & Diggers Club Limited is a company limited by guarantee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Bondi Golf & Diggers Club Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and the AASB 20102: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1st January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards - Reduced Disclosure Requirements 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 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.

ACCOUNTING POLICIES

Going Concern Basis of Preparation of the Financial Statements

The financial report has been prepared on a going concern basis which assumes the realisation of the Club's assets and the extinguishment of its liabilities in the normal course of business.

The club is reliant on positive cash flows from its core operations to remain viable. The Club currently remains able to pay its debts as and when they fall due and had no external bank debt at balance date.

Should the club not be able to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in normal course of business and at amounts different from those stated in the financial report.

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.

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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 effective in 2002. Leasehold improvements on the land in line with 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%

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.

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'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 payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-lined 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 expenses for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged 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.

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).

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

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.

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.

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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

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.

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

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.

BONDI GOLF AND DIGGERS CLUB LIMITED
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 2 - REVENUE	2010 \$	2009 \$
Operating Activities:		
Sale of Goods		
- Bar Sales	591,057	615,323
Total Sale of Goods	591,057	615,323
Poker Machine Takings	281,297	331,657
GST Rebate	17,180	17,180
Membership Subs - Golf	79,484	88,142
Membership Subs - Social/Other	3,918	2,150
Function and Other Income	40,917	8,633
Green and Competition Fees	209,172	229,977
Locker Rentals	1,842	1,769
Interest Received	1,819	2,970
Tab Commission	11,420	12,841
Keno Commission	39,072	34,646
Other Commission	2,059	924
Insurance Recoveries	5,758	2,039
	1,284,995	1,348,251
Non-Operating Activities:		
Profit on Sale of Property, Plant and Equipment	102,309	-
Total Revenue	1,387,304	1,348,251
NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
(a) Expenses		
Cost of Sales:		
Bar	242,932	248,361
Total Cost of Sales	242,932	248,361
Depreciation & Amortisation of Non-Current Assets:		
Improvements	63,047	62,864
Plant & Furniture	38,745	42,495
Total Depreciation of Non-Current Assets	101,792	105,359
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance;		
- Profit on Sale of Poker Machine Entitlements	102,309	-
- Legal Fees and Oncosts - Pro	(117,236)	(27,568)

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
NOTE 4 - AUDITOR'S REMUNERATION		
Auditing the Financial Report	16,600	15,900
Other Services	-	-
	<u>16,600</u>	<u>15,900</u>
NOTE 5 - CASH AND CASH EQUIVALENTS		
Cash at Bank - Commonwealth Bank	46,534	78,113
Cash on Hand	20,000	20,000
Cash Deposits - Commonwealth Bank	46,395	73,576
	<u>112,929</u>	<u>171,689</u>
NOTE 6 - TRADE AND OTHER RECEIVABLES		
Trade Debtors	-	11,854
Prepayments	17,472	13,811
	<u>17,472</u>	<u>25,665</u>
NOTE 7 - INVENTORIES		
Stock on Hand - at Cost	<u>19,991</u>	<u>16,675</u>
NOTE 8 - PROPERTY, PLANT AND EQUIPMENT		
Property		
Leasehold Improvements - at Cost	1,889,792	1,870,598
Less Accumulated Amortisation	491,283	428,236
	<u>1,398,509</u>	<u>1,442,362</u>
Plant and equipment		
Course Equipment - at Cost	166,959	166,959
Less Accumulated Depreciation	141,343	137,172
	<u>25,616</u>	<u>29,787</u>
Clubhouse Furniture & Fittings - at Cost	627,437	587,234
Less Accumulated Depreciation	430,711	396,138
	<u>196,726</u>	<u>191,096</u>
Total Plant and Equipment	<u>222,342</u>	<u>220,883</u>
Total Property, Plant and Equipment	<u>1,620,851</u>	<u>1,663,245</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 2010

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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 Improvements	Course Equipment	Furniture & Fittings	Total
	\$	\$	\$	\$
Balance at the beginning of the year	1,442,362	29,787	191,096	1,663,245
Additions	19,194		40,204	59,398
Disposals	-	-	-	-
Depreciation/Amortisation expense	(63,047)	(4,171)	(34,574)	(101,792)
Carrying amount at the end of the year	<u>1,398,509</u>	<u>25,616</u>	<u>196,726</u>	<u>1,620,851</u>
			2010	2009
			\$	\$

NOTE 9 - TRADE AND OTHER PAYABLES

Trade Creditors & Accrued Charges	147,138	115,153
Subscriptions in Advance	40,796	36,678
Other	644	644
	<u>188,578</u>	<u>152,475</u>

NOTE 10 - SHORT-TERM PROVISIONS

Current

Employee Entitlements	<u>82,388</u>	<u>75,996</u>
Aggregate Employee Entitlements Liability	<u>82,388</u>	<u>75,996</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>41,848</u>	<u>43,143</u>
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NOTE 11 - RESERVES

Capital Profits Reserve	<u>149,340</u>	<u>149,340</u>
	<u>149,340</u>	<u>149,340</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 2010

NOTE 12 - RETAINED EARNINGS	2010	2009
	\$	\$
Balance at 1 January	1,499,463	1,627,784
Net profit/(loss) attributable to the members of the company	(148,526)	(128,321)
Balance at 31 December	<u>1,350,937</u>	<u>1,499,463</u>

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

G RICE
L DEANE
T PAUL
N SCHWARZER
S NEILAN
P McFADYEN
B DOMINISH

Executive

D BEUGANEY

The key management personnel compensations are as follows:

	2010	2009
	\$	\$
Short-term employee benefits	97,999	107,994
Other long term benefits	8,052	-
	<u>106,051</u>	<u>107,994</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 - 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 2010

NOTE 15 - COMMITMENTS	2010 \$	2009 \$
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	19,254	42,359
	42,359	65,464

The lease with Waverley 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	7,471	9,962
One year or later and no later than five years	-	7,471
	7,471	17,433

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

NOTE 16 - 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 opposed to any increase in its rental levels based on its future viability.

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

**NOTE 17 - 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:

	2010	2009
	\$	\$
Cash at Bank - Commonwealth Bank	46,534	78,113
Cash on Hand	20,000	20,000
Cash Deposits - Commonwealth Bank	46,395	73,576
	112,929	171,689
Profit/(Loss) from ordinary activities after income tax	(148,526)	(128,321)
Non-cash flows in profit from ordinary activities		
Depreciation & Amortisation	101,792	105,359
(Profit)/Loss on Disposal of Non-Current Assets	(102,309)	-
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade and Other Receivables	8,193	(19,449)
(Increase)/Decrease in Inventories	(3,316)	6,355
(Decrease)/Increase in Trade and Other Payables	36,103	5,808
(Decrease)/Increase in Short Term Provisions	6,392	21,014
CASH FLOWS FROM OPERATIONS	(101,671)	(9,234)

BONDI GOLF AND DIGGERS CLUB LIMITED
ABN 47 001 066 708

DIRECTORS' DECLARATION

The directors of the company 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 December 31, 2010 and of the performance for the year ended on that date of the Club.
- 2 in the directors' opinion there are reasonable grounds to believe that the 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
President

T.PAUL
Treasurer

Dated: 13th April 2011

**INDEPENDENT AUDITOR'S 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 position as at 31 December 2010, the statement of comprehensive income, statement of changes in members' fund, and statement of cash flows for the year 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 - Reduced Disclosure Requirements (including 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 that is free from material misstatement, whether due to fraud or error.

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. Those 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 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 2010 and performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matters described in note 1 "Going Concern" to the financial statements, there is uncertainty whether the company will be able to continue as a going concern and whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the company not continue as a going concern.

BRYAN RUSH & CO

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.