

PALM BEACH GOLF CLUB LTD
[A Company Limited by Guarantee]
ABN 22 000 156 534

ANNUAL REPORT 2020



Palm Beach
— GOLF CLUB —

2 Beach Road PALM BEACH NSW 2108
Telephone [02] 9974 4079
Email: palmbeachgc@bigpond.com

Web: www.palmbeachgolf.com.au

COURSE SPONSORS

Palm Beach Golf Club Ltd wishes to acknowledge the invaluable support and generosity of its course sponsors through their various advertising commitments:

MAJOR SPONSOR	L J HOOKER PALM BEACH
Hole # 1	Trentham Estate Wines
Hole # 2	Avalon Air
Hole # 3	Modus Operandi
Hole # 4	Available
Hole # 5	JayZee Plumbing
Hole # 6	URM Waste Management
Hole # 7	Keith Root Building
Hole # 8	Available
Hole # 9	Barrenjoey Insurance Brokers
Eagles Nest	Avalon Physiotherapy Centre
Doves Nest	Rhonda Mortimer
Cart # 1	Apex Signage
Cart # 2	Travelview
Cart # 3	Available
Cart # 4	Available
Cart # 5	Available
Cart # 6	Available
NTP 2 nd Hole	Available
NTP 6 th Hole	Available
Hole in One – 3 rd	Modus Operandi
Ladies Sponsor	Available

VOLUNTEERS & CONTRIBUTORS

In addition, we thank all the volunteer members who continuously help to reduce our workload.

To these Sponsors and willing Volunteers, the Club thanks you for your support.

Should any member wish to be a sponsor of the Club or have someone they know who would be interested in advertising on the course or on a Golf Cart, please contact the Office.

ANNUAL REPORT
for the year ended 31 December 2020

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KEY INFORMATION

Address: 2 Beach Road
PALM BEACH NSW 2108

Telephone: [02] 9974 4079

Email: palmbeachgc@bigpond.com

Website: www.palmbeachgolf.com.au

Life Members:

Mr A. Berry (Jnr)	Mr M. Walker
Mrs J. Warner	Mr J. Kerr
Mr R.Head	

Executive:

President:	Daniel Hill
Vice President:	Rhonda Mortimer
Club Captain:	Justin Zieren
Treasurer:	Stephen Farr
General Manager:	Renae Fitzgerald
Patron:	Chris Shaw

Auditor: Fraser Lovett

A F Lovett
P O Box 72
FRENCHS FOREST, NSW 1640

Telephone: [02] 9451 6364

Solicitor: Chris Shaw

Shaw Reynolds Lawyers
Level 29 Chifley Tower
2 Chifley Square SYDNEY, NSW 2000

Telephone: [02] 9375 2220

Email: Chris.Shaw@shawreynolds.com.au

Committees:

[President: Ex officio on all committees]

Executive Committee

Daniel Hill [Chair]
Rhonda Mortimer
Stephen Farr
Justin Zieren

Finance Committee

Stephen Farr [Chair]
Daniel Hill
Nikki Lowe

Greens Committee

Mark Hill [Chair]
Mark Upton
Stephen Farr
Craig Bevan
Lisa Newling

Match Committee

Justin Zieren [Chair]
Chris Seymour
Jan Watts
Kieran Clough
Charles Mayson

Membership & Marketing

Rhonda Mortimer [Chair]
Justine Paul
Stephen Farr
Lisa Newling
Renae Fitzgerald

House Committee

Bob Quin [Chair]
Lex Mitchell
Mark Hill
Steve Wannell
Renae Fitzgerald

Junior Development Committee

Justin Zieren [Chair]
Mark Upton
Nikki Lowe
Lisa Newling

Marketing & Functions

Renae Fitzgerald [Chair]
Tanja Gruber
Stephen Farr

Welfare & Community Relations Committee

Daniel Hill [Chair]
Stephen Farr
Charles Mayson

Course Superintendent

Craig Bevan

Representative to NSWGA

Jan Watts

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PRESIDENT'S REPORT

On behalf of the entire Board, it is with a great pleasure that we present this year's Annual Report. 2020 was a year for the record books for several reasons. It was a year we saw a global pandemic shut down businesses across the world and we at Palm Beach were not immune to this. I want to thank all involved who assisted with what felt likely weekly and sometimes daily changes to what we could do and how we could operate. We used the time we were closed to restructure and develop how we operated as a business with the aim to improve services for our Members and guests. I hope you all agree that the Club once again has a sense that we are moving forward, a sense of comradery, and a sense of tradition as we head towards our centenary.

We also have another reason to celebrate. For only the third time in nearly two decades we have recorded a net profit. I will leave the finer details of the finances to our Treasurer but from what we can tell, it is our largest net profit on record. I want to thank him for all his hard work over past few years. The Club has greatly benefited from your wisdom and experience. This year has been a great result, but we have more work to do before we are out of the woods.

2020 saw the Club achieve several other goals, namely:

- Our \$800K Course renovations have commenced. We have already seen the 4th, 5th, and 6th greens completely renovated. We have also seen the 4th, 6th, and 7th tees being completed. The 1st, 2nd, 9th, and practice greens are well progressed, and we eagerly await their opening. I thank Craig Bevan for all his hard work over the past year. Over the coming months we will also see the commencement of works in the Clubhouse, namely, the installation of the lift, two disabled bathrooms, and automatic glass sliding doors.
- We reinstalled our boom gates to ensure members have a secure place to park.
- We repaired our security cameras which provide an additional level of security for the Club.
- We have upgraded all our trophies – some of which had not been updated since 2004.

I want to thank the Board for all your hard work over the past year. Being in your positions are never an easy task yet you continuously volunteer your time for the benefit of our fellow members and the Club.

I want to thank the Ladies Committee, and in particular Joan Lester and Jan Watts, for all their hard work over the past year.

I want to thank Club Patron, Chris Shaw, for his guidance over the past year through several issues.

I want to thank our new Pro, Lisa Newling, for all her hard work. It cannot have been easy starting a new business during a pandemic, together with major renovations. I think you will all agree with me on how good the inside of the Pro Shop now looks.

Thanks to our sponsors for your ongoing support. You provide an invaluable benefit to the Club. The 2020 sponsors were Major Sponsor - LJ Hooker, Hole Sponsors – Trentham Estate, Avalon Air, Modus Operandi, URM, Keith Root Building Services, Barrenjoey Insurance, and Cart Sponsor – Apex Signage.

Lastly, but certain not least, I want to thank all the Club's staff, namely Renae, Nikki and Phill for their continued support and hard work over what was a particularly difficult year.

Thanks to all again and I look forward to another successful year.

Regards.

Daniel Hill
President

TREASURER'S REPORT

We had a very interesting time during the 2020 calendar year.

The year started with smoke haze and drought conditions both having a negative effect on our trading conditions, then we had a month of heavy rainfall. Covid eventually closed us down on 27th March 2020.

The Board of Directors decided that this closure presented the Club with an opportunity to examine the existing trading model and make some pretty major changes for the future viability of our Club.

The biggest change to the existing model was to bring all areas of our business back in-house. Whilst advertising for a new chef we were very lucky to attract Phillip Martin to the Club and have greatly benefited from his experience.

Our course maintenance contract was terminated in August and we employed Craig Bevan as our Course Superintendent. I am sure you will agree that he is doing a tremendous job maintaining our course and the renovations work is also under

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budget. Well done, Craig.

During the hunt for a new chef, the opportunity arose to convert an old cart storage room into another income stream with the introduction of Paradise Café. Welcome Jonas.

The final piece in the puzzle was the retirement of Alan Berry after 40 years of valuable service and our employment of Lisa Newling as the new Club Professional.

Lisa and Simon renovated the Pro Shop, and it is a credit to their commitment to help the Board improve the profitability of the Golf Course. Membership numbers are on the improve and continue to strengthen.

It has been a very eventful year and all involved have worked very hard to increase the enjoyment of your membership of Palm Beach Golf Club.

The results for the year are as follows: -

The Club had a Net Profit of \$267,544 for the year ended 31 December 2020.

The total Net Income was \$1,816,862 up \$656,938 on last year summarized as follows: -

- Members Subscriptions of \$235,801 – up \$5,438 on last year. This was an increase of 2.3%.
- Green Fees of \$317,943 – up \$84,057 or 35.9%. The playing public continue to support our Club. Thank you to Craig for continuing to provide us with a course that is the pearl on the Peninsula.
- Competition Fees of \$69,892 – up \$15,110 or 27.5%. Again, members have returned to play in our competitions. Thank you, Craig and Justin Zieren.
- Bar Revenue of \$363,669 – up \$16,179 on 2019. Whilst this is only a small increase of 4.65%, we should remember the Club was closed for 9 weeks in April and May then a further 2 weeks in December. A good result.
- Function Income was \$41,978 – down \$57,300. This reduction is a direct result of Covid Weddings which were either cancelled or postponed and all Christmas parties were cancelled.
- Restaurant Income was \$563,358 – up \$534,030 on 2019. After re-opening at the end of our lockdown, Palm Beach Golf Club has become a destination restaurant. My sincere thanks to Phillip Martin and his staff for transforming our Club Restaurant into a well patronised eatery.
- Government Grants of \$82,100. This was the first drawdown against our Grant of \$790,000. The drawdown was fully expended against the work performed on the 4th, 5th and 6th greens.
- Catering Utilities Contributions ceased when our Restaurant caterers finished their contract in 2019.
- Rent Kiosk was \$8,598. This was for 2 months. I would like to welcome Jonas to the Club and encourage all members to support his café.

The Total Expenses were \$1,549,318 up \$322,750 on last year summarised as follows: -

- Bar Trading Function Expenses of \$133,533 down \$52,227 on 2019. The Bar was closed for 10 weeks in 2020 through Covid.
- Restaurant Expenses were \$374,847 – up \$360,327 on last year. This is consistent with our new operation. The expenses included \$15,067 for machinery repairs.
- Golf Course Expenses were \$255,319 – down \$77,664 or 23.3%. This is a direct result of the termination of our Maintenance contract and the direct employment of our Course Superintendent, Craig Bevan. Well done, Craig.
- House Expenses of \$116,761 – down \$20,777.
- Administration Expenses of \$245,929 – down \$30k.
- Finance Expenses remained constant.

I would like to thank the Board of Directors and our valuable staff for helping achieve our best result in the Clubs history.

Stephen Farr
Treasurer

HOUSE REPORT

2020 was a bit of a different year with disruptions to the normal routine of all our lives due to the Covid pandemic.

Great news for the club was the receiving of a government grant to make the course and clubhouse facilities accessible to all. This means the clubhouse will be receiving an elevator and accessible toilet and shower facilities to both floors. We shall also be replacing the main entrance and driveway side doors with sensor operated doors. A development application for this work was lodged with council.

A big plus for the club was the establishment of Jonas' 'Paradise Cafe' on the lower level, which is proving to be a great success, immensely popular with the golfers, locals & visitors. Many thanks to Lex Mitchell, Mark Hill & our Captain Justin Zieren (JayZee Plumbing) for all their hard work renovating the space & providing the necessary facilities for the café whilst yours truly had an extended holiday lazing in NZ.

Thank you to our sponsors who donated the market umbrellas which make the clubhouse, alfresco and pro shop areas much more aesthetically pleasing.

Watch this space, 2021 will be an exciting year.

Bob Quin
Chairman

GREENS REPORT

What a difference a year can make. Since our last Annual General Meeting, we have commenced on the largest course renovation in a generation. The \$800K NSW Government grant will help shape our course and club for years to come. Towards the end of last year, we completed the 4th, 5th, and 6th greens and surrounds. We also completed the 4th, 6th, and 7th tee complexes with the exception of finalising the "Tee Gardens" which will be completed shortly. I know you will all join me in thanking Craig Bevan, Les Rourke, Craig Parry, Brendan Parry, and all our great volunteers for the many hours to get us to this point.

At time of writing, the 1st, 2nd, 9th and practice greens and surrounds have been prepared and are growing in well. It is great to now be able to see the whole 2nd green from our balcony.

The course also undertook substantial pruning of the tree lines and over hanging branches. This work was well overdue, and I hope our members are enjoying a bit more space out on the course. This tree trimming will continue to ensure that our course presents in the best possible way. The Fig trees that guard the front of the 2nd green will be lowered by approximately 4 - 5 metres. I am sure all members will be glad of this!

We will also be putting plastic balls on flagsticks to indicate the approximate location of the hole. High on the flagstick = back location, low on the flagstick = front location, obviously middle = middle location.

Whilst COVID19 continued to have an impact on how we operated as a Club, we saw a significant increase in those playing on the course. A great result in what has been a disruptive year.

Sufficient water continues to be a critical issue for PBGC and its procurement (in addition to any rainfall) will be an ongoing task for future boards.

Craig Bevan has continued to present the course to a high standard and should be congratulated for all his efforts over the past year. We have a small but mighty greens team at Palm Beach but what we lack in size we make up for in what is delivered. Palm Beach continues to be the envy of other Northern Beaches courses.

On behalf of the Club, I want to thank the numerous volunteers. We continue to benefit from all their dedication and time, particularly during the course renovation. Their help has been immeasurable.

Mark Hill
Chairman of Greens

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MEMBERSHIP & MARKETING REPORT

A difficult year for most people due to covid, however it appears that this time has been a boost for our golf club and most other golf clubs.

Our palmy learn to play groups have been very popular without any advertising costs being incurred. We have had in excess of 20 woman join as 9-hole members on completing the 6-week course from the last two groups alone. Many thanks go to Lisa Newling for her excellent coaching, all the girls loved her.

At the end of the six weeks, those who join as 9-hole members have to be assisted to learn the finer points of golf, rules etc. plus gaining experience with the game. Justine Paul has been outstanding, making herself available Mondays and Wednesdays to take girls out on the course. My sincere thanks also goes to Claire Dennett and Nicole Kempson, two of our lady members who have given their time to assist also, taking the woman out on the course. It is no mean feat to do this, most of these last two groups have been raw beginners and require extra nurturing.

The ultimate aim of course, is to draw these women into an 18-hole membership as they improve, and this will still take a lot of time and effort and I will be drawing from the lady members for their assistance which I know will be forthcoming.

It has been a pleasure to serve on the board these last 12 months and I commend the time and effort that has been put in by the various Board members especially Daniel Hill and Stephen Farr.

Rhonda Mortimer
Chair

MEMBERSHIP DETAILS as at 31 December 2020

Group		2020	2019
Men	Full playing	98	108
	Senior full playing	26	18
	Life	4	5
	Gold	1	1
	Platinum	12	12
	9 Hole	16	6
	Premium House	55	44
	Total	212	188
Women	Full playing	41	45
	Senior full playing	8	6
	Life	1	1
	Gold	0	0
	Platinum	2	2
	9 Hole	28	7
	Premium House	14	9
	Total	94	63
Junior	New Junior	23	30
	Cadet	2	0
	Junior 13-18	4	1
	Junior 19-20	2	0
	Student	2	2
	Intermediate 21-25	0	0
	Total	33	33
Other	House	296	269
	Sponsor	1	1
	Country	3	3
	Bayview Visitors	4	4
	Complimentary House	10	9
	3 Month Introductory	3	0
	Total	317	299
Total Club Membership	656	583	

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CAPTAIN'S REPORT

2020 was an incredibly successful year for Palm Beach Golf Club. Covid-19 has seen a surge in people playing golf around the country and this has proven to be true for us. Social golf and membership numbers are up on the previous year despite the disruption caused by the renovations to the course.

I would like to take this opportunity to thank the members for their patience whilst we undertake the mammoth task of rebuilding all 9 greens and tees. The works are currently well ahead of schedule and the three completed holes are playing beautifully. Congratulations to Craig Bevan and his team for the fantastic work they have done while also keeping the course in top condition.

2020 saw the departure of our much-loved Head Professional, Alan Berry, after an incredible 40 years of service. Enjoy your retirement Alan, you deserve a break. In October we were excited to welcome Lisa Newling and Simon Deep as Alan's replacements. The work they have done to refit the Pro Shop while at the same time implementing new processes and working with the board & members is a credit to them. Thank you both for your help and support as we get to know each other and work together to provide a friendly and welcoming place for all to enjoy.

Congratulations to all who represented Palm Beach in the Major Pennants, Warren & Gibson Trophies, Master's Pennants and Super Senior Pennants especially the Major Pennants team who progressed to the knock-out phase of this year's event. You have all been excellent ambassadors for the club and enhanced our reputation as a club that competes with an equal measure of toughness and humility.

Congratulations to all the members who won a major championship, trophy, or medal in the past year. It was fantastic to celebrate your achievements at our first annual presentation night in March which brought together the male and female sides of the club for a night of fun. It is events like these that make Palm Beach a wonderful club to be a part of. We shall do it all again in December.

The management team in the office have once again done an outstanding job. Thank you Renae and Nikki for your help and support over the past year. Thank you also to Tanja, Phillip, Lucy and the staff for their efforts and willingness to buy in to what we want to achieve. I urge all members to come to the club for a meal with friends & family and experience the wonderful food and atmosphere.

Finally, I would like to thank the Board and Members for giving me the opportunity to serve as Club Captain. The words of support from you all has been humbling and much appreciated. I hope that you will allow me to continue in the position for another year as I and the Board complete the task we have started, to make Palm Beach a great place to play golf.

Justin Zieren
Club Captain

GOLF PROFESSIONAL'S REPORT

Wow! what a wonderful Golf Club and Members we have here at Palm Beach.

A huge thank you to the Board members of Palm Beach for selecting me/us to be your new Golf Professional/s. We look forward to a long relationship with you.

Starting on the 1st of November 2020, it was a huge effort from all parties involved to fully renovate and fit out the Pro Shop, we are very happy with the results giving everyone who play's Golf at Palm Beach Golf Club an enjoyable customer experience.

The Pro Shop was set up ready to go for the Christmas trade and then Covid hit, it was unfortunate timing, but we have had great patronage ever since.

When Covid hit us, we were forced to implement booking sheets for social play. We have continued to do this as it was a huge success, it is so much easier to manage our golfers avoiding cues and maximising course usage at the same time.

It's exciting to see the new Course Renovations taking place, Craig and his team are doing an amazing job. It's also great and to see the in the Clubs Restaurant so busy and positive comments from its patrons.

The Pro Shop Team Lisa, Simon, Will and Rodger look forward to working with Palm Beach Golf Club through 2021 to increase participation and for the members to continue to enjoy their golf at Palmy.

Lisa Newling
Head Professional

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COMPETITION RESULTS: [2020 Championship]

MEN

Matchplay

A Grade: T Montefiore

B Grade: D Hill

C Grade: G Warner

Foursome Championship

K Clough & L Edkins

Reg Richardson Trophy [4BBB Championship]

M Upton & T DeVault

Mixed Foursomes

C Seymour & J Watts

Club Championship

A Grade: C Seymour

B Grade: P Aroney

C Grade: J McLean

Runner Up

C Bevan

Nett

M Hill

Runner Up

S Wannell

Nett

L Rourke

Runner Up

J Parker

Nett

R Biven

Gold Medal

K Clough

President v Captain

J Zieren - Captain

4 Ball Champions

J McLean & S Demeio

Greenkeepers Cup

L Mitchell

Senior Champion – Scratch

S Player

Barrenjoey Cup

C Seymour

Max Bi-Centennial Shield

M Hill

LADIES

Club Champion

Joyce Thompson Shield

Judy & Lottie Hock Shield

MacDougall/Stevenson Shield

Nella Grant Trophy Div 1

Nella Grant Trophy Div 2

Vets Millie McLeay Trophy

Grandmothers Trophy

Dick & Hazel Trevor Trophy

Weekend Champion Angela Harris Shield

Weekend Champion Best Nett Marilyn

Flaherty Shield

Weekend Thelma Hopewell Salver

Weekend Kit Lewis Salver

G Pearce

G Pearce

J Middleton/B Pelling

J MacDougall/M Bynon

M Gee/V Jones

C Sablatnig/C Cannon

M Gee

K Warren

J Lester

J Watts

V Jones

R Berczelly

V Jones

(N.B. Due to Covid-19 many of the Ladies major events were not competed)

VALE

In 2020 the Club was saddened to hear of the loss of Neil Stronach. We mourn the passing of Neil, a much-valued member, and to his loved ones, we extend our deepest sympathy.

DIRECTOR'S REPORT

Your Directors submit the financial report of Palm Beach Golf Club Ltd for the year ended 31 December 2020.

Directors

The following directors held office during the year or at the date of this report:

Mr. Daniel Hill	President 2020, 2019 [Part] Director 2019 [Part] 2018, 2017 [Part] Portfolio: (Current Year) Executive, Finance and Welfare Member since 2008, Occupation: Policy Principal Eligible Directors Meetings 12 – Attended 12
Mrs. Rhonda Mortimer	Vice President 2020, 2019, 2018, 2017 Treasurer 2016 Director 2015, 2014, 2013 [Part] Portfolio: Executive and Membership & Marketing Member since 1996, Occupation: Retired Eligible Directors Meetings 12 – Attended 11
Mr. Justin Zieren	Captain 2020, 2019 [Part] Portfolio: Executive, Match & Junior Development Member since 2012, Occupation: Plumber Eligible Directors Meetings 12 – Attended 9
Mr. Stephen Farr	Treasurer 2020, 2019, 2018, 2017 Portfolio: Executive, Finance, Membership & Marketing and Welfare Member since 1994, Occupation: Accountant Eligible Directors Meetings 12 – Attended 12
Mrs. Justine Paul	Director 2020, 2019, 2018, 2017 Portfolio: Membership & Marketing Member since 2008, Occupation: Retired Eligible Directors Meetings 12 – Attended 11
Mr. Bob Quin	Director 2020, 2019, 2018, 2017 [Part] Portfolio: House, Greens & Match Member since 1994, Occupation: Retired Eligible Directors Meetings 12 – Attended 5
Mr. Lex Mitchell	Director 2020, 2019 [Part] 2013 [Part] 2012 [Part] Portfolio (Current Year): House Member since 2004, Occupation: Retired Eligible Directors meeting 12 – Attended 7
Mr. Les Rourke [a]	Director 2020 [Part], 2019 [Part] Portfolio: Events & Marketing Member since 2017, Occupation: Retired Eligible Directors Meetings 6 – Attended 5
Mr. Charles Mayson [b]	Director 2020 [Part] Portfolio: Match and Welfare Member since 2011, Occupation: Managing Director Eligible Directors meeting 6 – Attended 5

Note: [a] Outgoing Director 28-July-2020 [b] New Director elected 28-July-2020

Directors have been in office since the start of the calendar year to the end of the calendar year unless otherwise stated.

DIRECTOR'S REPORT [CONTINUED]

Objectives

Short Term: Providing for members and guests a golf club with its usual supporting facilities, services and periodic entertainment commensurate with the communities need and to assist generally in the promotion and propagation of junior sports and associated amenities.

Long Term: To sustain and increase our membership base through the improvement of existing facilities, continuously striving for autonomy from the reliance on centralised energy and water supply thus exploiting the courses potential to the full and delivering the benefits to be derived to junior members and the peninsula community as a whole.

Strategy for achieving the objectives

Principal strategies include:

1. Maximising advantage by improving the standard of our lease holdings.
2. Investigation and implementation of a self-sufficient water source.
3. Investigation and implementation of a self-sufficient energy source.
4. Continue to redesign and construct a more marketable golf course.
5. Continue to improve the existing facilities and services in accord with the above.
6. Continue to leverage government grants to facilitate our objectives.

Principal activity

The principal activities of the Palm Beach Golf Club Ltd (a not-for-profit entity) during the year have continued to be the lessee and operator of the Palm Beach Golf Course from the Northern Beaches Council, owner and operator of the licensed Palm Beach Golf Club Ltd, and the responsible custodian of community based social and sporting facilities and services for active and semi active participants of all ages. There were no significant changes in the nature of these activities during the period.

How these activities will assist in achieving the objectives

The activities provide the vehicle for, and through its trading and supplementary income streams assist in generating the revenue to provide a solvent entity for the pursuit of its objectives and the sustainable propagation of junior and aged activities amenities.

Performance measurement and key performance indicators

Performance is assessed regularly against relevant internal and industry benchmarks, enabling assessment on the performance of strategic initiatives, and to measure their effectiveness in achieving short and long-term objectives.

Key performance indicators:	2020	2019
Gross bar sales ratio %	62%	61%
Direct employee/contractor costs to bar sales %	31%	39%
Course green and competition fees to maintenance costs %	155%	99%
Total employee/contractor costs to total revenue %	34%	31%
Operating expense change [Year on Year] %	26.3%	(4%)
EBITDA [earnings before interest, taxation, depreciation and amortisation] \$	\$365,095	\$29,703
EBITDA margin %	20%	2%

Dividends

Palm Beach Golf Club Ltd being a public company limited by guarantee, does not have a capital divided into shares, and is prevented by the *Corporations Act 2001* and by the Club's Constitution from paying a dividend to members.

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DIRECTOR'S REPORT [CONTINUED]

Limitation of members' liability

Palm Beach Golf Club Ltd is a public company limited by guarantee, and in accordance with the club's constitution, the liability of the members in the event of the club being wound-up would not exceed \$10 per member. The following table lists the maximum members are liable to contribute by membership category:

Category	Members #	Liability
Full playing members	139	\$1,390
Senior full playing members	34	\$340
Life members	5	\$50
Gold members	1	\$10
Platinum members	14	\$140
Premium House members	69	\$690
Junior/Intermediate members	31	\$310
3 Month Introductory members	3	\$30
House members	296	\$2,960
Swinger members	0	\$0
Overseas members	0	\$0
Country members	3	\$30
Student members	2	\$20
Bayview Visitor	4	\$40
Complimentary House	10	\$100
Resigned members	21	\$210
Sponsor	1	\$10
9-Hole members	44	\$440
Total member's liability		\$6,770

Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2020 has been received by the Board of Directors and can be located below.

Signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*, on behalf of Directors by:

Daniel Hill
President

Stephen Farr
Treasurer

Signed at Palm Beach on this 28th day of April 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATION ACT 2001* TO THE DIRECTORS OF PALM BEACH GOLF CLUB LTD

I declare, to the best of my knowledge and belief that during the year ended 31 December 2020 there have been no contraventions of:

- [i] the auditor independence requirements of the *Corporations Act 2001* (as amended) in relation to the audit; and
- [ii] any applicable code of professional conduct in relation to the audit.

A F Lovett
Registered Company Auditor

Dated at Palm Beach this 28th day of April 2021

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue from sale of goods		969,005	476,105
Revenue from rendering of services		847,857	683,819
Total Revenue		1,816,862	1,159,924
Cost of sales		(325,378)	(183,389)
Bar expenses		(133,533)	(185,760)
Restaurant expenses		(374,847)	(14,520)
Golf course expenses		(255,319)	(332,984)
House expenses		(116,761)	(137,538)
Administration expenses		(245,929)	(276,030)
Operating profit (loss) before depreciation and finance expense		365,095	29,703
Depreciation/amortization expense		(34,141)	(62,973)
Finance expense		(63,410)	(33,374)
Profit (loss) before income tax expense		267,544	(66,644)
Income tax expense	1[d]	0	0
Profit (loss) for the year		267,544	(66,644)
Other comprehensive income			
Increase in asset revaluation reserve [land valuation]		0	0
Total comprehensive income (loss) for the year		267,544	(66,644)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Accumulated Losses	Asset Revaluation Reserve	Capital Profits Reserve	Other Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance as at the 1 January 2019	(402,910)	3,120,000	28,955	3,960	2,750,005
Total comprehensive loss for the year	(66,644)	0	0	0	(66,644)
Balance as at the 31 December 2019	(469,554)	3,120,000	28,955	3,960	2,683,361
Total comprehensive profit for the year	267,544	0	0	0	267,544
Balance as at the 31 December 2020	(202,010)	3,120,000	28,955	3,960	2,950,905

The Statement of Comprehensive Income and Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statement

STATEMENT OF FINANCIAL POSITION
as at 31 December 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash and cash equivalents	2	82,943	20,912
Trade and other receivables	3	468	28,250
Inventories	4	40,213	18,168
Other assets	5	57,798	47,344
Total current assets		<u>181,422</u>	<u>114,674</u>
Non-current assets			
Property, plant and equipment	6	4,037,138	3,790,176
Intangible assets	7	2,250	2,500
Total non-current assets		<u>4,039,388</u>	<u>3,792,676</u>
Total assets		<u>4,220,810</u>	<u>3,907,350</u>
Liabilities			
Current liabilities			
Trade and other payables	8	446,630	412,331
Current tax liabilities	9	(10,030)	8,786
Financial liabilities	10	7,621	41,648
Provisions	11	41,133	34,548
Other liabilities	12	170,315	163,399
Total current liabilities		<u>655,669</u>	<u>660,712</u>
Non-current liabilities			
Financial liabilities	10	549,240	499,963
Provisions	11	32,271	24,226
Other liabilities	12	32,725	39,088
Total non-current liabilities		<u>614,236</u>	<u>563,277</u>
Total liabilities		<u>1,269,905</u>	<u>1,223,989</u>
Net assets		<u>2,950,905</u>	<u>2,683,361</u>
Equity			
Reserves	13	3,152,915	3,152,915
Accumulated Losses		(202,010)	(469,554)
Total equity		<u>2,950,905</u>	<u>2,683,361</u>

The Statement of Financial Position are to be read in conjunction with the Notes to the Financial Statement

STATEMENT OF CASH FLOWS
 for the year ended 31 December 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers and members		1,816,862	1,159,923
Payments to suppliers and employees		(1,426,923)	(1,149,581)
Cash generated for operations		389,939	10,342
Finance expense		(34,141)	(33,374)
Net cash inflow from operating activities	18[b]	355,798	(23,032)
Cash flows from investing activities			
Sale of property, plant and equipment		0	109,198
Purchase of property, plant and equipment		(310,372)	(38,986)
Net cash inflow (outflow) from investing activities		(310,372)	70,212
Cash flows from financing activities			
Proceeds from borrowings		57,484	65,000
Repayment of borrowings		(635)	(30,000)
Net cash outflow from financing activities		56,849	35,000
Net increase (decrease) in cash and cash equivalents held		103,679	(4,114)
Cash and cash equivalents at the beginning of the financial year		(20,736)	(16,622)
Cash and cash equivalents at the end of the financial year	18[a]	82,943	(20,736)

The Statement of Cash Flow are to be read in conjunction with the Notes to the Financial Statement

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity, Palm Beach Golf Club Ltd.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board [AASB], and the *Corporations Act 2001*. Palm Beach Golf Club Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements of Palm Beach Golf Club Ltd comply with Australian Accounting Standards – Reduced Disclosure Requirements. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions to which they apply.

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, but modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The report is presented in Australian Dollars.

Accounting policies

[a] Property, plant and equipment

Acquisition and depreciation

Property, plant and equipment are included at cost of acquisition or at independent or Directors' fair valuation, less any impairment. These assets, where applicable, are depreciated over their useful lives commencing from the time the asset is held ready for use. The prime cost method [a straight-line basis] is used to depreciate non-current assets. The following depreciation rates are applied:

Buildings and improvements	2.5% - 12.5%
Furniture, plant & equipment	7.5% - 25.0%
Computer equipment/software	20.0% - 33.3%
Golf course development	10.0%

Profits and losses on disposal of property, plant and equipment are taken into account in determining the operating result for the year. Additionally, impairment of property, plant and equipment is reviewed at least annually.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Revaluation

The Directors have adopted a revaluation policy for **land**, at a minimum of three [3] yearly intervals. The revaluation of land reflects a fair value, by independent assessment of the unimproved capital value [U.C.V.] of land, based on existing or contemplated use, and takes into account market conditions and value levels at the time. A valuation notice is issued by the Lands Department, NSW State Government, every three years for this purpose, with the last valuation being as at 1 July 2019.

Valuation of buildings is based on the insurance replacement valuation. This latest valuation was at 31 March 2017 on renewal of the Club's insurance, and is **not** booked, but shown **at cost** at Note 6 to the financial statements.

Revaluation increments are credited directly to the asset revaluation reserve. To the extent that a revaluation decrement reverses a revaluation increment previously credited, and still included in the balance of the asset revaluation reserve, the decrement is debited directly to the asset revaluation reserve. Otherwise the decrement is recognised as an expense. Revaluations do not result in the carrying value of **land** exceeding the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[b] Employee entitlements

Provision is made for the Club's liability for employee entitlements arising from services rendered by employees to balance date. The provision for annual leave and long service leave, have been calculated at nominal amounts based on current wage and salary rates, and include related costs in accordance with the various award requirements. The provision for long service leave is made on a pro-rata basis for all employees who have an excess of five years' service.

Superannuation contributions are made by the Club to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Club has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

[c] Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs directly related to acquisition, such as freight and delivery charges, and taxes where applicable. Cost is based on first-in, first-out principal. Net realisable value is determined on an item-by-item basis.

[d] Taxation

Income tax

Income tax has not been provided for in the financial statements, as the Club is exempt from income tax as a sporting body under the provisions of Section 50-45 of the *Income Tax Assessment Act 1997*.

Goods and services tax [GST]

Revenues, expenses, and assets are recognised net of the amount of GST in the financial statements with the exception:

- where the GST incurred on purchases of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as a part of the cost of acquisition of the asset or as part of the expense item as applicable.
- receivables and payables are stated inclusive of GST.
- Cash flows are presented in the statement of cash flows on a gross basis, and the GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

The net amount of GST recoverable from, or payable to the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

Other taxation

Where assets have been revalued, no provision for potential capital gains tax has been made.

[e] Investments

Investments are carried at the lower of cost and net recoverable amount. Interest income is brought to account on an accrual's basis.

[f] Payables [trade and other creditors]

Trade creditors represent liabilities for goods and services provided to the Club prior to the end of the financial year, and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[g] Receivables [trade and other debtors]

The terms of trade are usually 15 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. Debts known to be uncollectible are written off as impaired.

[h] Finance expenses

Finance expenses are recognised as an operating expense in the period in which they are incurred. Finance expenses include:

- Interest on bank overdraft;
- Interest on instalment loan;
- Interest on finance lease charges and hire purchase contracts;
- Interest on overdue payables
- Interest on insurance funding program

[i] Revenue recognition

General

In general, revenue is recognised, where it can be reliably measured, in the period to which it relates. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

Membership subscriptions

The Clubs subscription year is 1 July to 30 June. Subscriptions are payable annually in advance. Only those membership subscription receipts, which are attributable to the current financial year, are recognised as revenue. Subscription receipts relating to periods beyond the current financial year are shown on the statement of financial position under the heading of other liabilities [refer to Note 12].

[j] Accounting for leases [Hire Purchase]

Leases or hire purchase of plant and equipment under which the Club assumes substantially all of the risks and benefits of ownership, are classified as **finance leases** [this includes hire purchase contracts].

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 prime cost basis [straight line] over their estimated useful lives where it is likely the Club will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Other leases are classified as **operating leases**. Minimum lease payments made under operating leases are charged as an expense in equal instalments over the accounting periods covered by the lease term.

[k] Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, deposits at call and highly liquid investments which are readily convertible to cash on hand.

[l] Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

		2020	2019
		\$	\$
2. CASH AND CASH EQUIVALENTS			
Current			
Cash on hand		7,500	10,400
Cash at Bank		75,443	10,512
		82,943	20,912
3. TRADE AND OTHER RECEIVABLES			
Current			
Trade debtors		468	0
Other debtors		0	28,250
		468	28,250
4. INVENTORIES			
Current			
Stock on hand	-at cost	40,213	18,168
		40,213	18,168
5. OTHER ASSETS			
Current			
Investments	-at cost	750	750
Prepayments		23,498	21,562
Other		33,550	25,032
		57,798	47,344
6. PROPERTY, PLANT AND EQUIPMENT			
[a] Land and buildings			
[i] Freehold land**	-at valuation	3,028,983	3,028,983
Valuation			
The Directors of Palm Beach Golf Club Ltd revalue land in accordance with the accounting policy set-out in Note 1[a]. The latest valuation notice received issued by the Lands Department of the NSW Government dated 1 July 2019. Refer also to Note 13 [a]: Reserves and the statement of changes in equity.			
[ii] Buildings**	-at cost	342,852	323,575
Less: Accumulated depreciation		(105,868)	(97,779)
		236,984	225,796
Cost Basis			
The Directors of Palm Beach Golf Club Ltd valued buildings in accordance with the accounting policy set-out in Note 1[a]. The current insurance replacement valuation of buildings is \$2,200,000.			
[iii] Building improvements	-at cost	996,781	982,555
Less: Accumulated depreciation		(750,850)	(724,633)
		245,931	257,922
Total land and buildings		3,511,898	3,512,701

** Land and buildings are classified as a **Core Asset** as defined under the *Registered Clubs Act 1976*.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

		2020 \$	2019 \$
6. PROPERTY, PLANT AND EQUIPMENT [CONTINUED]			
[b] Golf course shop and development			
[i] Golf course shop	-at cost	61,319	61,319
Less: Accumulated depreciation		(55,680)	(55,289)
		<u>5,639</u>	<u>6,030</u>
[ii] Golf course development	-at cost	356,761	207,559
Less: Accumulated depreciation		(68,469)	(59,006)
		<u>288,292</u>	<u>148,553</u>
Total golf course shop and development		<u>293,931</u>	<u>154,583</u>
[c] Clubhouse furniture fittings and equipment			
Clubhouse furniture fittings & equipment	-at cost	438,436	418,007
Less: Accumulated depreciation		(319,761)	(305,450)
Total clubhouse furniture fittings and equipment		<u>118,675</u>	<u>112,557</u>
[d] Golf course equipment			
Golf course equipment	-at cost	361,875	294,875
Less: Accumulated depreciation		(288,555)	(284,540)
Total golf course equipment		<u>73,320</u>	<u>10,335</u>
[e] Motor Vehicle			
Motor Vehicle	-at cost	40,237	0
Less: Accumulated depreciation		(923)	0
Total motor vehicle		<u>39,314</u>	<u>0</u>
Total property, plant and equipment		<u>4,037,138</u>	<u>3,790,176</u>

**Reconciliation of the carrying amounts for each class
of property, plant and equipment**

	Land \$	Buildings & Improve \$	Furniture Fit & Equip \$	Total \$
Opening Balance 1 Jan 2020	3,028,983	638,301	122,892	3,790,176
Additions	0	182,706	127,666	310,372
Disposals	0	0	0	0
Depreciation	0	45,084	18,326	63,410
Revaluation (Devaluation)	0	0	0	0
Closing Balance 31 Dec 2020	3,028,983	775,923	232,232	4,037,138

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

	2020	2019
	\$	\$
12. OTHER LIABILITIES		
Current		
Accruals	53,285	35,213
Payroll deductions payable (includes super)	37,867	35,369
Subscriptions in advance	45,077	46,094
Sub-committee – ladies golf	1,054	2
Other	33,032	46,721
	170,315	163,399
Non-current		
Subscriptions in advance	32,725	39,088
Total other liabilities	203,040	202,487
13. RESERVES		
[a] Asset revaluation reserve	3,120,000	3,120,000
<p>The assets revaluation reserve represents the change in the valuation of land from the original carrying value. Land has been revalued by Directors based on the latest unimproved capital value [U.C.V.] assessment notice received from the Lands Department of the NSW State Government dated 1 July 2019 [Refer to Note: 1(a)].</p> <p>The Club has received a deposit of \$90,909 against the sale of the Nib, but resolved to maintain the carrying value of the reserve.</p>		
[b] Capital profits reserve	28,955	28,955
<p>The capital profits reserve represents a capital profit following the sale of land.</p>		
[c] Other reserve	3,960	3,960
<p>The other reserve represents sundry capital receipts.</p>		
14. DIRECTORS BENEFITS		
<p>The Directors of the Club have been duly appointed on an honorary basis. The Board does not receive any benefit or fees for their efforts and time. Out of pocket expenses may be reimbursed in accordance with guidelines set out by Clubs New South Wales and the <i>Registered Clubs Act 1976 [as amended]</i>.</p>		
Directors expenses	114	721
15. COMMITMENTS		
[a] Operating leases		
Payable:		
Not later than one year	7620	439
Later than one year but not later than five years	35,793	0
Minimum finance lease/hire purchase payments	43,413	439
[b] Capital expenditure		
<p>Palm Beach Golf Club Ltd has no capital expenditure commitments contracted for at the balance date, but not yet recognised as liabilities, and payable.</p>		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

	2020	2019
	\$	\$
16. REGISTERED CLUBS ACT REPORTING REQUIREMENTS		
The disclosure requirements under section 41 of the <i>Registered Clubs Act 1976 [as amended]</i> are kept by the Palm Beach Golf Club Ltd and may be viewed by application in writing to the Executive Officer.		
17. RELATED PARTY TRANSACTIONS		
Transactions between related parties are based on normal commercial terms and conditions. These transactions are no more favourable than those available to other parties, unless otherwise stated. During this financial year there were no material transactions with Directors/Officers or Director/Officer-related entities.		
18. CASH FLOWS		
[a] Reconciliation of cash		
For the purposes of the statement of cash flows, cash includes cash on hand, cash at banks and investments in short term money market instruments, less bank overdrafts. Cash at the end of the reporting period, as shown in the statement of cash flows, is reconciled to the items in the statement of financial position as follows:		
Cash at bank	82,943	18,990
Bank overdraft	0	(39,726)
Cash at end of the financial year	82,943	(20,736)
[b] Reconciliation of net cash provided by operating activities to profit for the year		
Profit (loss) for the year	267,544	(66,644)
Amortisation/depreciation of non-current assets	63,410	62,973
	330,954	(3,671)
Plus (minus) non-operating items:	0	0
	330,954	(3,671)
Changes in assets and liabilities:		
(Increase) decrease in receivables	27,782	27,750
(Increase) decrease in inventories	(22,045)	1,457
(Increase) decrease in other current/non-current assets	(10,454)	(44,762)
Increase (decrease) in accounts payable	34,299	5,780
Increase (decrease) in tax liabilities	(18,816)	4,045
Increase (decrease) in other current/non-current liabilities	(553)	(15,178)
Increase (decrease) in provisions	14,631	1,547
	24,844	(19,361)
Net cash inflow from operating activities	355,798	(23,032)
[c] Cash restrictions		
All cash referred to in Note 18[a], is available for use without restriction or encumbrance.		

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2020 **2019**
\$ **\$**

18. CASH FLOWS [CONTINUED]

[d] Financing facilities

A bank overdraft facility of \$50,000 [\$50,000 2019], and a variable interest rate loan facility of \$500,000 [\$500,000 2019] were both utilised by the Club during 2020 and are provided by the Australia and New Zealand Bank (ANZ), secured by first registered mortgage over Club property. Refer to Note: 10 [Financial Liabilities]

[e] Summary of borrowings

Facility/Review/Term	Original Amount	Current Interest Rate		
Overdraft/annually	\$50,000	6.08%	0	39,726
Insurance funding/Apr-20	\$36,210	6.00%	3,621	3,970
Fixed Loan/15yrs	\$500,000	5.23%	513,447	499,963
	<u>\$586,210</u>		<u>517,068</u>	<u>543,659</u>

19. KEY MANAGEMENT PERSONNEL COMPENSATION

[a] Key management personnel

The names and positions held by key personnel in office at any time during the financial year are:

Daniel Hill	President
Rhonda Mortimer	Vice President

Justin Zieren	Captain
Stephen Farr	Treasurer
Justine Paul	Director
Bob Quin	Director
Lex Mitchell	Director
Charles Mayson	Director

Other key management personnel

Renaë Fitzgerald	General Manager
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Other key management personnel compensation

The following benefits and payments were made to **other key management personnel**. Refer to Note 14 [Directors' Benefits] and Note 17 [Related Party Transactions].

Total Compensation	<u>81,694</u>	<u>67,755</u>
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PALM BEACH GOLF CLUB LTD

[A Company Limited by Guarantee]

ABN 22 000 156 534

DIRECTORS' DECLARATION

The Directors of Palm Beach Golf Club Ltd declare that:

- [a] in the Directors' opinion, there are reasonable grounds to believe that Palm Beach Golf Club Ltd will be able to pay its debts as and when they become due and payable; and
- [b] in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards, other mandatory reporting requirements, and giving a true and fair view of the financial position and performance of the Palm Beach Golf Club Ltd for the year ended 31 December 2020.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*, and is signed for and on behalf of the Directors by:

Daniel Hill
President

Stephen Farr
Treasurer

Dated at Palm Beach this 28th day of April 2021

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PALM BEACH GOLF CLUB LTD

The Directors of the company are responsible for the preparation and fair presentation of the financial reports in accordance with Australian Accounting Standards and the *Corporations Act 2001* (as amended). This includes the establishment and maintenance of internal controls and to the preparation and fair presentation of the financial reports, so they are free from material misstatement, whether due to fraud or error, applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to the members of the company and no undertaking is given to any other party and to express an opinion on the financial report based on my audit. My audit has been conducted in accordance with Australian Auditing Standards. These require that I comply with the ethical requirement relating to audit engagements and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

My audit has involved assessing the procedures used by the company's staff and testing the operations used to enable me to form an opinion on the accounts presented. This assessment enables me to form an opinion as to the material risks or errors, of disclosure, and the reasonableness of accounting estimates made by the directors and the overall presentation of the financial statements.

I believe that the information given, and the evidence supplied has been sufficient to provide the basis for this opinion.

Audit Report

In my opinion the accounts presented in this report of the Palm Beach Golf Club Ltd for the year ended December 31, 2020 on pages 14 to 25 present a true and fair view of the company's position at that date and of the operations for that year when read in conjunction with the notes thereon.

A F Lovett
Registered Company Auditor

Dated at Palm Beach this 28th day of April 2021

PALM BEACH GOLF CLUB LTD[A Company Limited by Guarantee]
ABN 22 000 156 534**SUPPLEMENTARY INFORMATION****EXTRACT FROM THE STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2020

		2020	2019
		\$	\$
Bar trading -	Sales revenue	405,647	446,777
	Cost of sales	(154,000)	(167,894)
	Gross profit from bar	251,647	278,883
	Direct expenses	(133,533)	(185,790)
	Net profit from bar	118,114	93,123
Restaurant trading -	Sales revenue	563,358	29,328
	Cost of sales	(171,378)	(15,496)
	Gross profit from restaurant	391,980	13,832
	Direct expenses	(374,847)	(14,520)
	Net profit (loss) from restaurant	17,133	(688)
Golf Course -	Revenue	421,089	332,507
	Direct expenses	(255,319)	(332,983)
	Depreciation expenses	(14,793)	(13,121)
	Net profit (loss) from golf course	150,977	(13,597)
Other revenues -		426,768	351,312
Total revenues		712,992	430,150
House expenses		(116,761)	(137,538)
Administration expenses		(245,929)	(276,030)
Other depreciation/amortization expense		(48,617)	(49,852)
Other finance expense		(34,141)	(33,374)
Total other expenses		(445,448)	(496,794)
Profit (loss) for the year		267,544	(66,664)

SUPPLEMENTARY INFORMATION [CONTINUED]

PROFIT & LOSS ACCOUNT

for the year ended 31 December 2020

	2020	2019
	\$	\$
REVENUE		
[a] Sales revenue		
Bar sales	363,669	347,490
Restaurant sales	563,358	29,328
Function Income	41,978	99,287
	<u>969,005</u>	<u>476,105</u>
[b] Other revenues		
[i] Golf course		
Green fees	317,943	233,886
Golf cart income	14,552	17,415
Advertising – course tees	18,702	26,424
Competition fees [net]	69,892	54,782
Total golf course	<u>421,089</u>	<u>332,507</u>
[ii] Other		
Caterer utilities contribution	0	22,384
Rent Kiosk	8,598	0
Club room hire	2,933	10,152
Commissions received	0	380
Insurance levy	39,104	39,340
Locker fees	5,100	4,248
Subscriptions	174,064	165,521
Water levy	22,633	25,502
Government Grants	82,100	6,125
Profit on Sale of Fixed Assets	(1,208)	18,182
Covid Income	62,694	0
Sundry income	30,750	59,478
Total other	<u>426,768</u>	<u>351,312</u>
Total other revenues	<u>847,857</u>	<u>683,819</u>
Total revenue	<u>1,816,862</u>	<u>1,159,924</u>
EXPENSES		
[a] Bar expenses		
Employee costs	126,292	176,088
Bar supplies	3,605	5,364
Repairs and maintenance	3,167	2,417
Other	469	1,891
Total bar expenses	<u>133,533</u>	<u>185,760</u>
[b] Restaurant expenses		
Employee costs	358,788	14,411
Repairs and Maintenance	15,067	0
General Expenses	992	109
Total restaurant expenses	<u>374,847</u>	<u>14,520</u>

SUPPLEMENTARY INFORMATION [CONTINUED]

PROFIT & LOSS ACCOUNT

for the year ended 31 December 2020

	2020 \$	2019 \$
EXPENSES [CONTINUED]		
[c] Golf course expenses		
Employee Costs	44,343	0
Electricity	6,900	6,900
Equipment Lease	1,087	0
Golf cart rental/hire	9,329	9,604
Golf cart expenses	1,819	(413)
Maintenance	5,812	3,120
Maintenance contractor [course]	95,724	211,120
Motor Vehicle Expenses	685	0
Professional retainer	43,673	45,625
Rent – council	22,546	21,422
Water usage and rates	23,401	35,605
Total golf course expense	255,319	332,983
[d] House expenses		
Advertising	6,217	12,511
Cleaning and laundry	34,667	40,144
Club function expenses	584	5,474
Council rates	11,267	10,431
Crockery glassware and linen	926	2,612
Electricity	18,511	20,678
Gas	12,116	12,000
Promotional expenses	59	0
Lease/rental – office equipment	7,762	8,179
Repairs and maintenance	17,708	17,386
Security	1,027	2,521
Wastage	617	0
Water usage and rates	4,024	5,602
Web Services	1,276	0
Total house expenses	116,761	137,538
[e] Administration expenses		
Audit fees	6,500	5,909
Bank charges	14,252	10,012
Computer expenses	10,673	7,425
Consulting fees	6,219	2,835
Directors expenses	114	721
Donations	0	165
Employee costs	138,780	174,104
General expenses	10,402	9,330
Hospitality and inter club	753	6,457
Insurance – general	40,426	39,941
Licenses	490	2,038
Pest control	2,032	668
Promotion Costs	29	197
Printing stationery and postage	11,442	6,153
Sponsorship Expenses	881	7,277
Staff Expenses	477	0
Telephone	2,459	2,798
Total administration expenses	245,929	276,030

SUPPLEMENTARY INFORMATION [CONTINUED]

PROFIT & LOSS ACCOUNT

for the year ended 31 December 2020

		2020	2019
		\$	\$
EXPENSES [CONTINUED]			
[f] Depreciation/amortisation expense			
Depreciation	-golf course	13,870	13,121
Depreciation	-motor vehicle	923	0
Depreciation	-clubhouse	48,617	49,852
	Total depreciation expense	63,410	62,973
[g] Cost of sales			
Cost of sales	-bar	154,000	167,894
Cost of sales	-restaurant	171,378	15,495
[h] Finance expense		325,378	183,389
Interest	-bank loan	23,448	25,630
Interest	-bank overdraft	2,003	2,694
Interest	-other	8,690	5,050
		34,141	33,374
Borrowing Costs	-bank loan	0	0
	Total finance expense	34,141	33,374
[i] Expenses summary			
House expenses		116,761	137,538
Administration expenses		245,999	276,030
Depreciation expense		63,410	62,973
Finance expense		34,141	33,374
		460,311	509,915
Direct costs	-bar/restaurant cost of sales	325,378	183,389
Direct costs	-bar expenses	133,533	185,760
Direct costs	-restaurant expenses	374,847	14,520
Direct costs	-golf course expenses	255,319	332,984
	Total expenses	1,549,318	1,226,568
Total revenue		1,816,862	1,159,924
Less: Total expenses		(1,549,318)	(1,226,568)
Profit (loss) for the year		267,544	(66,644)