



CLUB CATALINA



ANNUAL **REPORT**
2017-18

BOARD OF DIRECTORS



PETER CRISS
PRESIDENT



CATHIE FLYNN
VICE PRESIDENT



GREG SMEATON
CAPTAIN



ANTHONY HALL
DIRECTOR



ROBERT SINCLAIR
DIRECTOR



JOHN PARTRIDGE
DIRECTOR



JASON LEPLAW
DIRECTOR



PETER HIGGS
DIRECTOR



MIEKE VAN DOELAND
DIRECTOR



PATRON
THE HON ANDREW
CONSTANCE MP
Member for Bega

WELCOME



LIFE MEMBERS

J McNamara, D Scott, B McDonald, I Chapman, C Blume, D Wallace

ADMINISTRATION

GENERAL MANAGER	Guy Chapman
OPERATIONS MANAGER	Owen Quinn
OFFICE MANAGER	Jaquin Moran-Hilford
HUMAN RESOURCE MANAGER	Cushla Hands
FUNCTION MANAGER	Sheryl Harris
MARKETING & COMMUNICATIONS MANAGER	Maria Moreta
GOLF PROFESSIONAL	Mal Wilson
COURSE SUPERINTENDENT	Dennis Grounds
ASSISTANT COURSE SUPERINTENDENT	Wayne Gregory

MEMBERSHIP	2018	2017	2016
LIFE MEMBERS	6	5	5
LIFE SUBSCRIBERS	15	15	15
7 DAY MEMBERS	453	509	593
WEEK DAY MEMBERS	213	195	138
UNDER 35'S MEMBERS	11		
INTERMEDIATE MEMBER	15		
COUNTRY MEMBERS	62	45	50
JUNIOR MEMBERS	7	6	11
CADETS	33	33	23
SOCIAL MEMBERS	7713	7355	7082
TOTAL	8528	8163	7917

The 2017/2018 Annual report for Catalina Country Club Ltd. is listed on the Club Website.
[www.clubcatalina.com.au /about/reports](http://www.clubcatalina.com.au/about/reports)

THE PRESIDENT'S REPORT



No matter how you view the 2017/18 Financial Year (FY) result, you can't help but acknowledge that in historical terms, it is very pleasing outcome. A net profit of \$1.775 million exceeds the previous record that we set last year by over one million dollars. Subtract from it the Australian Taxation Office (ATO) 'four-year GST overpayment' refund \$827,847.00 and we are still left with a net profit of \$948,300 for the FY, a remarkable result.

This time last year, after only eight months in office, the Board reported a net profit of \$713,851 and that was a record, and now, in this Board's first full 12 months in office, your club has achieved another record result, combined with a cash at bank record, as of 29 July 2018, of \$2,619,033, with only \$1.6 million remaining debt; the lowest level of debt for this club in decades.

Even more pleasing, the cash at bank record was achieved after expending \$1.694 million on capital expenditure over this last year on asset purchases and renovations. Another record because that expenditure came from cash holdings, with no new borrowing.

Your Board is proud of this achievement because it demonstrates what is possible when Board and management work together professionally and for the common good. It also shows what is possible if good Board policy is given to a competent manager who is then allowed to do his job of managing that direction. More importantly, it reveals the benefit of developing a realistic budget and then assiduously driving the business to achieve the objective through detailed monthly reporting and probing analysis.

Over the last 12 months we have repaid another \$250,000 of non-current debt, bringing the total reduction to \$500,000 in the last two

years. In my report last year, I said that one of our goals was to have the Club debt free by the end of the 21/22 FY when our two borrowing facilities were expected to come up for renewal. In fact, those loans are up for renewal in August 2020 – one year earlier than we thought. Nevertheless, we intend to meet our goal in the reduced timeframe.

Through careful management of funds, we will not compromise our building refurbishment and course redevelopment objectives, while still achieving the debt free goal. To achieve this, we will continue the \$20,000 per month principal plus interest repayments on our existing loans. We have also taken \$500,000 from the \$827,000 returned by the ATO and put it into a short term secure fixed term deposit. On each three-month renewal roll-over, we will add an additional \$50,000 from cash flow, plus the interest received from the previous investment period, so that by August 2020 we will have enough cash at hand to clear both loans and finally have your club debt free. The current budget has been framed to achieve this outcome.

So, during the latter stages of the two-year term for the new Board starting this October, the club should be able to declare that it is debt free provided fiscal discipline is maintained. Sounds like a good excuse for a party in 22 months!

We are all indebted to Guy Chapman, our General Manager, for his willingness to rise to the challenge set by your Board: he was set both quarterly and annual Key Performance Indicators (KPI) to achieve and he met all but one criterion and was appropriately rewarded. He has even more testing KPI for this current FY; however, do not be surprised if he meets all those goals as well.

Of course, Guy will be the first to acknowledge that behind him stands a dedicated staff which

shares the Board's vision of where this club must go and what it must strive to achieve. So, to Dennis and his grounds staff, to Mal and his Golf Shop team, to Bernie and his contract catering workforce, to the entire office clan and to the duty managers with all their floor employees, on your behalf, I say a huge thank you. This financial outcome has come from a team effort across the entire club.

A few months back, the Board actioned the GM's request for the appointment of a dedicated marketing manager. After a rigorous interview process, Ms Maria Moreta joined the team as our first ever Marketing Manager. You have already witnessed some of Maria's exciting work, with weekly emailed newsletters, a new web site and expanded media coverage both locally and in national golfing magazines.

To the nine-person Board that you elected two years ago, as Chair of the group, I must express my deep gratitude. Without exception, every member worked to their absolute ability to help deliver on our goals and you should be very satisfied with what they have done on your behalf. With the reduction to a seven-person Board after this AGM, three Directors elected not to stand for a second term. On your behalf, I thank them for volunteering in the first place and then thank them again for the endless hours they all spent in contributing to the overall result. Thank you, Greg, Jason and Peter, you have served your club with distinction. Sadly, we also farewelled Mieke in July when she left the Board for personal reasons.

To my fellow Directors on the new, smaller Board that will be announced at the AGM, I wish you well. We will inherit a realistic budget to measure performance against, and if we achieve the target budget, then we will deliver another record result for the 18/19 FY. We will be going for it!

Another goal during the last year was to excel in entertainment. After all that is said and done, that is our core business, be it by professionally running golfing festivals and member competitions, providing high quality club-house entertainment, a first-class club restaurant, an attentive bar service or unsurpassed variety in gaming. The entire package must click, and whilst I will be the first to acknowledge that we can do better in all areas, the Board is grateful to the GM for what he has delivered in his first full 12 months since completing his probationary three months from March to June in 2017.

To the future. Your current Board has funded the development of a comprehensive building master plan to guide the future development of the clubhouse as well as an equally comprehensive golf course improvement plan. Having these plans does not mean that we intend to demolish the clubhouse or rip up the golf course.

With the clubhouse master plan, we will be able to strategically direct a fully redeveloped clubhouse to maintain our allure in what is a very competitive club market. The bar/change booth/café area, the air conditioning and the kitchen facilities all need urgent attention. Designing and setting those facilities in the right areas of the clubhouse will come from that master plan. We intend to fund the redevelopment from cash flow, spread over several years, and not rely on new borrowings.

Having a golf course improvement plan means that we can more clearly identify the strengths and weakness of the golf course and ensure that we improve the weaker areas, over time, to deliver the best outcome. We must ensure that our defining product, a top quality 27-hole championship golf course, can compete in what is an equally competitive

and demanding market. Again, our philosophy will be to upgrade the course without any new borrowing. The first step, renovation of the 15th hole, including a new green, is locked into this year's budget.

The pleasing aspect over this period was that we have grown both our playing and social membership and your Board remains confident that we can maintain that positive trend. Our strategic objective is to get back to 1,000 playing members (across all categories) and 10,000 social members.

In closing, I would like to thank you, the members, who voted this Board into office two years ago. I hope you have not been disappointed with our efforts. All Board members have appreciated the opportunity to help make Club Catalina the destination of choice for those wanting to play on a championship golf course or be entertained in a comfortable clubhouse that we can all be proud of.

A handwritten signature in black ink, appearing to read "P. Criss". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Peter Criss,
President

GENERAL MANAGER'S REPORT



Dear Members,

Welcome to my report for 2017/18.

This financial year the Club had an improved Net Profit of **\$1,775,412** which does include abnormal income; the prior year's input tax credits of \$827,112, as explained previously by the President. Excluding this abnormal income for the year, the Club did see an increase in profit of over \$234k or 32.8% when compared to the previous year. A fantastic result for the Club. We achieved an **EBITDA** of \$2,167,392 or 21.1% for the financial year, indicating a sound financial position when compared to industry standards.

Total revenue increased over the period by \$1,042,165 or 11.27%. Members' total equity also increased by \$1,775,412 or 19.42% to sit at \$10,914,194. The Clubs total assets of \$13,824,872 is up 13.47% on 2016/17.

Virtually all areas of the business saw revenue growth on the previous year, which is very comforting, with total revenue of over \$10.2m. However, several costs centres saw expenses grow too. Electricity, R&M, Marketing/Admin and Audit, Legal and Consultancy. I would like to extend my appreciation to the Club's management team of Owen, Jackie, Cushla, Sheryl and Maria for all of their support, enthusiasm and dedication. It makes it an absolute pleasure to come into work each and every day to achieve the things that we have and will this year. Job well done.

The Board, Management and Staff have performed extremely well again during this year working cohesively considering the many initiatives that have been undertaken during the course of the year. It is not until you sit back and reflect on the past year and what

has been achieved or is currently in progress, that you gain an understanding as to why we have all been so busy. All of this I might add, without taking the focus away from our day to day activities and core business.

Key Initiatives:

- Strategic Plan
- Site Master Plan
- Course Improvement Plan
 - 15th Hole Re-design
- Marketing Plan
- The Terrace
- The View Deck
- The Sports Lounge
- Designated outdoor smoking area
- The surrounds of the Pro Shop
- Solar – 99.7kW
- Return and Earn Reverse Vending Machine
- Catalina Rewards Program
- PKF Forensic Financial Audit and GST review
- Entertainment options

The 27-hole championship golf facility with over 51,000 rounds of golf a year, saw member competition revenue increase by over 15% along with green fee revenue also experiencing substantial growth of over 25%. The golf facility is an enormous local attraction and community asset in the Batemans Bay area. I cannot thank our members enough for the support they show our Club, through all areas of the business, not just the golf.

I applaud Dennis, Wayne, Craig and the entire team on their efforts again this year, along with our resident pro, Mal and his crew in the Pro Shop. We have seen significant growth

and improvements this year and it will be no different again for 2018/19. There is much planned for the golf course and practice facilities over the coming years, exciting times.

In July of 2017, the Club launched our **Catalina Rewards Program**, in which members of the Club can earn bonus points and benefit from our members discount pricing by using their membership wherever a purchase is made. Simply present your membership card when making a purchase to realise the benefits of our program. Please grab a brochure or ask our friendly staff for further details.

The Club again ensured to provide plenty of variety throughout the year with our entertainment offer, with some fantastic highlights. My favourite being the Belgium Beer Degustation evening, I still have a sore head. We continued with our tribute shows, opening up the main lounge area for the Beatles and Eagles. The Degustation evenings with our wine suppliers continually sell out. A big thank you to our Caterers, Bernie and Diana, who continue to provide the highest quality of food and presentation for these and other functions and events. We hope that members will support and encourage friends and family to attend these fun filled evenings. Keep an eye out for other like events later in the year, there will be something there for everyone.

Our commitment to the local community of Batemans Bay saw substantial donations with over \$41,000 donated through the Club Grants Category 1 Program and over \$550,000 in Category 2. We have really focused on building relationships within the community and to ensure that we communicate the great things that Club Catalina does indeed do for our local region.

Congratulations must go to our three (3) Hamilton Island Promotion winners where each received a \$5,000 holiday, staying 5 nights on beautiful Hamilton island, including \$1,000 spending money. Thanks to all members who participating in the promotion and renewed their membership for 2018/19. *"I have not seen the Club or the carpark this full"*, were some of the comments heard and received on the night. Apologies to those who were not able to get a seat on the night.

Thanks once again go to Peter Criss and the entire Board for showing the faith to allow the Management team the freedom to perform our duties.

I thank all members for their continued support and hope that you find the improvements that we will make again this year, to your liking.



Guy Chapman
General Manager

CAPTAIN'S REPORT



I am pleased to present my Captain's Report for 2017/18.

Over the previous two years our club has undergone a significant improvement in many areas, and golf has played a major part in this turnaround. It is a pleasure to report that Catalina is going against the national trend of a 0.8% annual decline in golfing membership (GA Participation Report), and is growing its golfing membership. Catalina is currently showing an increase of 2.8% in competition rounds on the YTD figures compared to the previous 2017 year. This is commensurate with the steady growth of our playing membership and is an excellent result. In addition there were over 800 players included in golf packages and more than 6000 walk up green fee players during the previous 12 month period. It should be noted that the steady growth is placing some pressure on the club resources; such as course availability and hire carts etc. which in turn requires careful coordination by those running golf at Catalina.

Another challenge has been to introduce more variety into golf at Catalina, the Par 3 Championships, the Tom Morris Challenge, the Winter Cup for mid-week players, the Green Keepers Revenge and conducting Six Hole competitions within existing events to create interest and enjoyment for our members are examples of the recent new events. While not all changes were successful, we have constantly endeavoured to find the right balance when introducing new concepts into our fixtures.

Another recent change has been the upgrading to the MiScore card system from the outdated Autoscore card system. As with most new systems there were some teething difficulties

to overcome, however the MiScore system seems to be well accepted by the majority of members. This will now permit the club to receive upgrades and enhancements that were previously not possible. I would like to thank our members for their patience during the changeover period.

Congratulations to our Ladies and Men's Championship winners for 2018 and to all the club members that represented Catalina in our Pennant teams, also a special mention to our Junior Pennant team for winning their pennant.

Catalina has a large group of capable competition administrators, all volunteers, and all providing their time to better golf at your club. I would like to take this opportunity to thank these volunteers that provided their time on the competition roster and assist in conducting our weekly and major events, thank you for a job well done.

To the Catalina staff, General Manager and managers, duty managers, bar staff, the office administration, the pro shop and the course superintendent and his staff, your assistance has been unwavering and first class. It is a pleasure to work with such proficient people.

All the best for your golfing future at Catalina.

Regards
Greg Smeaton

PAST FINANCIAL YEAR IN A SNAPSHOT



CATALINA COUNTRY CLUB

LADY GOLFER'S PRESIDENT'S REPORT



It is with pleasure I present the Lady Golfer's Annual Report.

Our committee of dedicated ladies have worked tirelessly throughout the year.

Libby Gardiner - President, Ngaire Durnan - Vice President, Droya Mitchell - Captain, Jenny Black - Vice-Captain, Pat Cole - Secretary, Louise Fogarty - Treasurer, Diane Collins - Handicapper, Kay Wallace - Assistant Handicapper and General Committee, Jo Neal, Nanette Childs, Deb Rogan and Helen Bunsell - VWGA Delegate.

The Social Committee have again been working hard, running raffles each week and organising the Community Projects Charity Day. These ladies also run raffles on special competition days during the year. The Catalina Veteran Ladies Open and our Ladies Open are times when these events are held. Sponsorship is appreciated from the following, Capital Chemist, Vaemp, Nutrimetrics, Beachcomber, GJ's Bar & Grill each year.

To Catalina Club President, Peter Criss and the Board of Directors, we say thank you for your support.

General Manager, Guy Chapman is always approachable and helpful. We appreciate your assistance.

Greg Smeaton, Club Captain, has been of assistance to our committee in plans for tournaments and in weekly competitions.

Thank you to the Mal Wilson and the Pro shop staff, the Office and Floor staff who are always cheery and helpful.

Congratulations to Dennis Grounds for keeping our course so wonderful even in this dry time.

Congratulations to all our Championship winners in 2018. Nikki Frank is our Ladies Club Champion for 2018.

Our Ladies Pennant teams all played well and we thank them all for their participation in this format of golf. Many of our ladies also play at District Open Tournaments.

The ladies who organise the Thursday morning 9 hole competition must be congratulated. They give encouragement to new players and keep senior members playing and enjoying the game of golf.

My sincere thank you, to all our lady members, for your support of our wonderful hard working committee during the year. I wish everyone happy times and a great golfing year.

Libby Gardiner
President

MEN VETERAN GOLFERS PRESIDENT'S REPORT



Members

It is well known the hiatus of two years of the Veteran Section. Suffice to say that my committee started from a very low base and has had to rewrite its mode of operations ensuring they meet the requirements of Constitution, by-law and standing orders of the club.

I am pleased to report that we have been most successful in all areas that makes our Men Veteran Golf Section a most popular and harmonious group. Our main efforts have been centred on comradeship and a place that our more senior members support in numbers. Since our restructure Veteran Membership has grown from approximately 30 to 204 at the end of July 2018. Current numbers are 198. Our members have donated a professional level BBQ to the club and continues support for our junior programs.

All of the traditional Veteran events were conducted successfully. In addition, we again participated and assisted in the resurrection of the Lower South Coast Week of golf. This event showcases our course and facilities (100 plus visitors) and we intend to take a leading role next year. We again participated in the Mid-South Coast Interclub Teams competition. I am pleased to report that the major trophy (Albatross) was won by our team. We place significant import on this event as it equates to Pennants in a stable-ford format.

Our Annual Championships were conducted with the following being successful.

CHAMPION	Bruce Dickinson
B GRADE	Russ Gerken
GRAND PRIX	Ron Winter
MATCH PLAY	Bruce Dickinson
B GRADE	Geoff Thornthwaite

I will not individually name all members who have contributed our successful year. However, special mention goes to our Captain Bob Spencer whose tireless efforts contributes more than most. He carries out difficult duties whilst he remains on extended sick leave. The Committee and my thanks go to all areas of management whose assistance we cannot do without.

Ron Carney
President

JUNIOR PROMOTIONS OFFICER REPORT



It is with a sense of sadness that I make this report, my final as the JPO.

I am very happy to say that the club and therefore the junior program are in a very healthy state. We have had an excellent year with the Cadet/Junior program producing Junior players who have progressed through the system starting with their entry into the program, being assessed, then learning the skills needed to attain the level of Cadet, then Junior. The program requires the child to reach a standard of play and etiquette that will enable them to play in a club competition. This is achieved by passing a rules test and obtaining a handicap. This process is achieved by the hard work of our team which includes Cadet Masters, club professional, parents, junior committee members, staff and many others who help us get the job done. We could not operate at this level without the generous support of our major sponsor Clyde Auto.

It is a process that at times can be frustrating, but is a lot of fun and gives a lot of satisfaction. This is achieved by all these people participating in a concerted, constant, dedicated effort to allow these children to become valued members of our club.

I would like to thank Jason Leplaw for filling in for me, and everyone who has made the Clyde Auto Catalina Junior program work so successfully, as it has been this year.

In closing I would like to thank our club for the opportunity to play a part in the inspiring operations of our great club and to wish the new board continuing success in the future.

Peter Higgs
Junior Promotions Officer

I would like to add a few words during my contributions of Acting Junior Promotions Officer. The Junior/Cadet Program has been tremendously supported by all our Cadet Masters and Junior Program Co-ordinators Don Wallace and Marg Dickinson. I would like to thank them for all their support and guidance. Hopefully with the club members support I can continue as the JPO in 2019 and assist growing the Junior program further.

The big achievement this year was the success of the 2018 Clyde Auto Junior Open with a record entry of Juniors playing and new platinum sponsors First National Real Estate and Flooring Extra Carpets supporting the event.

Catalina Country Club has also been nominated as Junior Club of the Year for 2018 and at the October AGM I can hopefully announce the Club as the winner of this prestigious award.

Jason Leplaw
Acting Junior Promotions Officer



CATALINA COUNTRY CLUB LIMITED

FINANCIAL
STATEMENTS

30 JUNE 2018

DIRECTOR'S REPORT



The directors present their report together with the financial statements of the Catalina Country Club Limited (the Club) for the year ended 30 June 2018, and in accordance with a resolution of Directors report as follows:

DIRECTORS

The names of the directors of the Club during the whole financial year and until the date of this report (except as otherwise noted) are as follows:

DIRECTOR Peter Criss

DIRECTOR Cathie Flynn

DIRECTOR Gregory Smeaton

DIRECTOR Anthony Hall

DIRECTOR Robert Sinclair

DIRECTOR John Partridge

DIRECTOR Jason Leplaw

DIRECTOR Peter Higgs

DIRECTOR Mieke Van Doeland

REVIEW OF OPERATIONS

CLUB'S OBJECTIVES

To promote and conduct the game of golf and such other amusements and entertainments, pastimes and recreations, indoor and outdoor, as the club may deem expedient.

The Club's short term objectives include increasing the level of membership and patronage of the Club, maintaining its overall viability in terms of liquidity, credit control, legislative and regulatory compliance, debt management and financial controls. In the long term, the Club's objectives include asset replacement, strategic capital investment, increased member services through diversification of facilities and services. This diversification is necessary to ensure the Club is less vulnerable to the impacts of government regulation.

STRATEGIES TO MEET OBJECTIVES

The Club has developed a strategic plan, comprehensive marketing plan, key performance measures and goals for key management personnel to deliver the objectives of the Club.

PRINCIPAL ACTIVITIES

The nature of operations and principal activities of the Club during the financial year were to conduct a golf club and licensed operations.

ACHIEVEMENT OF OBJECTIVES

The ongoing operation of the Club and commencement of business development activities will assist the Board to deliver the strategic plan.

MEASUREMENT OF PERFORMANCE

Key performance indicators are approved by the Board and reported on by the General Manager to the Board on a monthly basis. The key performance indicators include financial and non-financial measures.

FINANCIAL RESULTS

The Club reported a profit from ordinary activities for the year of \$948,300 (2017 profit \$713,851).

COMPANY LIMITED BY GUARANTEE

The Club is incorporated as a company limited by guarantee in NSW, Australia, having its registered office at 154 Beach Road, Batemans Bay NSW 2536 and principal places of business at 154 Beach Road, Batemans Bay.

As a company limited by guarantee, the liability of members is limited. In the event that the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$6 each towards meeting any outstanding obligations of the Club.

DIRECTORS' ATTENDANCE AT MEETINGS

The Club held 16 board meetings during the year ended 30 June 2018. The number of meetings attended by each Director while in office were:

DIRECTOR	NUMBER ELIGIBLE TO ATTEND	DIRECTORS' MEETINGS NUMBER ATTENDED	APOLOGIES
Peter Criss	16	16	0
Cathie Flynn	16	16	0
Gregory Smeaton	16	15	1
Anthony Hall	16	14	2
Robert Sinclair	16	16	0
John Partridge	16	15	1
Jason Leplaw	16	14	2
Peter Higgs	16	13	3
Mieke Van Doeland	16	13	3

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditors independence declaration for the year ended 30th June 2018 has been received and can be found following this Directors Report.

On behalf of the Board



Peter Criss
Director

Batemans Bay, 13th September 2018

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

- i. no contraventions of the independence requirements of 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.



GLEESON & PARTNERS
Certified Practising Accountants

A handwritten signature in black ink, appearing to read 'J. O'Sullivan', written over a large, stylized flourish.

Joseph P. O'Sullivan

Date: 12th September 2018

Shop 23 Fenning Place
12-18 Orient Street
Batemans Bay NSW 2536

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018



	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,093,131	1,996,727
Trade and other receivables	5	19,470	12,996
Inventories	6	103,993	98,185
Other assets	7	63,015	69,995
Total Current Assets		3,279,609	2,177,903
NON-CURRENT ASSETS			
Property, plant and equipment	8	9,628,963	9,088,343
Intangible assets	9	919,300	919,300
Total Non-current Assets		10,548,263	10,007,643
TOTAL ASSETS		13,827,872	12,185,546
CURRENT LIABILITIES			
Trade and other payables	10	970,119	714,067
Provisions	11	344,170	360,133
Financial liabilities	12	282,923	371,185
Total Current Liabilities		1,597,212	1,445,385
NON-CURRENT LIABILITIES			
Financial liabilities	12	1,316,466	1,601,379
Total Non-Current Liabilities		1,316,466	1,601,379
TOTAL LIABILITIES		2,913,678	3,046,764
NET ASSETS		10,914,194	9,138,782
EQUITY			
Retained surpluses		10,914,194	9,138,782
TOTAL EQUITY		10,914,194	9,138,782

STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018



	NOTE	2018 \$	2017 \$
REVENUE			
Bingo Revenue		84,457	82,356
Commissions Received		250,899	213,727
Competition Revenue		333,784	288,293
Function Receipts		131,137	132,688
Green Fees		327,754	261,400
Interest Income		42,839	-
Members subscriptions		557,017	507,438
Other Golf Revenue		329,617	339,770
Other Revenue		113,693	72,622
Poker Machine Revenue		5,500,168	4,885,566
Rent		84,372	78,856
Sales of Goods		2,452,452	2,311,614
Sundry Raffles		77,984	69,678
		10,286,173	9,244,008
OTHER INCOME			
Gain/(loss) on the sale of fixed assets		(7,265)	7,487
EXPENSES			
Audit, Legal and Consultancy		(142,378)	(42,650)
Cleaning		(199,669)	(189,048)
Cost of Sales		(1,108,001)	(1,040,835)
Depreciation Expenses		(1,118,547)	(1,065,402)
Donations		(34,921)	(70,517)
Employee Benefits		(2,682,057)	(2,573,101)
Finance Costs		(100,545)	(146,959)
Function Expenses		(89,957)	(86,240)
Insurance		(145,100)	(125,373)
Light and Power		(254,294)	(189,260)
Marketing and Administration		(1,016,958)	(860,577)
Other Expenses		(435,757)	(429,861)
Poker Machine Expenses		(253,785)	(149,473)
Poker Machine Tax		(1,016,611)	(954,953)
Repairs and Maintenance		(494,125)	(381,489)
Superannuation		(237,903)	(231,906)
		(9,330,608)	(8,537,644)

**STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME... CONTINUED**
FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
SURPLUS FROM ORDINARY ACTIVITIES		948,300	713,851
Abnormal Income Prior years input tax credits	3	827,112	-
SURPLUS/(DEFICIT) BEFORE INCOME TAX EXPENSE		1,775,412	713,851
Income tax (expense)	1(b)	-	-
NET SURPLUS/(DEFICIT)		1,775,412	713,851
TOTAL COMPREHENSIVE INCOME		1,775,412	713,851

© **STATEMENT OF
CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Retained surpluses	10,914,194	9,138,782
TOTAL EQUITY	10,914,194	9,138,782

Movements during the year were:

RETAINED SURPLUSES		
Opening balance	9,138,782	8,424,931
Total comprehensive income	1,775,412	713,851
CLOSING BALANCE	10,914,194	9,138,782

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018



	NOTE	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,075,674	10,182,423
Interest received		42,839	-
Interest paid		(100,545)	(146,959)
Payments to suppliers and employees		(8,048,145)	(8,260,961)
Net cash provided by operating activities		2,969,823	1,774,503
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale property, plant and equipment		5,455	2,672,347
Payments for property, plant and equipment		(1,505,699)	(553,194)
Net cash (used in)/provided by investing activities		(1,500,244)	2,119,153
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of financial liabilities		(373,175)	(3,289,240)
Net cash used in financing activities		(373,175)	(3,289,240)
Net increase in cash held		1,096,404	604,416
Cash at beginning of financial year		1,996,727	1,392,311
CASH AT END OF FINANCIAL YEAR	14(a)	3,093,131	1,996,727

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018



NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

Catalina Country Club Limited applies Australian Accounting Standards-Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 13 September 2018 by the directors of the company.

ACCOUNTING POLICIES

a. GOING CONCERN

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In the event that the Club is unable to continue as a going concern, the Club may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

b. INCOME TAX

The Club is exempt from income taxation under section 50-45 of the Income Tax Assessment Act 1997.

c. INVENTORIES

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

d. PROPERTY, PLANT AND EQUIPMENT

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

The carrying amount of property, plant and equipment is reviewed at the end of the reporting period 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.

As 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably. All other costs (e.g. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

Depreciation

The depreciable amounts of all fixed assets including capitalised leased assets are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

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

Improvements and buildings	1% - 4%
Plant and equipment	5% - 33%
Motor Vehicles	10% - 15%

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. 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 at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

f. FINANCIAL INSTRUMENTS

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principle payments and amortisation.

g. IMPAIRMENT OF ASSETS

At the end of the reporting period, the Club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit (CGU) to which the asset belongs is estimated.

h. INTANGIBLE ASSETS

Intangible assets acquired separately are initially measured at cost. The Club's intangible assets are comprised of poker machine entitlements. The poker machine entitlements are capitalised when purchased at cost. Poker machine entitlements received for no consideration are recognised at the fair value at the date of acquisition. The entitlements have an infinite useful life as there is no expiry date attached to the entitlements.

i. EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the company's obligation for short term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for the other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligation for long-term employee benefits are presented as a non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer the settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

j. 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. REVENUE

Revenue from poker machines is the amount of monies collected from the poker machines, net of the amounts paid out as winnings to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

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

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

l. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. COMPARATIVES

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

n. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Key estimates and judgments

Impairment – Intangible assets

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to it that may be indicative of impairment triggers. The recoverable amounts of poker machine entitlements are reassessed using value-in-use calculations which incorporate various key assumptions. The directors believe that the full carrying amount of poker machine entitlements is recoverable and therefore no provision for impairment has been made.

New and amended Accounting Standards

The company has assessed all new and amended accounting standards issued and effective for financial reporting periods beginning on or after 1 January 2017, and determine there to be no effect on the current or prior period financial statements.

NOTE 2: COMPANY LIMITED BY GUARANTEE

As a company limited by guarantee, the liability of members is limited. In the event that the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$6 each towards meeting any outstanding obligations of the Club.

NOTE 3: INPUT TAX CREDITS

The company claimed and received \$827,112 input tax credits pertaining to prior years taxable supply acquisitions for the period December 2013 to June 2017.

NOTE 4: CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
Cash at bank and on hand	3,093,131	1,996,727
	3,093,131	1,996,727

NOTE 5: TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
Trade receivables	19,470	12,996
	19,470	12,996

NOTE 6: INVENTORIES

	2018 \$	2017 \$
Bar stock	53,630	49,209
Pro-shop stock	42,303	32,236
Sundry items	8,060	16,740
	103,993	98,185

NOTE 7: OTHER CURRENT ASSETS

	2018 \$	2017 \$
Prepayments	63,015	69,995

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2018 \$	2017 \$
Course and freehold land at cost	1,351,833	1,351,833
	1,351,833	1,351,833
Improvements and buildings – at cost	11,763,799	10,898,778
Less accumulated depreciation	(4,575,534)	(4,335,306)
Less accumulated impairment losses	(490,385)	(490,385)
	6,697,880	6,073,087
Plant and equipment - at cost	10,253,382	9,446,517
Less accumulated depreciation	(8,707,100)	(7,838,023)
Less accumulated impairment losses	–	–
	1,546,282	1,608,494
Motor Vehicles	50,593	92,411
Less accumulated depreciation	(17,625)	(37,482)
	32,968	54,929
TOTAL	9,628,963	9,088,343

	Balance at the beginning of the year \$	Additions \$	Disposals \$	Depreciation expense \$	Balance at the end of the year \$
2018					
Course and freehold land	1,351,833	–	–	–	1,351,833
Improvements and buildings	6,073,087	865,021	–	(240,228)	6,697,880
Plant and equipment	1,608,494	806,866	–	(869,078)	1,546,282
Motor vehicles	54,929	–	(12,720)	(9,241)	32,968
TOTAL	9,088,343	1,671,887	(12,720)	(1,118,547)	9,628,963

NOTE 9: INTANGIBLE ASSETS

	2018 \$	2017 \$
Poker machine entitlements - at cost	919,300	919,300

Entitlements to poker machines can be traded between clubs and therefore have a value. Entitlements that were initially granted free of charge have not been recognised on the statement of financial position. The purchase price of additional entitlements and the fair value of entitlements subsequently acquired for no consideration have been capitalised and disclosed above as "Poker machine entitlements – at cost".

In accordance with Australian Accounting Standards, the poker machine entitlements are not amortised as they have an indefinite life.

2018	Balance at the beginning of the year \$	Additions \$	Disposals \$	Depreciation expense \$	Balance at the end of the year \$
Poker machine entitlements	919,300	–	–	–	919,300

NOTE 10: TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
Trade creditors and accruals	498,345	282,626
Deferred income	369,867	358,754
Other payables	101,909	72,687
	970,121	714,067

NOTE 11: PROVISIONS

	2018 \$	2017 \$
Provision for annual leave	157,547	166,723
Provision for long service leave	186,623	193,410
	344,170	360,133
Analysis of total provisions:	EMPLOYEE BENEFITS \$	TOTAL \$
Opening balance at 1 July 2017	360,133	360,133
Additional provisions raised during the year	171,429	171,429
Amounts used	(187,392)	(187,392)
BALANCE AT 30 JUNE 2018	344,170	344,170

Provision for Employee Benefits

Provision for employee benefits represents accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlement that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(i).

NOTE 12: FINANCIAL LIABILITIES

CURRENT	2018 \$	2017 \$
Bank bills (secured)	240,000	240,000
Lease liability (secured)	42,923	131,185
	282,923	371,185
NON-CURRENT		
Bank bills (secured)	1,305,000	1,545,000
Lease liability (secured)	11,466	56,379
	1,316,466	1,601,379

The bank loan facilities have a total limit of \$2,925,000 and expires in August 2020. At 30 June 2018 \$1,380,000 of this facility is unused. The company is required to make monthly reductions of \$20,000 over the term of the facilities.

\$1,445,000 of the facility is a fixed rate bill at 3.39%. The remainder of the facility are variable rate bills. At 30 June 2018 the interest rate on these bills was 1.94%. The total amount of the bills are subject to usage line fees of 2.25%.

The company has an unsecured credit card facility with a limit of \$20,000.

The bank facilities are secured by way of registered mortgages over the Club's land and buildings at 154 Beach Road Batemans Bay. In addition the bank holds a fixed and floating charge over the assets of the Club.

Hire purchase/lease liabilities are secured over the plant and equipment subject to hire purchase/lease. Hire purchase/lease arrangements have original terms of between four and five years.

The carrying amounts of assets pledged as security for borrowings are:

	2018 \$	2017 \$
Fixed and Floating Charge		
Cash and cash equivalents	3,093,131	1,996,727
Trade and other receivables	19,470	12,996
Inventories	103,993	98,185
Other assets	63,015	69,995
Property, plant and equipment	1,579,250	1,663,423
Intangible assets	919,300	919,300
	5,778,159	4,760,626
Registered Mortgage		
Land and buildings	8,049,713	7,424,920
TOTAL ASSETS PLEDGED AS SECURITY	13,827,872	12,185,546

The holder of the security does not have the right to sell or pledge assets other than in an event of default.

The fair value of borrowings equals their carrying amount due to the market rates of interest implicit in the borrowings.

NOTE 13: CAPITAL AND LEASING COMMITMENTS

a.	Finance Lease and Hire Purchase Commitments	2018 \$	2017 \$
	Payable – minimum lease payments		
-	not later than 12 months	42,923	131,185
-	between 12 months and five years	11,466	56,379
		54,389	187,564

The hire purchase and lease contracts on plant and equipment commencing between 2014 and 2016 are for periods of between 4 and 5 years.

b.	Operating Lease Commitments		
	Non-cancellable operating leases contracted for but not recognised in the financial statements		
	Payable – minimum lease payments		
-	not later than 12 months	21,752	21,752
-	between 12 months and five years	34,441	56,193
		56,193	77,945

The company has leased golf carts for a 4 year term terminating in January 2021.

c.	Capital Expenditure Commitments		
	Capital expenditure commitments contracted for:		
-	Capital expenditure projects	76,420	977,444
		76,420	977,444

NOTE 14: CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand, cash at bank, at call deposits with banks or financial institutions, net of bank overdrafts.

Cash at the end of the year for the purpose of the statement of cash flows comprises:

	2018 \$	2017 \$
Cash at bank and on hand	3,093,131	1,996,727
	3,093,131	1,996,727

(b) Credit standby arrangements

The Club has commercial bill facilities with a limit of \$2,925,000 at year end (2017: \$3,185,000). At 30 June 2018 the unused portion was \$1,380,000 (2017: \$1,400,000).

NOTE 15: FINANCIAL RISK MANAGEMENT

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

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets	NOTES	2018 \$	2017 \$
Cash and cash equivalents	4	3,093,131	1,996,727
Trade and other receivables	5	19,470	12,996
Total Financial Assets		3,112,601	2,009,723
Financial Liabilities			
Trade and other payables	10	498,345	282,626
Other financial liabilities	12	1,599,389	1,972,564
Total financial liabilities		2,097,734	2,255,190

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity. The aggregate remuneration paid to key personnel during the financial year is as follows:

	2018 \$	2017 \$
Total key management personnel compensation	172,842	192,515

NOTE 17: RELATED PARTY DISCLOSURES

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year a company controlled by a relative of director Cathie Flynn provided goods to the value of \$104,000.

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 19: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets or liabilities.

NOTE 20: PROPERTY

For the financial year ended 30 June 2018, the core property of the company consists of land and buildings situated at Beach Road, Catalina. Non-core property includes approximately 4,200 square metres of land approved for disposal by members at the 2006 annual general meeting, plus approximately 600 square metres at 56 Country Club Drive.

DIRECTOR'S DECLARATION

FOR THE YEAR ENDED 30 JUNE 2018



In accordance with a resolution of the directors of Catalina Country Club Limited, the directors of the company declare that:

1. The financial statements comprising the attached Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statements of Cash Flows and Notes to the Financial Statements are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2018 and of its performance for the year ended on the date.
2. In the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

A handwritten signature in black ink, appearing to read 'Peter Criss', is written over a light grey background.

Peter Criss
Director

Dated this 13th day of September 2018

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF CATALINA COUNTRY CLUB LIMITED



REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

We have audited the financial report of Catalina Country Club Limited (the company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Catalina Country 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 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001 .

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 : *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* , which has been given to the directors of Catalina Country Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



GLEESON & PARTNERS
Certified Practising Accountants

Joseph P. O'Sullivan

Dated this 13th day of September 2018

Shop 23 Fenning Place
12-18 Orient Street
Batemans Bay NSW 2536



TEA . COFFEE . HOT CHOCOLATE . SANDWICHES . CAKES & PIES

OPEN DAILY



"The golf course area in 1936 was owned by W.P. (Percy) BILL. Percy Bill or "Young Percy" as he was more commonly known, ran a number of cows in the centre of the race track and did so until 1945. This area was known as "Bill's Paddock".

Welcome to the

— CATALINA —

REWARDS

PROGRAM THAT CELEBRATES YOU

As a member of **CLUB CATALINA**, you can **earn points** on your everyday purchases at the Club **when you VISIT, PLAY, DINE, DRINK, SHOP and SWIPE**.

The Catalina Rewards Program is a **5 Level Program** with each Level offering its own special benefits, offers and discounts.

REWARD LEVEL	Level Points Earned
PLATINUM PLUS	25,000
PLATINUM	10,000
GOLD	2,500
SILVER	500
MEMBER	ENTRY LEVEL

The **more points you earn** when you use your membership card, the **higher the level** you can achieve and the **more benefits you will receive**. Rewards are offered based on each individual Level.

Daily Visitation Bonus, Birthday Bonus, Monthly Loyalty Bonus and Golf Prizes are exempt from contributing to your Reward Level.

MEMBERS REWARD PROGRAM

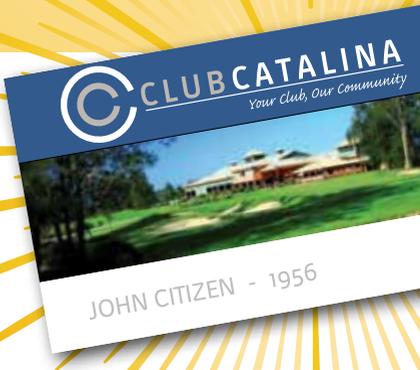


— CATALINA —
REWARDS

Visit, Play, Dine,
Drink, Shop, Swipe
and Earn **MORE**




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Your Club Our Community





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P. 02 4472 4022 info@clubcatalina.com.au

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