

Carnarvon Golf Club Limited
ABN: 57 000 854 544

Carnarvon Golf Club

45th Annual Report

Year ending 31st January, 2015 – for presentation at the Annual General Meeting

Tuesday, 12th May 2015 at 6.30pm



Carnarvon Golf Club Limited ACN: 000 854 544

65-95 Nottinghill Road, Lidcombe NSW 2141

Telephone: (02) 9649 6255

www.carnarvongolf.com.au email: info@carnarvongolf.com.au

OFFICE BEARERS 2014-2015

PATRON

George Middleton

PRESIDENT

Nick Stoves

VICE PRESIDENT

Gene Levette

CAPTAIN

Chris Thomson

VICE CAPTAIN

John Honeybrook

DIRECTORS

Reg Armstrong, Stephen Fletcher,
Peter Richardson, Barry Ryan,
Shawn Singham.

LIFE MEMBERS

George Middleton
Lola Mitchell
Dudley Davies

GENERAL MANAGER

Owen Madden

GOLF COURSE MANAGER

Steven Jacobsen

AUDITORS

Mawby, Cowper, Meares & Co.

LADIES MATCH COMMITTEE 2014 – 2015

PATRON

Mrs. Betty Davies

CAPTAIN

Catherine Tucker

VICE CAPTAIN

Barbara Lynch

COMMITTEE

Agnes Cho, Lisa Kim, Michelle Park

MEMBERSHIP REPORT

As at 31st January, 2015

	<u>CATEGORY</u>	<u>2014-15</u>	<u>2013-14</u>
MEN:	Life	2	2
	Full Playing	282	329
	Senior	162	155
	Staff	1	2
	Intermediate (18 – 24)	13	4
	Corporate	1	1
	Country	14	18
	Professional	4	4
	Restricted Full Playing	35	35
	Restricted Playing	19	19
	Limited 5 Day	7	-
	Junior 1 (12 -17)	11	8
	Junior 2	-	2
	LADIES:	Life	1
Full Playing		120	133
Senior		31	27
Intermediate (18 – 24)		1	0
Country		4	6
Limited 5 Day		3	-
Junior 1 (12 -17)		0	1
Junior 2		-	0
SUB-TOTAL		711	742
HONORARY		4	4
SOCIAL		1432	1401
TOTAL		2147	2147

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**Carnarvon Golf Club Ltd (ABN 57 000 854 544)
Notice of Annual General Meeting**

Notice is hereby given that the 2015 Annual General Meeting of Carnarvon Golf Club Ltd (ABN 57 000 854 544) shall be held on Tuesday 12 May 2015 commencing at 6.30pm in the Club's premises at 65-95 Nottinghill Road, Lidcombe, NSW 2141

AGENDA

1. Confirmation of Minutes of the 44th Annual General Meeting of members held on 14 April 2014.
2. Consideration of the Annual Report of the Directors, Financial Statements, supportive accounts and Audit Report for the year ended 31st January 2015.
3. To appoint auditors for the ensuing year
4. To consider Notice of Ordinary Resolutions, as further indicated
5. To consider Notice of Special Resolution, as further indicated
6. General Business

FIRST ORDINARY RESOLUTION: Directors' Benefits

The Club shall be entitled to budget, allocate and disburse such sums as may be considered reasonable expenditure for, to, or on behalf of Directors for their professional development, education, and the enhancement of their services to the Club.

Without limiting the generality of the expenditure and by way of guidance only, such expenditure should be directed to the following areas to a sum not exceeding \$15,000.

- (i) The reasonable costs of Directors attending the Registered Clubs Association (Clubs NSW) meetings and Annual General Meeting and the reasonable costs of Directors attending meetings of other Associations of which the Club is a member.
- (ii) The reasonable costs of Directors attending seminars, lectures, trade displays, organised study tours, fact finding tours, and other similar events as may be determined by the Board from time to time, provided however, that such expenditure shall not reflect the reimbursement of any expenses incurred by Directors during free time or extraneous activities at such fact finding tours.
- (iii) The reasonable costs of Directors attending other Clubs for the purpose of observing their facilities and methods of operation.
- (iv) The attendance of Directors at functions, with spouses or partners, where such attendances are required by the Club and such Directors and their spouses or partners are representing the Club.
- (v) The provision of Club uniforms as decided by the Board from time to time. Such uniforms shall at all times be in keeping with the image of the Club in the Community.
- (vi) The holding of an Annual Dinner for Directors, their spouses or partners and other such persons as deemed by the Board to be appropriate to the occasion.
- (vii) The provision of car parking spaces for 4 Directors, the President, the Captain, the General Manager, the Golf Professional, the Assistant Professional and the Patron.
- (viii) Reasonable light refreshments to be associated with each Board Meeting of the Club.
- (ix) The provision of a reserved golf booking time allocation for the President, Captain and Directors for each designated Club competition, when required.

The Members acknowledge that the benefits set out above are not available to Members generally, but only to those who are elected as Directors, the General Manager, and such other nominated Members as may be co-opted to be involved in such activities from time to time.

SECOND ORDINARY RESOLUTION: Benefits for other members as approved by the Board of Directors to a sum not exceeding \$20,000.

- (i) **Representative Teams:** Major Pennant, Eric Apperly Shield, Junior Pennant, Masters Pennant, Super Senior Pennant and Encourage Shield. The provision of team apparel, golf balls, and reasonable cost of meals and drinks for participating players and managers.
- (ii) **Major Pennant Team Only:** The provision of a bus for transportation of players and caddies when participating in tournaments and the reasonable cost of an end of season dinner for Major Pennant Team Members.
- (iii) **Lady Members:** The provision of the following:
 - Car parking spaces for the Ladies Captain and Ladies Committee.
 - Reasonable light refreshments to be associated with each monthly Ladies Committee meeting
 - Team Shirts and golf balls for Members of Representative teams.
 - Reasonable cost of luncheons for selected "Grade Days".
 - The reasonable cost of the Ladies Committee attending an Annual Dinner at the Club in appreciation for services rendered.
 - The provision of a reserved golf booking time allocation for the President, Captain and Committee members for each designated Ladies competition, when required.
- (iv) **Handicapped Drivers:** The provision of reserved parking spaces for approved handicapped certified vehicles.
- (v) **Volunteers:** At the Board's discretion the provision of reasonable gratuities for members who volunteer their services for the benefit of the Club, including but not restricted to the volunteer gardeners.

That pursuant to the Registered Clubs Act, the Members hereby approve and agree to the classes of Members as outlined above, during the twelve (12) months period preceding the 2015 Annual General Meeting, receiving the nominated benefits and the Members further acknowledge that the benefits outlined are not available to Members generally, but only to those Members who are in the specific class of Members to which the benefits apply.

FIRST SPECIAL RESOLUTION-

That Rule 40 of the Constitution of Carnarvon Golf Club Limited (“the Club”) be amended by deleting the words “half yearly”. Rule 40 will now read:

Rule 40 Membership subscriptions must be paid annually in advance or may, if the Board so approves, be paid by instalments in advance. The Board will from time to time prescribe the time and manner of payment and all other related matters not specifically provided for in this Constitution.

Notes to members on the Special Resolution

1. The Special Resolution is to provide members with more convenient and less financially difficult options in the payment of annual subscriptions.

SECOND SPECIAL RESOLUTION

That Rule 22 b (IV) be amended by deleting the words “with no further transfers to, or admissions to this class of membership.” Rule 22 b (iv) will now read:

(iv) Existing Midweek Playing Members will be transferred to the class of Restricted Playing Member.

THIRD SPECIAL RESOLUTION.

Rule 24 (d) (ii) be amended by deleting the final sentence “This class of membership is closed to any further entrants.”

Rule 24 (d) (ii) will now read:

- (ii) to play in organized competitions except:
 - (a) Saturdays and Sundays; and
 - (b) Gender specific events where the member is not the gender specified for the event.

On other days the entitlement to play in organised competitions will be in accordance with any by-laws passed from time to time by the Board and gender requirements of the events

Notes to members on Second and Third Special Resolutions.

These two Special Resolutions deal with the categories of 5 day memberships which was deleted from the membership categories following the adoption of a new Constitution at the Annual General Meeting of 1st May, 2013. There have been continuing enquiries from intending members for admission to a restricted class of membership. The Board supports the reintroduction of these membership categories as the demand is certainly there and we can always absorb more members.

REQUEST OF THE BOARD

Where members have questions related to the financial accounts it is requested they be submitted in writing seven days prior to the AGM in order to provide comprehensive answers.

Dated: 31st March 2015

Owen Madden
General Manager
By direction of the Board

PRESIDENT'S REPORT

On behalf of the Board of Directors, I am pleased to present Carnarvon Golf Club's 45th Annual Report and Finance Statements for the period ended 31 January, 2015.

We are half way through the new two year term for the Board of Directors. This increased term representing our members allows for continuity, albeit things happen in our lives necessitating a change of direction for some people. Two year terms help the Board work together which assists in club management, planning and implementing strategies. Time and money previously spent on preparations for voting and the responsibility of members having to vote every 12 months is saved.

For the purpose of succession in respect of holding a position on the Board those thinking of standing in 2016 need to be prepared for the two year commitment.

Despite an ongoing general decline in playing membership numbers, throughout the golfing fraternity and increases in various running costs, it is pleasing to report the club made a trading profit of \$7,915 this financial year.

This is an exceptional achievement considering there was no increase in fees last year. Improvements included the cost of a major renovation, replacing the 1st green, the purchase of new course equipment and clubhouse maintenance totalling \$434,231.

The Board was prudent in controlling and authorising expenditure throughout the year under the watchful eye of our Chairman of Finance, Barry Ryan. Good club management, hardworking staff, our supportive members, their guests and our sponsors provided the catalyst to enable us to complete the year in the black.

Comparison of golfing memberships over the past two years are as follows:

- 31 January 2014 742
- 31 January 2015 711

Social memberships:

- 31 January 2014 1401
- 31 January 2015 1432

At the Annual General Meeting this year the Board is seeking minor changes to the Constitution, to permit more flexibility and convenience in payment methods for golf fees. Also minor changes are sought in respect of some membership classes. Advice to members regarding the changes sought are fully expressed in the document for Notice of 45th Annual General Meeting which is to be held on 12 May 2015.

Our thanks to General Manager Owen Madden who continually monitors club spending, the introduction of new strategies and usage of the club's facilities. The use of our function facilities has increased substantially over the past several years.

Function numbers for 2014/15 included:

- Wedding/Engagements/Anniversary 13 \$70,617.40
- Corporate Golf Days 24 \$114,119.10
- Wakes 97 \$156,857.40
- Conferences/Business 108 \$115,124.50
- Birthdays/Christenings 38 \$103,545.80

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- Others 28 \$69,726.
- Club events 14 \$8,730.20

New commercial loans for the year were \$245,670; repayment of loans was \$145,456. The balance of loans as at 31 January 2015 was \$302,200. Our closing balance of \$302,200 was up compared to \$201,985 the previous year. Capital expenditure on the course for the year was \$329,379 whilst capital expenditure for the clubhouse was \$104,852.

In respect of our new 20 year lease, negotiations are well under way with Auburn Council as Landlords on behalf of the Lands and Environment Department. It is expected the new lease will be signed later this year. Each year our Honorary Solicitor, Michael Fisher assists us greatly with legal advice on many diverse matters. Recently it has been the contents of the newly proposed lease. Mr. Fisher we thank you, we are eternally grateful for your help. Our Chairman of Finance Barry Ryan also contributed immensely to the lease negotiations.

We are currently involved in a development application with Council and Roads and Maritime Services to erect an LED sign at the corner of Joseph and Amy Streets. We have tentative agreement with sponsors regarding advertising upon erection of the sign. The sign will give us an opportunity to advertise club, social golf and functions.

Our sponsors this past year included:

Parmalat (Oak Milk); Schweppes; H. Ramsay & Co., Surveyors; Ace Plumbing; Birrong Hardware;

Thanks to each sponsor for your unwavering support.

Sadly Birrong Hardware has closed its doors and no longer exists. Gavin Morris the proprietor was a long-time sponsor, we wish him well and thank him for his many years of support.

I wish to express my sincere thanks to Ladies' Captain Catherine Tucker, Vice-Captain Barbara Lynch, Committee Members Lisa Kim, Michelle Park and Agnes Cho for their untiring work, a job well done and their strong support given to the Board of Directors throughout the year. These ladies volunteered for the Ladies' Committee when a quorum of applicants was not forthcoming to form committee. Subsequently the Board appointed the ladies to the abovementioned positions.

My thanks also goes to retired Ladies' President Grace Bryce and Captain Fay Butcher for their good work at Carnarvon over many years.

Our core business is golf, my thanks to our Course Superintendent Steve Jacobsen and his staff who, working with our good Captain Chris Thomson do a wonderful job keeping Carnarvon Golf Course in such great shape. Chris gives our ground staff great support. The new 1st green and surrounds were designed by Steve and in the main built by our staff, a well done job. Also it would be remiss of me not to thank our Wednesday volunteers who have done an amazing job with our 'natural garden' areas on the course. Thank you all.

A visiting golfers' first impression of Carnarvon comes about when they meet our Head Golf Professional Mike Callaby and his very able staff Alex Wiffin and Gerry Hyde. I often have visitors commenting about the friendly and efficient staff in the 'Pro Shop'. My thanks to Mike, Alex and Gerry for their untiring work and help throughout the year.

Much of our Club's success can be attributed to General Manager Owen Madden, our office, catering and club staff. They are truly indicative of what is required by helpful staff in the hospitality industry. Their good work brings members and guests back to the club time and again. The number of functions throughout the year is indicative of good service and excellent meals provided in the clubhouse. On behalf of the Board of Directors I thank all of our staff.

My thanks to the Board of Directors; Vice President Gene Levette, Captain Chris Thomson, Vice-Captain John Honeybrook, Chairman of Finance Barry Ryan, Steve Fletcher, Reg Armstrong, Peter Richardson and Shawn Singham for their hard work, support, knowledge and advice throughout the year.

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Congratulations to all winners of Club Championships and events during the past year; also to the Ladies' Pennants for their efforts and the Men's Pennant teams who have all done us proud on and off the course.

To those who have lost loved ones during the year please accept my sincere condolences and I wish a speedy recovery to all who may be in ill health.

Last but not least, thank you to all Carnarvon Members for your continued support of this very wonderful Golf Club, my very best wishes to all.

Nick Stoves

President

Finance Report

On behalf of the Board of Directors I am happy to report an operating profit of \$7,915 for the financial year ending 31st January, 2015 after allowing for depreciation and the upgrading of provisions. This is a pleasing result considering the difficulties being experienced by the Club industry generally and golf clubs in particular. The wide dispersion of membership makes it difficult for members to come to Carnarvon for social events and with long distances to be travelled the consumption of alcohol needs to be treated with care. We can only encourage all our members to make use of the Club's food and beverage offerings facilities while they are at the course. The Board decided to forego the normal increase of fees by the CPI for the 2014/15 year in the hope of maintaining membership numbers but this was not as effective as hoped. While the House Account component of the fee structure is generally well received the scheme does not have complete acceptance mainly as some members leave it until the end of the year to access their house accounts. This can be overcome by spending \$5 per week at the club or by having family events at the club. The Board undertook a full review of the fee structure and looked at a numerous models and alternatives. As everything considered exhibited some anomalies and varying degrees of unfairness it was decided to retain the status quo.

Trading Results

Income from the course was \$50,807 below the previous year. Subscriptions were down \$50,900 reflecting the decline in membership which is an industry wide problem. Visitors' fees were \$31,446 below the previous year mainly as a result of the sometimes incredible deals offered by our neighbouring clubs. We reviewed our visitor rates during the year to regain some of the market. Men's and ladies competition fees were both below expectations again reflecting the decline in membership

Catering (bistro, functions and half way house) showed a net profit of \$82,464; this figure was \$28,430 better than the previous year. Weddings, wakes, birthday's anniversaries and other functions were major contributors. Popularity of the Sunday breakfast declined during the year to the extent that the service was suspended while its continuance is under review.

Poker machine trading was buoyant being \$182,276 above last year. It is hoped that the trend will continue although poker machine revenue is an unpredictable area.

Overheads

The total overheads came in at \$40,907 more than last year and \$81,334 below budget due mainly to the efforts of Owen Madden (General Manager) and Steve Jacobsen (Course Superintendent) together with oversight from the whole Board. This, in no small way, contributed to the sound financial position of the club at year's end.

Capital Expenditure

Capital expenditure approved by the Board during the year was \$434,231 as follows:-

Course

1st Green	72,463
20 X Golf Carts	136,364
Triplex Greensmower	42,532
Articulator Mower	31,000
2nd Hand Woodchipper	20,000
Green Rollers	18,975
Computer, Software, Printer & Setup	3,013
2 X Air Conditioning Units	2,650
Chainsaw	1,655
Miscellaneous	727
	<hr/>
	329,379

Clubhouse

Poker Machines & Upgrades	62,235
Computer, Software & Setup	11,107
Projector, Screen & Installation	5,564
Digital Upgraded	6,760
Function Room Wall	5,975
Cake Fridge & Benchtop	5,500
POS Touch Screen Unit and Installation	3,098
Defibrillator	1,850
Sofa & Side Tables	1,413
2 X Artificial Plants	1,350
	104,852
TOTAL VALUE	434,231

The purchase of golf carts this year is a new approach as under the previous strategy carts were leased with no residual to the Club. The purchase will be effected under a four year commercial loan. The options at the end of the four years depending on the condition of the carts will include sale, trade-in or keep them for another year. The monthly loan repayment is \$2841 as against the previous leasing arrangement of \$2991 per month. The expenditure on course equipment is in line with Board policy of replacing equipment at the end of its economic life and also obtaining our own equipment rather than contract out some course tasks. Course maintenance is predicated on having the right equipment available for the full shift on scheduled days. If the equipment breaks down, is not available or is not performing to the required standard then tasks are not completed on schedule and the Club incurs additional expense in overtime, casual labour, repairs and other associated costs.

Expenditure within the clubhouse includes replacement and upgrade of some poker machines as the players are always looking for new features and new machines. Some expenditure was necessary in the function area to meet the requirements of clients. Our computer system until last year used the popular but dated Windows XP operating system. Microsoft withdrew its support for this system necessitating an upgrade to Windows 7 and an associated upgrade of hardware.

LOANS

The balance of loans as at 31st January 2015 was \$302,200
Commercial Loans \$302,200

Repayments for the Loan year totalled \$145,456 which is 48% of the allowance for depreciation.

CASH FLOW

Cash increased \$37,873 to a closing cash balance of \$372,556 as at 31st January, 2015. The cash increase was made up of:-

	\$
Net Profit	7,915
Depreciation	335,316
New Commercial Loans	245,670
Repayment of Loans	(145,456)
Capital Expenditures (net of disposal)	(432,509)
Increase in Working Capital	<u>26,937</u>
Cash drawn down during the year	37,873
Cash at beginning of Financial Year	<u>334,683</u>
Cash at end of financial year	<u>372,556</u>

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The Club has maintained its healthy position and there is no reason to doubt that this state of affairs will not continue providing we can maintain our membership numbers. We must be prepared for additional expenditure on refurbishing the clubhouse as it is now seventeen years old.

I have to thank Owen Madden and his office staff for their assistance and advice, Nick Stoves for his leadership and example and my fellow Directors for their contributions during budget discussions and support during a difficult year.

Barry Ryan
Chairman
Finance Committee

Captains Report

During the past year the construction of the 1st green and the 2nd Tee was completed. This is the first new green constructed at Carnarvon for more than 10 years. The work was designed and constructed in house by Steve Jacobsen and his staff. This project was completed on budget. There have been a few teething problems regarding the turf. The course Super is continually monitoring this problem and is confident that it will soon be rectified. In the coming year it is hoped that if finances allow, we will be able to make alterations to the 10th green which would allow more options for pin positions as at present we are limited on the areas which can be used.

Congratulations and my thanks must go to our Superintendent and his fellow workers for the presentation of the golf course every week, sometimes in pretty average weather conditions and with the limited amount of staff he has.

I must thank Ruth McKinnon for all her continued support to me throughout the past year in all matters relating to golf and also her participation in Friday night booking in when required.

Many thanks to Mike Callaby for his continuing support with Friday night booking in and to his staff who make themselves available when required. Also to Alex and Gerry in the Pro shop, thank you for your assistance to the Club and to the golfers, both members and visitors.

To all other office staff, thanks for your continuing hard work behind the scene.
To Heidi and James, and all catering and bar staff, thank you for all your contributions when we have visiting teams to our Club. It is very much appreciated.

Congratulations to all Club Championship winners and to those who have won major events both Ladies and Men whose names appear later in the Annual Report. A special mention to Brad Lincoln who won his 19th Club Championship. I am sure he will be back to attempt to win his 20th.

Thank you to all who represented Carnarvon Golf Club in various Ladies and Men's pennant teams and also to those who made themselves available to caddy and to those who supported the teams.

Thank you to all the Wednesday volunteers who work on the gardens and surrounds, your contribution is greatly appreciated.

Thank you to all golfing and social members for your continued patronage at Carnarvon Golf Club, this can only ensure a positive future and growth.

I wish all members good health and good golfing in the year ahead.

Yours in golf
Chris Thomson
Captain

Veterans Report

The Veterans' Golf Club is open to Carnarvon Golf Club members who are 55 years and older, have an official handicap, and wish to play 11 holes of golf on Thursday morning. The tee is open from 0700am to 0830am unless we are notified of any one off corporate arrangements. Members should report to the Club Professional between the above hours and pay \$8 entry fee and after which the rules of golf apply.

We would like to thank Michael Callaby and his staff for their support and the work completed each Thursday in maintaining our handicap system and starting the members.

Thank you Michael. We also thank you for your financial support in assisting us to maintain the Fred Cherry Award.

The Annual General Meeting was held on 10th July, 2014 and the following office bearers were elected:

President/Treasurer	Keith Speer
Captain	Roy Dockery
Vice Captain	Graham Stepto

We have lost a few of our stalwart members during the year due to bad health and wish all our members who are unwell at the present time a speedy recovery.

The Fred Cherry Memorial Award continues to be run on game days where each player's card is numbered and goes into a draw which has a prize of \$20-00 jackpotting each week if unclaimed.

Our Christmas in July and Christmas functions were well patronised and enjoyed by attendees. We wish to thank the staff of our parent Club, the Committee and catering operations for making these functions so successful. We also thank Steve Jacobsen, the course superintendent, and his staff for providing us with a great course.

The Veterans 'Golf Club is an integral part of Carnarvon Golf Club with 35 to 50 members hitting off each week, barring rainy days. We look forward to new members who we can assure will enjoy the golf club and the camaraderie.

Members enjoy their friendships with light refreshments after the game and before presentation of prizes and awards.

The following is a summary of some of the statistics created by the Veterans' Club:

We played 1,776 games during the year (down on last year). Eight of our game days were washed out.

Game fees paid		\$14,208	
Golf Balls won	1,017	\$ 3,051	
Bottles of wine won	258	\$ 2580	
Vouchers purchased	430	\$4,300	
Vouchers purchased	43	\$ 860	Fred Cherry Award

Other Expenditure

Christmas in July Party	\$1,515
Christmas Party in December	\$1,675
Members Gift Christmas bottle of wine	\$ 490

We especially thank Michael Callaby and Carnarvon Golf Club for their generous support.

CHAMPIONSHIPS

The Veterans donate the trophies for the Veterans Championship, whilst the main trophy is donated by the family of the late Bob Ridge, who was one of our members, and last year won by Peter Wickenden. We also provide trophies for the Pegg-Lakeman Shield and the Jack Haliburton Cup.

The Len Plummer Memorial Trophy, played over two weeks, was won jointly by Margaret Chevell and Keith Speer. This is a perpetual trophy kindly donated by the family of the late Len Plummer.

SPONSORSHIP

We have been fortunate in obtaining sponsorship from Greg Okladnikov dealer principal at Starr Partners Real Estate Agency at 146 South Parade Auburn (phone 02 9749-4949) to the extent of \$30.00 per week. Thank you Greg for your support and hopefully our members will support you if they require any real estate assistance.

In closing I would like to thank Carnarvon Golf Club for their continued support and congratulate them on the standards set in the Club House and on the course. We thank Owen Madden, the General Manager of Carnarvon Golf Club and all his staff for their great contribution to our enjoyment of the Thursday Vets' competition.

I would like to thank the Veteran Members for their support and friendship during our competition days and look forward to their continued membership

To our Vet Members who are unwell, we wish you a speedy recovery and hope to see you on the course or in the Club House in the not too distant future. To those who have left the Vets' Club due to ill health we miss your company and wish you well in your future endeavours.

We have also lost several members who passed away during the year. To their loved ones we offer our deepest sympathy in your loss.

Keith Speer
President

General Managers Report

Once again it is indeed a pleasure to present to members another modest profit of \$7,915 which is a very encouraging financial result for Y/E 2015. Although we have experienced yet a further decline in our Golf Memberships and Visitor numbers, we have been fortunate to have experienced much better than forecast returns from club-house operations, in particular functions and gaming.

It is important to note that after some less than favourable times, we have managed to return reasonably healthy profits for the past 4 years, whilst keeping price rises and membership fee increases to an absolute minimum. Added to this is our continued investment in capital expenditure for both the course and the club-house (over \$1.09 million over the past 4 years) and our retiring of the Club's long term debt obligations. All in all, our financial situation is in an exceptionally good position when compared to similar golf clubs and many other registered clubs of our size. As usual, I will leave further comment on the Club's financial results to be covered in the Treasurer's Report.

During the year we finally overcame 80 odd years of deteriorating infrastructure problems associated with our phone lines and retired our telephone system's copper network for access via the NBN. Many members would be aware of the habitual problems we encountered with our communications systems, especially for our golf timesheet and handicapping processes that were adversely affected by the state of disrepair of our copper network. Since we have hooked up to the NBN, we have overcome a raft of technical problems with the network and its communication systems.

Food and Beverage also continue to perform well with very good feedback being received from many members and external event coordinators regarding the quality and success of their events held here at Carnarvon. The best feedback is receiving repeat and referred bookings, this is occurring regularly and the team are working hard to further increase this business.

The club has hosted 322 functions over the past year, including 13 weddings, 24 corporate golf days, 97 wakes, 108 conferences and 80 other events. Over the coming year, in conjunction with our various functions, we will be showcasing more band nights in our function room. Once again, I have kept ticket prices to an absolute minimum without causing a loss to the Club. Ticket prices will remain at \$10 to \$15 per person, with children's tickets at \$5 per child. Through my contacts I have again booked in some great shows on Saturday nights but due to feedback and less than required attendance numbers, I have cancelled further Sunday concerts.

For something a bit different and after discussions with a club member, I have been successful in arranging for the well-respected Psychic Mitchell Coombes to host a show at Carnarvon on Saturday 30th May with a sumptuous 3 course dinner included. Tickets are available through the Club Office.

As mentioned in the Presidents Report, the Club is in the process of installing a new Pylon Display with double-sided LED screens on the corner of Joseph and Amy Streets. The screens will be 1200mm high x 2400mm wide, full colour double sided LED. This corner is in a very high traffic area and has been identified as a very cost-effective means of promoting both course and club-house activities. The ability to promote the club via the new signage will allow the club to substantially reduce our marketing costs in other areas. Further, it will provide the club with additional revenue through increased sponsorship and advertising sales.

Not wanting to single any one person out, I wish to applaud the efforts of the management and administration team, club-house staff and the course staff who have all done outstanding work over the past year. Your dedication to the Club and pride in your work is to be congratulated. Your efforts and dedication are an asset to our club and I am truly grateful for your assistance and support to me over the years.

The backbone of many clubs is its sub-clubs. Carnarvon benefits greatly from our veteran players and lady members. Sincere thanks must be extended to their respective committees and to Keith and Catherine for all their hard work and dedication. Thanks also to all those selfless members who have volunteered their time to the betterment of the club, its services and facilities.

Thanks also to Mike Callaby and his team for driving the business end of the Golf Club.

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Finally, I would like to acknowledge the outstanding contribution of President Nick Stoves and our Board of Directors, Most importantly, however, I would like to thank you our members for your continued support.

Best regards,

Owen Madden

Dip. Mk. Mgmt. MBA(SGSM).ACCM.

General Manager

Ladies Captains Report

In May 2014 The Board of Directors appointed myself, Barbara Lynch (Vice-Captain), Agnes Cho, Lisa Kim and Michelle Park as members of the Ladies' Match and General Committee for a two year term. Since May we have had the pleasure of working closely with President, Nick Stoves, Captain, Chris Thomson and The Members of the Board to ensure that our Lady Golf members have had a full and enjoyable golf programme.

The Ladies Championships were played in October and November 2014 and our congratulations are extended to our Division 1 Champion, Clara Kim, Division 2 Champion, Michelle Park and Division 3 Champion, Donella Wells.

The Western Districts Bronze II Salver was won by the team of Carol Flecknoe, Yoon Hong, Haley Sweetnam, Ann Kim and Katarina Song, congratulations ladies.

Our gratitude is extended to the ladies who represented Carnarvon in the following events:

- Western Districts I & II Pennant
- NSW Women's Grade 4
- Western District Shield I
- Western District Bronze I & II Salver
- Keno Four Ball State Final
- Coronation Medal
- Gold, Silver and Bronze Medal Play offs

We were able to reintroduce the Captains Trophy due to the sponsorship of past Member, Marie Cross, who was represented on the day by her daughter Trish Nance. The Rose Bowl and Summer Cup Match play were enjoyed by those who participated and we hope to continue to run these events annually.

Our Ladies Presentation and Christmas lunch were well supported and we thank Life Member, Lola Mitchell, for attending and congratulate all the Ladies who received awards on the day.

Thank you also to Owen Madden and the Office Staff, Chef James, Heidi Manson and the Bar and Catering Staff, Steve Jacobsen and the Course Staff and Michael Callaby, Alex Wiffin and Gerry Hyde for all the hard work and support they have put in to make certain that all our members and visitors are provided with a positive experience at Carnarvon Golf Club.

I would also like to extend my gratitude to Barbara Lynch and the Committee Ladies for their untiring efforts during the last nine months. I would also like to acknowledge and thank Grace Bryce and Fay Butcher for all their hard work on behalf of the Ladies members during their tenures as President and Captain.

Catherine Tucker
Lady Captain

DIRECTORS' REPORT

for the year ended 31st January, 2015

- (1) Your Directors submit their report on the Financial Statements of the Company for the financial year ended 31st January, 2015.
- (2) The names of the Directors in office during the period of this report are as follows :

<u>CURRENT BOARD MEMBERS:</u>		<u>Past & present</u>	<u>Board Meetings</u>		<u>Other Meetings</u>	
			<u>Held</u>	<u>Attended</u>	<u>Held</u>	<u>Attended</u>
Nicholas J. STOVES	President	5 years	25	25	36	36
(Retired)	Vice President	2 years				
	Director	12 years				
Member 38 years	Board Member	19 years				
	Committee Member: Finance, Greens & Match					
Gene K. LEVETTE	Vice President	5 years	25	21	36	29
(Consultant)	Director	8 years				
	Board Member	13 years				
Member 25 years	Committee Member: Finance, Greens & Match					
Christopher F. THOMSON	Captain	7 years	25	24	36	35
(Electrical Contractor)	Director	13 years				
	Board Member	20 years				
Member 33 years	Chairman Match & Greens					
	Committee Member: Finance & Match					
John HONEYBROOK	Vice Captain	1 year	19	15	28	22
(Retired)	President	3 years				
	Vice President	3 years				
	Director	9 years				
Member 24 years	Board Member	16 years				
	Committee Member: Finance, Greens & Match					
Barry J. RYAN	Director	14 years	25	24	36	35
(Retired)	Vice President	3 years				
Member 37 years	Board Member	17 years				
	Chairman Finance					
	Committee Member: Finance & Match					

Carnarvon Golf Club Limited
ABN: 57 000 854 544

Reginald C. ARMSTRONG	Director	4 years	25	22	36	32
(Company Director)	Board Member	4 years				
Member 25 years	Committee Member: Finance, Greens & Match					
Shawn SINGHAM	Director	2 years	25	23	36	33
(Logistics Mgr.)	Board Member	2 years				
Member 7 years	Committee Member: Finance, Greens & Match					
Peter RICHARDSON	Director	2 years	17	14	24	20
(Finance Mgr.)	Board Member	2 years				
Member 11 years	Committee Member: Finance, Greens & Match					
Stephen FLETCHER	Director	4 year	19	19	28	28
(Retired.)	Board Member	4 year				
Member 28 years	Committee Member: Finance, Greens & Match					
<u>NON CURRENT BOARD MEMBERS</u>						
David CROWE	Director	1 year	6	5	8	7
(Mechanical Eng.)	Board Member	1 year				
Member 22 years	Committee Member: Finance, Greens & Match					

- (3) The principal activities of the company in the course of the financial year were the conduct, support and promotion of golf and the conduct of a Licensed Club at Lidcombe.
- (4) During the financial year there were no significant changes in the nature of the Company's activities.
- (5) The net amount of the profit of the Company for the financial year after abnormal items was **\$7,915**.
- (6) No Income Tax has been charged thereon (**refer Note 1(d) to the accounts**).
- (7) Since the end of the previous financial year, no amount has been paid or declared by way of dividend and the Directors do not recommend that any dividend be paid. Dividends to Members are not permitted by the Memorandum and Articles of Association.
- (8) During the financial year there were no significant changes in the state of affairs of the company.
- (9) A review of the operations of the Company are covered by the reports of the President, Captain, Chairman of Finance and General Manager and these should be read in conjunction with this report.
- (10) No matter or circumstance has arisen since the end of the financial year 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 subsequent financial years.
- (11) All Directors of the Company are non-executive. Since the end of the previous financial year, no Director has received, or become entitled to receive, a benefit (other than a

Carnarvon Golf Club Limited
ABN: 57 000 854 544

- benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company with the Directors or with a firm of which he is a member, or with a company, in which he has a substantial financial interest.
- (12) The Auditor's Independence Declaration for the year ended 31 January, 2015 has been received and can be found on page 24.

Signed in accordance with a Resolution of the Directors.

Nick Stoves
Director

B.J. Ryan
Director

Dated 17th April 2015 at Lidcombe, NSW

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Carnarvon Golf Club Limited, the directors of the company declare that

1. The financial statements and notes, as set out on pages 27 to 46 are in accordance with the Corporations Act 2001 and:
 - a) comply with Australian Accounting Standards and
 - b) give a true and fair view of the financial position of the company as at 31st January, 2015 and of its performance for the year ended on that date.
2. In the Directors opinion there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

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

N Stoves
Director

B.J. Ryan
Director

Dated 17th April 2015 at Lidcombe, NSW

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CARNARVON GOLF CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 January 2015 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- (ii) any applicable code of professional conduct in relation to the audit.

MAWBY COWPER MEARES & CO
Chartered Accountants

Stuart D. Meares
Partner

Dated this 17th day of April 2015

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CANARVON GOLF CLUB LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of *Carnarvon Golf Club Limited* which comprises the statement of financial position as at 31 January 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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.

Directors' Responsibility 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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.

INDEPENDENT AUDIT REPORT (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Carnarvon Golf Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of *Carnarvon Golf Club* Limited is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the company's financial position as 31 January 2015 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

MAWBY COWPER MEARES & CO
Chartered Accountants

Stuart D. Meares
Partner
Dated this 17th day of April 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31st January, 2015

	Note	2015 \$	2014 \$
Sales	2	1,519,448	1,518,408
Cost of Sales	3	<u>(548,541)</u>	<u>(547,493)</u>
GROSS PROFIT		970,907	970,915
Other Revenue	2	2,355,338	2,285,190
Other Income	2	36,442	45,044
Administration Expenses		(1,118,785)	(1,105,191)
Golf Course Expenses		(1,222,599)	(1,134,338)
Trading Expenses		<u>(1,013,388)</u>	<u>(1,052,049)</u>
PROFIT / (LOSS) BEFORE INCOME TAX		7,915	9,571
Income Tax Expense	1	<u>-</u>	<u>-</u>
PROFIT / (LOSS) FOR THE YEAR	3	<u><u>7,915</u></u>	<u><u>9,571</u></u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>7,915</u></u>	<u><u>9,571</u></u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u><u>7,915</u></u>	<u><u>9,571</u></u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u><u>7,915</u></u>	<u><u>9,571</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31st January, 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash	4	372,556	334,683
Trade and Other Receivables	5	28,638	10,176
Inventories	6	43,776	48,406
Other	7	101,708	113,448
Total Current Assets		<u>546,678</u>	<u>506,713</u>
NON CURRENT ASSETS			
Property, Plant & Equipment	8	<u>4,073,964</u>	<u>3,976,771</u>
Total Non Current Assets		<u>4,073,964</u>	<u>3,976,771</u>
TOTAL ASSETS		<u>4,620,642</u>	<u>4,483,484</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	268,719	253,057
Borrowings	10	127,537	100,268
Provisions	11	259,810	203,766
Other	12	548,578	591,256
Total Current Liabilities		<u>1,204,644</u>	<u>1,148,347</u>
NON CURRENT LIABILITIES			
Borrowings	10	<u>174,663</u>	<u>101,717</u>
Total Non Current Liabilities		<u>174,663</u>	<u>101,717</u>
TOTAL LIABILITIES		<u>1,379,307</u>	<u>1,250,064</u>
NET ASSETS		<u>3,241,335</u>	<u>3,233,420</u>
MEMBERS' FUNDS			
Accumulated Funds		<u>3,241,335</u>	<u>3,233,420</u>
TOTAL MEMBERS' FUNDS		<u>3,241,335</u>	<u>3,233,420</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31st JANUARY, 2015**

	Retained Earnings	Total
	\$	\$
BALANCE AT 1 FEBRUARY 2013	<u>3,223,849</u>	<u>3,223,849</u>
Comprehensive Income		
Profit attributable to members of the entity	<u>9,571</u>	<u>9,571</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>9,571</u>	<u>9,571</u>
BALANCE AT 31 JANUARY 2014	3,233,420	3,233,420
Comprehensive Income		
Profit attributable to members of the entity	<u>7,915</u>	<u>7,915</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>7,915</u>	<u>7,915</u>
BALANCE AT 31 JANUARY 2015	<u>3,241,335</u>	<u>3,241,335</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31st JANUARY, 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		3,151,886	3,013,718
Cash payments in the course of operations		(3,515,623)	(3,491,700)
Interest received		4,176	4,067
Subscriptions & joining fees		726,911	794,757
Net cash provided by operating activities	15	367,350	320,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(198,350)	(71,360)
Proceeds from disposal of fixed assets		14,329	4,609
Net cash used in investing activities		(184,021)	(66,751)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Increase in other borrowings		250,000	300,000
Repayment of borrowings		(395,456)	(457,415)
Net cash provided from/(used in) financing activities		(145,456)	(157,415)
Net increase/(decrease) in cash held		37,873	96,676
Cash at the beginning of the Financial Year		334,683	238,007
CASH AT THE END OF THE FINANCIAL YEAR	4	372,556	334,683

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st January, 2015

Note:

The financial statements cover Carnarvon Golf Club Limited as an individual entity, incorporated and domiciled in Australia. Carnarvon Golf Club Limited is a company limited by guarantee.

The financial statements were authorised for issue by the directors of company

1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Account Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

(a) Revenue

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(b) Property, Plant & Equipment

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

(c) Inventories

Inventories are measured at the lower of cost and current replacement cost.

(d) Income Tax

The Club is considered to be exempt from Income Tax under Section 50-45 of the Income Tax Assessment Act 1997, being an organisation, not carried on for the purpose of profit or gain to its individual members, and which was established for the promotion and playing of a sporting activity in which humans are sole participants. Accordingly, no account for Income Tax has been included in this Financial Report.

(e) Comparative Figures

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

(f) 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.

(g) Segment Information

The Company operated solely in Australia, and its principal activities are the conduct, support and promotion of golf.

(h) Reference to Core and Non-Core Assets

The Registered Clubs Amendment Regulation 2007 requires that Clubs report to their members which property are considered core and non-core.

Core property of a registered club means any real property owned or occupied by the club that comprises:

- a) The defined premises of the club, or
- b) Any facility provided by the club for the use of its members and their guests.

Core Property Detailed:

Lots 1-3, DP 4223 Nottinghill Road, Lidcombe. NSW 2141

Reserve Trust Number D50007, Nottinghill Road, Lidcombe NSW 2141

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(j) 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31st JANUARY, 2015**

2. REVENUE AND OTHER INCOME

	2015	2014
	\$	\$
REVENUE		
SALES REVENUE		
Sales of Goods	1,519,448	1,518,408
OTHER REVENUE		
Subscriptions & Joining Fees	767,250	818,150
Competition Fees	441,611	459,168
Visitors Green Fees	203,633	235,079
Motorised Cart Hire Fees	121,932	123,736
Keno Commission Received	18,179	17,298
TAB Commission Received	3,498	3,160
Raffles Tickets Sales	42,607	44,907
Poker Machine Revenue	756,628	583,692
TOTAL OTHER REVENUE	2,355,338	2,285,190
TOTAL REVENUE	3,874,786	3,803,598
OTHER INCOME		
Promotion & Sponsorship	7,324	9,494
Interest Received	4,176	4,067
Other	24,942	31,483
TOTAL OTHER INCOME	36,442	45,044
TOTAL REVENUE & OTHER INCOME	3,911,228	3,848,642

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st JANUARY, 2015

3. PROFIT FOR THE YEAR

Profit / (Loss) for the year from continuing operations includes the following specific expenses;

	2015	2014
	\$	\$
EXPENSES		
Cost of Sales	548,541	547,493
Interest and Charges	34,509	35,601
Depreciation and Amortisation	335,316	312,162
Employee Benefits - Superannuation	149,413	125,171
 Auditors Remuneration Audit Services	 10,550	 10,550

4. CASH

Cash at Bank	72,176	75,738
Cash on Hand	42,520	38,410
Poker Machine Float	4,334	6,686
Interest Bearing Deposits	253,526	213,849
	<u>372,556</u>	<u>334,683</u>

5. TRADE AND OTHER RECEIVABLES

Sundry Debtors	22,083	9,635
EFTPOS	6,555	541
	<u>28,638</u>	<u>10,176</u>

6. INVENTORIES

Bar Stock on Hand	29,176	32,377
Kitchen Stock on Hand	14,600	16,029
	<u>43,776</u>	<u>48,406</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st JANUARY, 2015

	2015 \$	2014 \$
7. OTHER CURRENT ASSETS		
Prepayments	101,708	113,448
	<u>101,708</u>	<u>113,448</u>
8. PROPERTY, PLANT & EQUIPMENT		
Freehold Land at Cost	15,000	15,000
Landscaping at Cost	52,996	52,996
Clubhouse Building at Cost	4,416,260	4,410,285
Less Accumulated Depreciation	(1,488,979)	(1,393,748)
	<u>2,995,277</u>	<u>3,084,533</u>
Clubhouse Contents at Cost	685,216	659,810
Less Accumulated Depreciation	(611,991)	(591,203)
	<u>73,225</u>	<u>68,607</u>
Poker Machines at Cost	396,678	378,481
Less Accumulated Depreciation	(307,014)	(323,024)
	<u>89,664</u>	<u>55,457</u>
Course Equipment at Cost	1,074,774	1,017,615
Motorised Carts at Cost	149,856	13,492
Less Accumulated Depreciation	(704,278)	(648,910)
	<u>520,352</u>	<u>382,197</u>
Pump House, Dams & Irrigation Systems at Cost	587,965	592,365
Less Accumulated Depreciation	(443,479)	(417,906)
	<u>144,486</u>	<u>174,459</u>
Course Improvements at Cost	762,278	692,047
Less Accumulated Depreciation	(511,318)	(480,529)
	<u>250,960</u>	<u>211,518</u>
Total property, plant & equipment	<u><u>4,073,964</u></u>	<u><u>3,976,771</u></u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st JANUARY, 2015

	2015	2014
	\$	\$
9. TRADE AND OTHER PAYABLES		
Creditors, Accruals & Deposits	268,719	253,057
	<u>268,719</u>	<u>253,057</u>
10. BORROWINGS		
Current		
Loan - Other Financial Institution	127,537	100,268
	<u>127,537</u>	<u>100,268</u>
Non-Current		
Loan - Other Financial Institution	174,663	101,717
	<u>174,663</u>	<u>101,717</u>
Total Borrowings	<u>302,200</u>	<u>201,985</u>
11. PROVISIONS		
Annual Leave	120,210	106,143
Long Service Leave	139,600	97,623
	<u>259,810</u>	<u>203,766</u>
12. OTHER CURRENT LIABILITIES		
Subscriptions in Advance	408,391	448,730
Green Fee Deposits in Advance	8,964	8,073
Sundry Income In Advance	9,083	7,879
Members' House Vouchers	107,104	112,387
Loyalty Redeem & Bonus Point	15,036	14,187
	<u>548,578</u>	<u>591,256</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st JANUARY, 2015**

13. CAPITAL EXPENDITURE

1) Clubhouse	2015
	\$
Poker Machines & Upgrades	62,235
Computer, Software & Setup	11,107
Projector, Screen & Installation	5,564
Digital Upgraded	6,760
Function Room Wall	5,975
Cake Fridge & Benchtop	5,500
POS Touch Screen Unit and Installation	3,098
Defibrillator	1,850
Sofa & Side Tables	1,413
2 X Artificial Plants	1,350
	<hr/>
	104,852
2) Course	
1st Green	72,463
20 X Golf Carts	136,364
Triplex Greensmower	42,532
Articulator Mower	31,000
2nd Hand Woodchipper	20,000
Green Rollers	18,975
Computer, Software, Printer & Setup	3,013
2 X Air Conditioning Units	2,650
Chainsaw	1,655
Miscellaneous	727
	<hr/>
	329,379
	<hr/>
TOTAL VALUE	434,231

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st JANUARY, 2015

14. MEMBERS GUARANTEE

The Club is a company limited by guarantee. In the event of the company being wound up, the Memorandum and Articles of Association provide that each member is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company. At 31st January, 2015 the number of members was 2147 (2014: 2147).

15. STATEMENT OF CASH FLOWS

Reconciliation of Net Cash Provided by Operating Activities with Operating Profit after Tax

	2015	2014
	\$	\$
Operating profit after tax	7,915	9,571
Depreciation & amortisation	335,316	312,162
(Gain)/Loss on sale of equipment	(12,607)	(4,609)
(Increase)/decrease in sundry debtors	(18,462)	9,112
(Increase)/decrease in inventories	4,630	(2,634)
(Increase)/decrease in prepayments	11,740	22,950
increase/(decrease) in other Current Liabilities	(42,678)	(41,480)
increase/(decrease) in provisions	56,044	(15,401)
increase/(decrease) in creditors	25,452	31,171
	<hr/>	<hr/>
Net cash provided by operating activities	<u>367,350</u>	<u>320,842</u>

16. RELATED PARTY TRANSACTIONS

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

During the year, Ace Plumbing Pty Ltd, a company controlled by Brendan Thomson, son of Chris Thomson a director, provided services for \$4,400.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st JANUARY, 2015**

17. FINANCIAL RISK MANAGEMENT

The club's financial instruments consists primarily of deposits with banks, accounts receivable and payable, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	Note	2015 \$	2014 \$
Financial Assets:			
Cash	4	372,556	334,683
Trade & other Receivables	5	28,638	10,176
Total Financial Assets		<u>401,194</u>	<u>344,859</u>
Financial Liabilities:			
Trade and Sundry Creditors	9	268,719	253,057
Leased Liability	10	302,200	201,985
Total Financial Liabilities		<u>570,919</u>	<u>455,042</u>

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the Club in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis.

The main purpose of non-derivative financial instruments is to raise finance for club operations. The club does not have any derivative instruments at 31 January 2015.

The Board of Directors discuss on a regular basis an analysis of the financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts at its regular meetings. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the club.

There are no material amounts of collateral held as security at 31 January 2015.

The club does not have any material credit risk exposure to any one single debtor or group of debtors under financial instruments entered into by the club.

Credit risk is managed by the club and reviewed regularly by the Board Executive. It arises from exposures to customers as well as through deposits with financial institutions.

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The club monitors the credit risk by actively assessing the rating quality and liquidity of counterparts:

- (i) Only banks and financial institutions with an 'A' rating are utilised
- (ii) Only accredited fund managers linked to 'A' rated financial institutions are used.
- (iii) The credit standing of counterparts is reviewed on a regular basis for liquidity and credit risk.

Liquidity Risk

The club manages liquidity by monitoring forecast cash flows and ensuring that adequate levels of investments are maintained.

Financial Instrument Composition and Maturity Analysis

The table below reflects the 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.

	Within Year		1 to 5 Years		Total	
	2015	2014	2015	2014	2015	2014
Financial liabilities due for payment:						
Trade and Sundry Creditors	268,719	253,057	0	0	268,719	253,057
Lease Liabilities	<u>127,537</u>	<u>100,268</u>	<u>174,663</u>	<u>101,717</u>	<u>302,200</u>	<u>201,985</u>
	<u>396,256</u>	<u>353,325</u>	<u>174,663</u>	<u>101,717</u>	<u>570,919</u>	<u>455,042</u>
Financial assets - cash flows realisable:						
Cash	372,556	334,683	0	0	372,556	334,683
Receivables	<u>28,638</u>	<u>10,176</u>	<u>0</u>	<u>0</u>	<u>28,638</u>	<u>10,176</u>
	<u>401,194</u>	<u>344,859</u>	<u>0</u>	<u>0</u>	<u>401,194</u>	<u>344,859</u>
Net financial assets (liabilities)	<u>4,938</u>	<u>(8,466)</u>	<u>(174,663)</u>	<u>(101,717)</u>	<u>(169,725)</u>	<u>(110,183)</u>

Market Risk

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 31 January 2015 approximately 100% of debt is fixed.

Foreign Currency Risk

The club is not exposed to fluctuations in foreign currencies

Price risk

The club is not exposed to any material commodity price risk
Sensitivity analysis

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The co-operative 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 31 January 2015, 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:

	2015 \$	2014 \$
Change in profit		
Increase in interest rate by 2%	6,514	5,792
Decrease in interest rate by 2%	(6,514)	(5,792)
Change in equity		
Increase in interest rate by 2%	6,514	5,792
Decrease in interest rate by 2%	(6,514)	(5,792)

This sensitivity analysis has been performed on the assumptions that all other variables remain unchanged.

Net fair value of financial assets and liabilities

The net fair value of all financial assets and financial liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to and forming part of the financial statements.

TRADING STATEMENTS
for the year ended 31st JANUARY, 2015

	2015	2014
	\$	\$
BAR		
Sales	598,124	621,088
Less Cost of Sales		
Opening Stock	32,377	29,865
Purchases	208,859	226,161
Closing Stock	(29,176)	(32,377)
	<u>212,060</u>	<u>223,649</u>
GROSS PROFIT	<u>386,064</u>	<u>397,439</u>
% to Sales	64.55%	63.99%
 CATERING		
Sales	921,324	897,320
Less Cost of Sales		
Opening Stock	16,029	15,907
Purchases	335,052	323,966
Closing Stock	(14,600)	(16,029)
	<u>336,481</u>	<u>323,844</u>
GROSS PROFIT	<u>584,843</u>	<u>573,476</u>
% to Sales	63.48%	63.91%
 POKER MACHINES		
Net Revenue (after GST)	756,628	583,692
Less: Tax	-	-
GROSS PROFIT	<u>756,628</u>	<u>583,692</u>

DETAILED TRADING ACCOUNT
for the year ended 31st JANUARY, 2015

	2015	2014
	\$	\$
GROSS TRADING PROFITS		
Bar	386,064	397,439
Catering	584,843	573,476
Poker Machines	756,628	583,692
Keno Commission	18,179	17,298
TAB Commission	3,498	3,160
Raffles	42,607	44,907
	<u>1,791,819</u>	<u>1,619,972</u>
 EXPENSES		
Wages	653,999	638,104
Superannuation	61,221	56,370
Payroll Tax	9,317	9,478
Workers compensation Insurance	10,862	16,362
Staff Expenses	1,045	2,890
Interest & Bank Charges	2,966	4,212
Promotions & Prizes	91,892	98,492
Printing & Stationery	1,155	1,650
Replacements, Repairs & Maintenance	59,472	81,057
Stock Audit	7,300	8,160
Miscellaneous Expenses	12,015	12,235
Data Monitoring Services Charges	15,456	15,042
Sky Chanel	11,815	11,278
Laundry & Gas	34,184	31,680
Depreciation	28,029	30,509
Rental Expenses	11,460	9,810
Poker Machines License Expenses	12,620	25,620
Loss/(Gain) on Disposal	(11,420)	(900)
	<u>1,013,388</u>	<u>1,052,049</u>
 NET TRADING PROFIT	 <u>778,431</u>	 <u>567,923</u>

TRANSFERRED TO DETAILED PROFIT & LOSS ACCOUNT

DETAILED GOLF COURSE EXPENSES ACCOUNT
for the year ended 31st JANUARY, 2015

	2015	2014
	\$	\$
Golf Course Expenses		
Wages	465,286	444,394
Superannuation	40,137	36,436
Payroll Tax	4,150	1,767
Workers compensation Insurance	3,773	3,408
Staff Expenses & Training	10,658	11,490
Fringe Benefits Tax	3,250	4,130
Supplies and Maintenance	167,812	137,111
Environmental Management	2,219	2,460
Occupational Health & Safety	1,564	2,161
Machinery Repairs	39,212	31,769
Petrol & Oil	34,620	28,062
Motorised Cart Expenses	12,846	13,857
Golf Printing & Stationery	5,926	5,418
Professional Retainer	18,000	18,403
Trophies	88,616	79,235
Ladies Trophies & Other Expenses	28,467	21,220
Green Fee Commission	20,363	23,508
Starting Commission	12,760	12,230
Miscellaneous	3,341	3,305
Golf Ball Damages	5,116	5,676
Interest & Bank Charges	23,295	17,745
Pennant Expenses	11,242	11,612
Affiliation & Golf Links Fees	31,540	32,362
Depreciation	183,888	154,400
Rental Expenses	6,381	35,888
Loss/(Gain) on Disposal	(1,863)	(3,709)
TOTAL COURSE EXPENSES	<u>1,222,599</u>	<u>1,134,338</u>

TRANSFERRED TO DETAILED PROFIT & LOSS ACCOUNT

DETAILED ADMINISTRATION EXPENSES ACCOUNT
for the year ended 31st JANUARY, 2015

	2015	2014
	\$	\$
Administration Expenses		
Salaries	328,024	298,988
Superannuation	48,055	32,365
Payroll Tax	5,902	4,467
Workers compensation Insurance	6,942	8,833
Staff Training	1,324	2,998
Staff Expenses	4,019	2,582
Repairs & Maintenance	54,008	55,725
Security	13,331	17,787
Electricity	119,646	142,767
Cleaning & Supplies	75,462	75,356
Insurance	37,866	42,281
Printing & Stationery	12,198	13,856
Advertising & Promotions	73,463	68,408
Social & Entertainment	20,966	20,573
Audit Fees	10,550	10,550
Staff Uniform	2,674	2,454
Rates	17,688	16,225
Lease Rent - Council	41,877	40,702
Badge Draw	19,305	22,387
Miscellaneous Administration	1,826	1,718
Association Expenses	5,680	5,612
Motor Vehicle Expenses	1,400	1,476
Bank Charges	4,937	5,062
Interest Paid	3,311	8,582
Postage	3,687	3,983
Telephone	14,450	14,441
Directors Expenses	6,557	6,839
Donations	3,269	1,285
General Manager Expenses	1,664	1,927
Members Meeting/Amenities Expenses	19,038	11,471
Computer Expenses	26,325	27,030
Fringe Benefits Tax	1,160	1,095
Depreciation	123,399	127,253
Rental Expenses	8,106	8,113
Loss/(Gain) on Disposal	676	-
TOTAL ADMINISTRATION EXPENSES	1,118,785	1,105,191

TRANSFERRED TO DETAILED PROFIT & LOSS ACCOUNT

DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 31st JANUARY, 2015

	2015	2014
	\$	\$
INCOME		
Subscriptions	767,250	818,150
Competition Fees	316,373	327,599
\$2.73 Increase in Comp Fees - Men	68,569	71,190
Ladies Competition Fees & Other Income	43,926	46,779
\$1.91 Increase in Comp Fees - Ladies	12,743	13,600
Visitors Green Fees	203,633	235,079
Motorised Cart Hire	121,932	123,736
Investment Income	4,176	4,067
Promotion & Sponsorship	7,324	9,494
Miscellaneous Income	24,942	31,483
Net Trading Profits	778,431	567,923
TOTAL INCOME	<u>2,349,299</u>	<u>2,249,100</u>
TOTAL COURSE EXPENSES	1,222,599	1,134,338
TOTAL ADMINISTRATION EXPENSES	1,118,785	1,105,191
TOTAL EXPENSES	<u>2,341,384</u>	<u>2,239,529</u>
NET OPERATING SURPLUS/(LOSS)	<u>7,915</u>	<u>9,571</u>

MAJOR EVENT WINNERS 2014

CLUB CHAMPION	:	Bradley Lincoln
A Reserve CHAMPION	:	Stuart Lee
B Grade CHAMPION	:	Daniel Kang
C Grade CHAMPION	:	Agostino Ragusa
Junior CHAMPION	:	not played
Veterans CHAMPION (Net)	:	Peter Wickenden
(Scr)	:	Michael Lee
FOURSOME CHAMPIONS	:	Glenn Osborne and Matt Osborne
MIXED FOURSOME CHAMPIONS	:	Sean Moylan and Loretta Dorman
MATCH PLAY CHAMPION	:	Brett Sweetnam
'A' Reserve CHAMPION	:	Stuart Lee
B Grade CHAMPION	:	Kyung Han Man
C Grade CHAMPION	:	Mark Gibson
CARNARVON CUP	:	Sean Moylan
PRESIDENT'S CUP	:	Peter Wickenden
CAPTAIN'S TROPHY	:	H D Choi
ROSANNA TROPHY	:	Keith Daly
PEGG-LAKEMAN SHIELD	:	Arthur Michael and Joel Abood
CARNARVON BOWL	:	Albert Kang & Janet Kang
GOLD MEDAL	:	Paul Merrigan

LADIES MAJOR EVENT WINNERS 2014

CLUB CHAMPION	:	Clara Kim
Division 2 CHAMPION	:	Michelle Park
Division 3 CHAMPION	:	Donella Wells
Senior CHAMPION	:	Jong Soon Hwang
FOURSOME CHAMPIONS	:	Lisa Kim and Jenny Shim
Division 2 CHAMPIONS	:	Mi Kang and Hae Ran Chung
CARNARVON CUP	:	Jenny Shim
CARNARVON SALVER	:	Agnes Cho
PREMIERSHIP CUP	:	Jesse Park
GOLD MEDAL	:	Soon Ok Lee
MOTHER'S DAY CUP	:	Veronica Kim