



(A Company Limited by Guarantee)

**FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009**

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CHAIRMAN'S REPORT

In its first year the Board faced some stimulating challenges. The slate was clean. There were no administrative procedures, protocols, policies or strategies to guide Board members. The Company's financial future was (and remains) unclear. The Board was able to commence business with the financial support of Bega Valley Shire Council and the healthy carry over of funds passed onto the Board from the prudent management by the Bega Valley Business Forum.

The priority was to establish objectives. With professional assistance we undertook strategic planning, establishing our basics which were duly incorporated in our Business Plan which is posted on our web site.

The Board's next priority was to employ a tourism manager and administration officer. The next task was to engage the region's tourism stakeholders to develop a coordinated regional approach to the management of visitor information centres.

Board members are volunteers who have given their time unstintingly. I wish to express my appreciation for their enthusiasm and dedication. In particular I thank former Board member Lyn Mott who provided invaluable administrative and financial management support in our difficult early months of operation.

The management of tourism in the region faces a range of challenges, in particular:

- The continuing contraction of domestic tourism in Australia with NSW showing the largest rate of decline (some 17% since 1999).
- The South Coast's poor performance in the growing inbound nature tourism market (4% of visitors compared with nearly 30% nationally)
- Sapphire Coast's limited relevance in the NSW South Coast Tourism Region which is dominated in the north by visitors from the Greater Sydney area.

The Sapphire Coast tourism product largely serves the Victorian beach holiday recreation market. This market seems to be quite resilient in spite of the current domestic tourism downturn and will probably be the backbone of regional tourism for some time to come. It is considered by some that Sapphire Coast Tourism needs to primarily be a beach recreation tourism services promotion body focussed on Merimbula. The Board's function would, in this case, be sort of an extension of the Chambers of Commerce.

The Board's Business Plan objective however is to identify and promote the whole region's compelling visitor experiences to maximize the social, cultural, environmental and economic well being of the community through sustainable tourism. The Board believes the best long term position for Sapphire Coast Tourism is to present the region's distinctive experiences that set us apart from our competitors. For this region these will relate to our natural and cultural heritage assets. Whilst beach recreation will be an important element of those experiences the potential offering is wider than that and extends across the shire area.

Given the limited resources available to Sapphire Coast Tourism it makes sense to leverage off the efforts of others. The area is now recognized as one of the limited number of areas offering one of Australia's outstanding experiences to Tourism Australia's Brand Australia target market and is accordingly strongly promoted in Tourism Australia's web site and international marketing programs. The Board is pleased to be a partner in this program with East Gippsland Tourism and other key stakeholders. Whilst the level of international visitors is currently modest the Board considers that recognition as an outstanding Australian destination will also be significant in the domestic market for those who are yet to explore their own country.

The main challenges for the Board in 2010 will be:

- To continue to promote the Sapphire Coast as a quality beach recreation destination to our traditional markets.
- To continue to identify and develop the area's distinctive natural and cultural heritage experiences to broaden the value of tourism to the communities in the Bega Valley region in partnership with East Gippsland Tourism, Tourism Australia, Government agencies, Bega Valley Shire Council and the regional tourism industry.

The extent to which the Board is successful in meeting these challenges will depend on the area's tourism industry coming together in mutual support and the implementation of measures in cooperation with Bega Valley Shire Council to ensure the long term financial viability of Sapphire Coast Tourism Ltd.

Bruce Leaver



DIRECTORS' REPORT

Your directors submit herewith the company's financial statements for the period ended 30 June 2009.

Directors:

The following persons held office as directors during the period ended 30 June 2009 and up to the date of this report:-

NAME	OCCUPATION	DATE OF APPOINTMENT	DATE OF RESIGNATION
Anthony ALLEN	Farmer	20 June 2008	
Gordon, BEATTIE	Company Director	20 June 2008	
Barry HARRISON	Property Manager	20 June 2008	
Bruce LEAVER	Public Servant	20 June 2008	
Geoffrey MORRISEY	Motel Proprietor	20 June 2008	
Adrian SANDREY	Publican	20 June 2009	
Tim SHEPHERD	Public Servant	20 June 2008	
Grant WEBSTER	Journalist	20 June 2008	
Janette NEILSON	Grazier	2 March 2009	
Leanne BARNES	Public Servant	20 June 2008	20 June 2008
Adrian WEEDON	Public Servant	20 June 2008	20 June 2008
Andrew IRELAND		20 June 2008	20 June 2008
Lyn MOTT	Caravan Park Proprietor	20 June 2008	2 March 2009

Company Secretary:

The Company secretary is Mr Geoffrey Brookes. Mr Brookes was appointed to the position of Company secretary on 23 December 2008.

Principal Activities:

The principal activity of the company in the course of the year was the promotion of tourism within the Sapphire Coast. There were no significant changes in the nature of the company's activities during the year.

Results:

The net operating surplus of the company for the financial period ended was \$16,434.36.

Dividends:

Not applicable, as the company has no share capital.

Review of Operations:

The company is continuing operations in regards to the operation of the promotion of tourism within the Sapphire Coast.

Significant Changes in the State of Affairs:

In the opinion of the directors, the results were not substantially affected by any item, transaction or event of a material or unusual nature, not disclosed in the accompanying financial statements.

Matters Subsequent to the End of the Financial Year:

In the opinion of the directors there is no matter or circumstance, other than those referred to in the financial report which has arisen since 30 June 2009, that has significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in the financial years subsequent to 30 June 2009.

Environmental Regulation:

The company is subject to environmental regulations from various authorities. To the best of the director's knowledge all activities have been undertaken in compliance with all relevant regulations.



DIRECTORS' REPORT (Continued)

Meetings of Directors:

The following table sets out the number of directors meeting held during the financial year and the number of meetings attended by each director (while they were a director).

	HELD	ATTENDED
A. Allen	14	10
G. Webster	14	10
G. Morrisey	14	13
T. Shepherd	14	8
G. Beattie	14	12
B. Harrison	14	14
J. Neilson	5	4
B. Leaver	14	11
A. Sandrey	14	12
L. Barnes	1	1
A. Weedon	1	1
A. Ireland	1	1
L. Mott	9	7

Director's Benefits:

Since 30 June 2008, no director has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts, or the fixed salary or a full-time employee of the company or a related corporation, by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Members Details:

Details of the classification of members as at 30 June 2009 were as follows:

Ordinary Members	203
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Insurance of Officers:

During the financial period ended 30 June 2009, the company did not pay any premiums to insure all directors and executive officers of the company for any legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the company. The company has not otherwise, during or since the financial period ended 30 June 2009, indemnified or agreed to indemnify the auditor of the company or of any related corporate against a liability incurred as auditor.

Auditor:

Kothes, Chartered Accountants were appointed auditors on 19 September 2008 in accordance with Section 327 of the *Corporations Act 2001*.

Auditor's Independence Declaration:

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page of the financial report.

This report is made in accordance with a resolution of the directors.

Barry Harrison
Director

Grant Webster
Director

MERIMBULA, 9 October 2009



ABN 36 472 755 795

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
SAPPHIRE COAST TOURISM LIMITED**

As auditor of Sapphire Coast Tourism Limited for the period ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

KOTHES
Chartered Accountants

S.N. BYRNE
Partner

Merimbula, 9 October 2009



ABN 36 472 755 795

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SAPPHIRE COAST TOURISM LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Sapphire Coast Tourism Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the period ended that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Qualification - Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed below, attention is drawn to the following matter. As a result of the matters described in Note 1(l), there is significant uncertainty whether the Company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Auditor's Opinion

In our opinion except for the effects on the financial report of the matters referred to in the qualification paragraph, the financial report presents fairly, in all material respects, the financial position Sapphire Coast Tourism Limited as of 30 June 2009, and its financial performance and cash flows for the period then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations).

KOTHES
Chartered Accountants

S.N. BYRNE
Partner
Merimbula, 9 October 2009

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BERMAGUI	Shop 4/2 Wallaga St BERMAGUI NSW 2546 Ph (02) 6493 4150
BOMBALA	Maybe St BOMBALA NSW 2632 Ph (02) 6458 3798
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EDEN	14 Chandos Street, EDEN NSW 2551 Ph (02)6496 1561 Fax (02) 6496 3250
JINDABYNE	Nuggets Crossing, JINDABYNE NSW 2627 Ph (02) 6456 2477
MERIMBULA	77 Main St MERIMBULA NSW 2548 Ph (02) 6499 8300 Fax (02) 6495 3388



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DIRECTORS' DECLARATION

In the director's opinion:

- (a) the financial statements and notes as set out in the financial report are in accordance with the *Corporations Act 2001*, including:
 - (i) comply with Accounting Standards and other mandatory professional requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2009 and of its financial performance for the financial period ended on that date.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Barry Harrison
Director

Grant Webster
Director

Merimbula, 9 October 2009



**INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2009**

	Notes	2009
Revenue from ordinary activities	2	320,223.61
Depreciation		(3,144.34)
Administration overhead		(30,616.39)
Cost of Goods Sold		(18,065.56)
IT Expenses		(34,001.76)
Marketing Expenses		(32,164.78)
Printing Visitor Guides		(23,778.00)
Wages and Salaries		(109,602.47)
Other expenses from ordinary activities		(16,316.96)
Visitor Centre Funding		(27,000.00)
Visitor Centre Expenses		(9,098.99)
OPERATING SURPLUS		16,434.36
Income tax attributable to operating Surplus	1(d)	--
OPERATING SURPLUS AFTER INCOME TAX		16,434.36
Transfer from Bega Valley Shire Business Forum Incorporated	1(a)	157,722.82
OPERATING SURPLUS AFTER TRANSFER		174,157.18

The above income statement should be read in conjunction with the accompanying notes.

**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE PERIOD ENDED 30 JUNE 2009**

Operating Surplus	16,434.36
Funds Transferred from Bega Valley Shire Business Forum Inc	157,722.82
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	174,157.18

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.



**BALANCE SHEET
 AS AT 30 JUNE 2009**

	Notes	2009
CURRENT ASSETS		
Cash and cash equivalents	3	195,227.04
Inventories	4	4,392.72
Receivables	5	23,024.88

TOTAL CURRENT ASSETS		222,644.64

NON-CURRENT ASSETS		
Property, plant and equipment	6	18,437.65

TOTAL NON-CURRENT ASSETS		18,437.65

TOTAL ASSETS		241,082.29

CURRENT LIABILITIES		
Payables	7	66,925.11

TOTAL CURRENT LIABILITIES		66,925.11

TOTAL LIABILITIES		66,925.11

NET ASSETS		174,157.18
		=====
MEMBERS' EQUITY		
Share capital	8	--
Accumulated funds		174,157.18

TOTAL MEMBERS' EQUITY		174,157.18
		=====

The above balance sheet should be read in conjunction with the accompanying notes.



**CASH FLOW STATEMENT
 FOR THE PERIOD ENDED 30 JUNE 2009**

	Notes	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operating activities		
- inclusive of goods and services tax		371,133.47
Payments to suppliers and employees		
- inclusive of goods and services tax		(277,158.67)

		93,974.80
Interest received		5,527.69

Net cash provided by operating activities	11	99,502.49

CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer from Bega Valley Shire Business Forum Inc		109,273.36
Payment for property, plant and equipment		(13,548.81)

Net cash from in investing activities		95,724.55

Net increase in cash held		195,227.04
Cash at beginning of the period		--

CASH AT END OF FINANCIAL YEAR	3	195,227.04
		=====

The above cash flow statement should be read in conjunction with the accompanying notes.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2009**

1. Summary of Significant Accounting Policies

Background Information

The company was incorporated as Sapphire Coast Tourism Limited on 9 May 2008 (# 131 022 958) under the NSW Companies Act, 1961, NSW. It is registered with the Australian Business Register - Australian Business Number 99 131 022 958 and is registered for Goods & Services Tax purposes. The company will account for Goods & Services tax quarterly using the cash basis of accounting.

(a) *Transfer from Bega Valley Shire Business Forum Incorporated*

The company did not commence trading until 1 July 2008 when it took over the functions of the Bega Valley Shire Business Forum Incorporated. The company assumed all assets and liabilities of the Bega Valley Shire Business Forum Incorporated as at 1 July 2008. The net amount of the unaudited assets and liabilities transferred was \$157,722.82.

(b) *Basis of Preparation*

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

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

Reporting Basis and Convention

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

Compliance with IFRSs

As the Company is a Not-For-Profit entity it is not required to comply with all International Financial Reporting Standards (IFRSs). The financial report of the Company is prepared in accordance with Australian Equivalents to International Financial Reporting Standards applicable to Not-For-Profit entities.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2009 (Continued)**

1. Summary of Significant Accounting Policies (Continued)

(b) Basis of Preparation (continued)

Adoption of New and Revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2008. The adoption of these new Standards and Interpretations has not resulted in any changes to the Company's accounting policies that have affected the amounts reported for the current or prior years.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas that involve a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements other than those described in following accounting policies.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue and are net of taxes paid. Revenue is recognised for the major business activities as follows:

Services

Revenue is taken to account when the recipient has a legal right to pay for services performed by the Company.

Interest

Interest revenue is recognised as it accrues using the effective interest method. The effective interest method is the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

Subscriptions

Subscriptions for annual membership are recognised in revenue over the membership year.

(d) Income Tax

The Directors have reviewed the company's income tax status and have assessed the Company to be exempt from income tax under section 50-40 of the *Income Tax Assessment Act, 1997* (Cth). Consequently, no provision for taxation has been made in the financial statements.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2009 (Continued)**

1. Summary of Significant Accounting Policies (Continued)

(e) Acquisitions of Assets

The purchase method of accounting is used to account for all acquisitions of assets regardless of what assets are acquired. Cost is measured as the fair value of assets given up as the date of acquisition plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is Company's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(h) Property, Plant & Equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant & equipment	3-30 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2009 (Continued)**

1. Summary of Significant Accounting Policies (Continued)

(i) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(j) Financial Instruments

Recognition and Initial Measurement

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Fair value

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

Impairment

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

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST. Cash flows are presented in the Cashflow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 30 JUNE 2009 (Continued)**

1. Summary of Significant Accounting Policies (Continued)

(I) *Inherent Uncertainty Regarding Continuation as a Going Concern*

Funding for which Sapphire Coast Tourism Limited requires to operate has not been guaranteed for the 2009/2010 financial year. Without this funding the Board cannot guarantee that the Company will be able to operate as a going concern for the next 12 months without significantly changing the operations of the Company. If Sapphire Coast Tourism Limited is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

	2009
2. Operating Revenue	
<u>Operating Activities</u>	
Booking Service Commission	42,591.94
Council Funding – Tourism	150,000.00
Council Funding – Other	41,454.55
Tourism Income	26,679.45
Visitor Information Centre Income	52,730.14

	313,456.08
 <u>Non-operating Activities</u>	
Interest	5,527.69
Reimbursements	1,239.84

	320,223.61
	=====
 3. Current Assets – Cash and Cash Equivalents	
Cash at Bank – General	29,615.56
Cash at Bank – Holding	3,906.35
Cash at Bank – Investment	161,300.13
Cash on Hand	400.00

	195,227.04
	=====

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement.

4. Inventories

Stock on Hand - Souvenirs	4,014.85
Stock on Hand – Food and Beverages	377.87

	4,392.72
	=====



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 30 JUNE 2009 (Continued)**

2009

5. Current Assets - Receivables

Sundry Debtor	2,809.01
Goods and services tax receivable	3,778.19
Money Held by South Coast Tourism Incorporated	16,437.68

	23,024.88
	=====

6. Non-current Assets - Property, Plant and Equipment

Plant and equipment, at cost	21,581.99
Accumulated depreciation	(3,144.34)

	18,437.65
	=====

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out as follows:

Property, Plant & Equipment	Plant & equipment at cost	TOTAL
Assets Transferred from Bega Valley Shire Business Forum Incorporated	8,033.18	8,033.18
Additions	13,548.81	13,548.81
Disposals	--	--
Depreciation	(3,144.34)	(3,144.34)
Carrying amount at 30 June 2009	18,437.65	18,437.65



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2009 (Continued)**

	2009
7. Current Liabilities - Payables	
Trade creditors	2,626.16
Accrued charges	2,400.00
Memberships in Advance	19,854.68
Council Funding in Advance	12,500.00
Consignment Sales	11,756.92
Prepaid Signage	6,212.50
Payroll Liabilities	11,574.85

	66,925.11
	=====

8. Company Structure and Share Capital

- (a) Sapphire Coast Tourism Limited is a company limited by guarantee and as such has no share capital.
- (b) As a company limited by guarantee, every member of the company undertakes to contribute an amount not exceeding \$1.00 on the event of the company being wound up. Such contribution will only be required in the event that assets of the company are insufficient to meet the payments of debts and liabilities of the company at the time of winding up, including the costs, charges and expenses of the winding up. The amount will be payable by all existing members at the time of winding up and those members ceasing membership one year prior to that date.

9. Financial Instruments

(a) *Financial Risk Management*

The entity's financial instruments consist mainly of deposits with the bank, accounts receivable and payables. The entity relies on this working capital as its source of funds.

Financial Risks

The main risk the entity is exposed to through its financial instruments is interest rate risk.

Interest rate risk

Interest rate risk is managed with excess cash held in term deposits with a fixed rate of interest for the term invested.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows.

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Credit risk

Credit risk is managed by the entity and reviewed regularly by the Board. It arises from exposures to customers as well as through deposits with financial institutions. The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties. Only banks and financial institutions with an 'A' rating are utilised.

Price risk

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



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2009 (Continued)**

9. Financial Instruments (continued)

(b) Financial Instruments Composition and Maturity Analysis

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash at bank	0.35	--	31,794.66	--	--	--	--	--	31,794.66	--
Short term deposits	4.40	--	161,300.13	--	--	--	--	--	161,300.13	--
Total financial assets			193,094.79	--	--	--	--	--	193,094.79	--

Financial liabilities										
Trade creditors	--	--	--	--	--	--	2,626.16	--	2,626.16	--
	--	--	--	--	--	--	--	--	--	--
Total financial liabilities			--	--	--	--	2,626.16	--	2,626.16	--

Trade creditors are expected to be paid within 30 days

(c) Net Fair Values

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

(d) Sensitivity analysis:

Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk. As at 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2009
<i>Change in profit</i>	
Increase in interest rate by 2%	3,226.00
Decrease in interest rate by 2%	(3,226.00)
<i>Change in equity</i>	
Increase in interest rate by 2%	3,226.00
Decrease in interest rate by 2%	(3,226.00)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed for foreign exchange risk, as the entity is not exposed to fluctuations in foreign exchange.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
30 JUNE 2009 (Continued)**

2009

10. Remuneration of Auditor

Amounts received, or due and receivable,
by the auditor of the company for:-

Audit of the company's accounts

2,400.00

=====

11. Related Party Transactions

(a) ***Directors:-***

The names of persons who were directors of the company at any time during the year are as follows:-

Grant Webster
Tim Shepherd
Janette Neilson
Adrian Sandrey
Andrew Ireland

Anthony Allen
Gordon Beattie
Bruce Leaver
Leanne Barnes
Lyn Mott

Grant Morrissey
Barry Harrison
Geoffrey Brookes
Adrian Weedon

(b) ***Directors Remuneration***

The directors do not receive any remuneration from the company.

(c) ***Transactions with directors and director related entities***

There were no transactions with directors, other than those at normal commercial terms and conditions, and other benefits approved by the members at the annual general meeting.

(d) ***Other transactions with related parties:***

There were no other transactions with related parties.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 30 JUNE 2009 (Continued)**

2009

12. Notes to the Cash Flow Statement

Reconciliation of net cash provided by operating activities to operating surplus after tax:-

Operating surplus after tax	16,434.36
Add back non-cash items	
Depreciation	3,144.34
Changes in Assets and Liabilities	
(Increase)/decrease in sundry debtors	21,141.55
(Increase)/decrease in inventories	3,333.65
Increase/(decrease) in trade creditors	3,113.26
Increase/(decrease) in accrued charges	52,335.33

<i>Net cash inflow from operating activities</i>	99,502.49
	=====

13. Segment Information

The company is involved in a single industry segment promoting tourism on the Sapphire Coast which operates on the South Coast of New South Wales.

14. Registered Office / Principal Place of Business

128-132 Carp Street, Bega, NSW, 2550 / 2 Beach Street, Merimbula, NSW, 2548

15. New Standards and Interpretations Not Yet Adopted

All Accounting Standards issued or amended and that are applicable to the company but not yet effective and have not been adopted in preparation of the financial statements at reporting date have been reviewed by the company. As at the date of this report there is no effect on the financial statements for the year ended 30 June 2009 due to Accounting Standards issued or amended and that are applicable to the company and have not been adopted in preparation of the financial statements at reporting date, other than changes in the presentation of the financial statements in future reporting periods.



ABN 36 472 755 795

**SUPPLEMENTARY INFORMATION
30 JUNE 2009**

DISCLAIMER

The additional financial data presented on the following pages is in accordance with the books and records of Sapphire Coast Tourism Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2009. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm's policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

KOTHES
Chartered Accountants

S. N. BYRNE
Partner

Merimbula, 9 October 2009



**SUPPLEMENTARY INFORMATION
 30 JUNE 2009**

REVENUE ACCOUNT

2009

Income

Commission on Bookings	42,591.94
Funding Income	
Bega Valley Shire Council – Cluster	954.55
Bega Valley Shire Council – Cruise Eden	3,000.00
Bega Valley Shire Council – Sapphire Coast Tourism	150,000.00
Bega Valley Shire Council – Visitor Information Centre	37,500.00
Sapphire Coast Tourism	
Booking Commission	5,383.54
Customer Credit Card Service Fee	34.41
Membership	21,229.68
Visitor Guide Advertising	31.82
Visitor Information Centre	
Booking Commission	7,771.32
Consumables and Food	1,282.56
Internet Café	2,255.64
Miscellaneous Sales	793.57
Signage	10,655.33
Souvenir Sales	29,971.72
Interest	5,527.69
Reimbursement	1,239.84

<i>Total Income</i>	320,223.61

Expenses

Booking Service	
Bank Charges	104.23
Office Supplies	160.56
Postage	326.19
Transaction Fees	304.00
Telephone	2,569.00
Wages and Salaries	27,858.63
Cost of Sales	
Souvenirs	16,752.75
Consumables and Food	1,312.81
Marketing Expenses	
Australian Coastal Wilderness	6,159.09
Advertising	5,345.45
Canberra Program	3,633.36
Consumer Shows	12,621.89
Cruise Eden	1,517.05
Paddy Palin Program	2,887.94

<i>Carried Forward</i>	81,552.95



**SUPPLEMENTARY INFORMATION
 30 JUNE 2009**

REVENUE ACCOUNT (Continued)

2009

Carried Forward

81,552.95

Sapphire Coast Tourism	
Auditor's remuneration	2,400.00
Bank charges	2,868.19
Computing Expense	4,570.17
Consultants	650.00
Consumables	872.99
Depreciation	3,144.34
Freight	2,703.36
Insurance	406.50
Lease – Storage Shed	1,620.00
Legal Fees	818.86
Membership Fees	2,109.09
Office Equipment	1,008.58
Postage, Printing & stationery	10,808.51
Printing – Visitor Guide	23,778.00
Seminars	1,114.01
Telephone	3,236.30
Wages and Salaries	38,903.24
Visitor Information Centre	
Accreditation Fee	800.00
Advertising	2,264.17
Computing Expense	105.32
Consumables	569.53
Insurance	756.82
Office Equipment	588.18
Postage, Printing & stationery	1,195.84
Repairs and Maintenance	955.73
Telephone	1,946.72
Wage and Salaries	42,840.60
Water	22.00
Other Visitor Information Centres	27,000.00
Employee Expenses	3,499.83
Superannuation	8,828.43
Workers Compensation Insurance	524.72
Web Site Development	29,326.27

<i>Total Expenses</i>	<i>303,789.25</i>

<i>Operating surplus</i>	<i>16,434.36</i>
