

Carnarvon Golf Club Limited
ABN: 57 000 854 544

Carnarvon Golf Club

47th Annual Report

Year Ended 31st January, 2017 – for presentation at the Annual General Meeting

Wednesday 19th April 2017 at 6:00pm



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 2016-2017

PATRON

George Middleton

PRESIDENT

John Honeybrook

VICE PRESIDENT

Reg Armstrong

CAPTAIN

Chris Thomson

VICE CAPTAIN

Catherine Tucker

DIRECTORS

Gene Levette, Nick Stoves
Peter Richardson, Barry Ryan,
Ron McKellar

LIFE MEMBERS

George Middleton
Lola Mitchell

GENERAL MANAGER

Mitch Nakic

GOLF COURSE MANAGER

Shay Tasker

AUDITORS

Mawby, Cowper, Meares & Co.

LADIES MATCH COMMITTEE 2016 – 2017

PATRON

Mrs. Betty Davies

CAPTAIN

Catherine Tucker

VICE CAPTAIN

Una Bell

COMMITTEE

Agnes Cho, Lisa Kim, Michelle Park

MEMBERSHIP REPORT

As at 31st January 2017

	<u>CATEGORY</u>	<u>2016-2017</u>	<u>2015-2016</u>
MEN:	Life	1	1
	Full Playing	255	256
	Senior	157	161
	Staff	1	1
	Intermediate(18-24)	16	20
	Corporate	1	3
	Country	6	9
	Professional	4	4
	Restricted Full Playing	28	30
	Restricted Playing	42	56
	Limited 5 Day	-	-
	Male Time Poor	7	-
	Junior 1 (12-17)	13	17
LADIES:	Life	1	1
	Full Playing	91	89
	Senior	26	27
	Intermediate (18-24)	-	1
	Country	-	2
	Limited 5 Day	29	39
	Female Time Poor	-	-
	Junior 1 (12-17)	5	3
<hr/> SUB TOTAL		683	720
HONORARY		4	4
SOCIAL		1203	1242
<hr/> TOTAL		1890	1966

Carnarvon Golf Club Ltd (ABN 57 000 854 544)

Notice of Annual General Meeting

Notice is hereby given that the 2017 Annual General Meeting of Carnarvon Golf Club Ltd (ABN 57 000 854 544) shall be held on Wednesday 19th April 2017 commencing at 6.30pm in the Club's premises at Nottinghill Road, Lidcombe, NSW 2141

AGENDA

1. Confirmation of Minutes of the 46th Annual General Meeting of members held on 19 April 2016.
2. Consideration of the Annual Report of the Directors, Financial Statements, supportive accounts and Audit Report for the year ended 31st January 2017.
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

NOMINATION FOR OFFICE BEARERS

There will be no nominations nor appointments for Office Bearers this year due to the currency of their 2 year term of appointment.

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 President, Ladies Captain, Ladies Honorary Secretary and one 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 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 2017 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-

[The First Special Resolution is to be read in conjunction with the notes to members set out below]

That the Constitution of Carnarvon Golf Club be amended by deleting the word and number “thirty (30)” from rule 83 (b) and in lieu thereof inserting the word and number “twenty (20)” so that rule 83 (b) would appear as follows:

83. (b) for a General Meeting which is not called on the request of members and for an Annual General Meeting, not less than twenty (20) members of the Club who are present and entitled to vote.

Notes to Members on the First Special Resolution

1. The First Special Resolution proposes to amend the number of members required to form a quorum at a General Meeting (including an Annual General Meeting) of the club from 30 to 20.
2. A quorum of members-that is a minimum number of members-must be present at the start of a general meeting of the club for it to be able to commence and for there to be a valid meeting.
3. At present, under rule 83 (b) a quorum for a general meeting of the club is 30. The board is of the view that is too high and should be reduced to 20.
4. If the First Special Resolution is passed the quorum for a general meeting of the club (including an Annual General Meeting) will decrease from 30 to 20.

[The Second Special Resolution is to be read in conjunction with the notes to members set out below]

Nomination of Mr. Barry Ryan for Life Membership

“That members endorse the Board’s recommendation that Mr. Barry Ryan Member Number 43, be elected to Life Membership of Carnarvon Golf Club in recognition of his outstanding contribution to the Club during 19 years on the Board of Directors, 7 of which he served as Chairman of the Finance Committee.”

Notes to Member on the Second Resolution

1. The Board received a proposal for Life Membership for Barry Ryan as per Rule 25 of the Club Constitution.
2. Under Rule 25 (b) of the Constitution a person may be elected as a Life Member at an Annual General Meeting.
3. The Board, after review of the proposal, recommends and endorses the nomination of Mr Barry Ryan to be elected as Life Member of the Carnarvon Golf Club.
4. In addition to Barry Ryan’s service to the club, he negotiated the renewal of clubs lease, an important step towards securing the future for the golf course. As an integral member of the building committee, Barry helped oversee the successful building of the new clubhouse, ensuring a viable long-term future for clubhouse operations.
5. Under Rule 25 (d) Not more than two (2) members shall be made Life members in any one financial year and there shall not be more than ten (10) Life members at any one time. Currently at this time, the club has a total of two (2) Life 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: 15th March 2017

Mitch Nakic

General Manager

By direction of the Board

Presidents Report

It is with great pleasure that I present the 47th Annual Report and Financial Statements to the members of Carnarvon Golf Club Limited.

This year has been disappointing for the Board as we posted a loss for the year of \$13,839 after some small profits in the preceding years. While this is not a great result it is encouraging that the club is not far from the mark and a few adjustments will make the difference in the year to come. Cash at the end of the year was \$323,936. Comments on the financial statement is provided later in the report by our most capable Chairman of Finance Barry Ryan. I would like to thank Barry Ryan, Ron McKellar, David Lai and Mitch Nakic for the work required to produce this financial report. Carnarvon is in a very strong financial position with no major debt and our trading figures are showing an upturn with the start of the new financial year.

Elections for the Board were held prior to the last Annual General Meeting and I welcomed the new Board, Vice President Reg Armstrong, Captain Chris Thomson, Vice-Captain Catherine Tucker, Directors Ron McKellar, Barry Ryan, Gene Levette, Nick Stoves and James Tran. Unfortunately, James Tran had business commitments that prevented him from continuing as a Director and as a result the Board appointed Peter Richardson to replace James. I thank the Board for their diligence and commitment over the past year and for the year ahead.

In August 2016 the General Manager, Owen Madden, moved on to Camden Golf Club after 6 years at Carnarvon and I wish Owen well in his new position. Kathy Moran acted in Owen's position while we searched for a new GM and I would like to thank Kathy for her assistance during that time and throughout the year. Finding a capable and proactive General Manager is never an easy task but after many applications and interviews the Board selected and appointed Mitch Nakic as the new General Manager of Carnarvon Golf Club. Mitch has been with us since October 2016 and is proving to be a great mentor for the staff and also a very accomplished and capable Club General Manager. I welcome Mitch to Carnarvon.

The clubhouse is now seventeen years old and showing signs of age. You will notice that we have brightened up the hallways on the lower level with a new coat of paint. We have also installed a gantry to service some awkward air conditioning plant above the bistro area and replaced most of our bar fridges in the past year. A new solar panel system was installed to reduce our power costs. Our gaming commitment continued with purchase of the Ebet Gaming system, six new poker machines and a cash redemption terminal. Further clubhouse refurbishment will take place in the coming year when funds become available.

On the course, we have purchased a new greens mower, tractor and utility vehicle in the past twelve months. We are now committed to extending the cart shed to accommodate additional Club hire carts and for member's carts and bikes.

Carnarvon is one of the very few golf clubs in Australia that offer benefits to loyal long term members. In 2001 the Board put it to the membership to cease the benefit from that date as it was seen to be a financial burden the club could not sustain in the long term and the membership approved the motion. A reduction in fees of 66% from the full membership fee was not sustainable for any golf club. It is now 2017 and although the club rule was changed in 2001 to stop future members accessing this discount we have 183 members on this benefit with more to come into this category in the next few years. I ask members to consider, can we afford to continue this discount? I agree that loyalty to the club should be appreciated and a discount should apply but how much should that discount be? Other clubs have dealt with the issue and I think we should consider change.

Carnarvon has some very loyal sponsors and I would like to thank them for their continued support: Parmalat, Ace Performance Plumbing, Ramsey and Company Surveyors, The Wickerman, Carnarvon Veterans, Carnarvon Bridge Club, Carlton and Coke a Cola.

The greens staff are assisted by a group of volunteer workers, kindly referred to as the Garden Gnomes. This group of retired gentlemen look after the gardens around the course. I would like to thank the Garden Gnomes for their commitment to keeping the gardens looking good. Mick Brooks, Chris Ashworth, David Tucker, Dennis Lynch and Graham Barratt thank you very much. I would like to make a special mention to Brian Jones who was one of our Gnomes until he was badly injured in an accident at his home. A speedy recovery Brian.

Our course is in good condition all year round, although we do have some trouble with Ground Pearl at the moment. It is a credit to Shay Tasker our Course Superintendent that we hold a qualifying round for the Australian Open and the finals for the Masters Pennant at our course. I thank Shay and his team, Dale, Steve, Nathan, Dillon, Alex, Malcolm, Michael and Craig for their hard work on the course.

The Carnarvon Pro Shop is the first contact point for members from other golf clubs and social golfers. Michael Callaby and his staff, Alex Wiffin and Gerry Hyde, make that first contact an enjoyable engagement for those visitors and golfing members. I would like to thank Michael and his staff for the service they provide to our members and visitors. Well done.

Social members and golfing members make up our membership base and it is very nice to see families of members utilising the clubhouse facilities, bistro, bar and function areas. Our General Manager Mitch is striving to engage local people to visit the club and enjoy the fare in the Bistro under the guidance of our new head chef Rufus Lama. Rufus has presented a new menu and I can personally say that the food is of superior quality.

Functions are a major part of the trade at Carnarvon and Heidi Manson most ably manages wakes, weddings, birthdays, christenings, anniversaries and any other type of function that is held at Carnarvon. It is Heidi's eye for detail that has won Carnarvon awards for wedding receptions. Well done Heidi. If you need to book a function be sure to see Heidi for the best deal.

Carnarvon Golf Club is a friendly club with staff that go out of their way to see that everyone is looked after. From the moment you walk into the clubhouse the staff are eager to assist you with your purchase. I would like to thank Mitch Nakic for working with the staff to ensure the service to members and visitors is of the highest standard. Thank you to our customer service staff, Anna, Sam, Daniel, Melissa, Hollie, Zee, Dee, Tom, Michael, Laura and Renee, you do a great job. The administration staff work behind the scenes and do a commendable job. Danielle Trevena, David Lai, and Kathy Moran, your help to me and the Board is most appreciated and I thank you.

The Carnarvon Veterans hold a very well supported golf day on Thursday mornings. I would like to thank the Veterans for their continued support of the club and their sponsorship.

Carnarvon Golf Club boasts one of the largest female memberships in Sydney with 151 members. I thank the ladies' committee for providing the female members the opportunity to represent the club playing pennants and for their work organising the competitions.

Congratulations to those members who won championships and major events throughout the year and to those members who lost loved one I offer my condolences.

I thank you, the members, for the privilege of being President of this great club.

John Honeybrook

President

Finance Directors Report

On behalf of the Board of Directors I have to report an operating loss of \$13,839 for the financial year ending 31st January, 2017 after allowing for depreciation and the upgrading of provisions. This is a disappointing result as the final month of the year, January, 2017, produced a trading loss of \$53,893. This was particularly galling as golfing revenue for the month exceeded budget and the previous year's figures in every category (men's and women's competition fees, visitor's fees and motorised cart hire). For some unaccountable reason members and visitors shunned the clubhouse. It could be because of the record temperatures for the month as no other reason comes to mind. We will have to put it down to an aberration as the February trading is back on budget. . .

Trading Results

Income from the course was \$43,868 better than the previous year. Membership fees were down only \$5,700 on the previous year. This was a distinct improvement so, perhaps, we are getting close to a stable membership level. Visitors' fees were \$6,647 better than previous year which, indicates that our revised pricing structures are having the desired effect. Men's' competition fees were \$18,252 above the previous year while the ladies fees showed an improvement of \$2,724. Motorised cart fees were up by \$16,245. The course usage is now reaching capacity to the extent that it has become necessary to introduce a booking system for social play. An improvement on the current year's figures seems improbable so we will have to look towards Clubhouse activities to boost our revenue. Catering (bistro, functions and half way house) showed a net profit of \$90,318; this figure was \$42,732 below budget. This was a marked decrease and was due partly to staff movements in the kitchen area. Our head chef resigned and his replacement did not stay and we had another resignation. The new head chef is well settled and the menus have returned to the Carnarvon favourites. There were some staffing matters to be resolved to establish the appropriate numbers and qualifications of staff needed to run our catering activities and we are now operating on budget.

Net profit from bar trading was \$104,143 which was \$5,846 less than budget. This is partly attributable to the decline in Catering income and also to the Club policy of deferring excise increases and not always applying the full increase.

Poker machine trading was very disappointing being \$134,715 less than last year. During the year it was suggested to the Board that a card or ticketing system would improve service to members and facilitate transfer of credits between machines. Following the advice the Board obtained the E-Bet system with all the bells and whistles allowing members to have poker machine credits recorded on membership cards. The implementation obviously left a lot to be desired and members felt that their privacy was being invaded. Rumour had it that the Board could note member's poker machine activities. While this was untrue a rumour will beat a full house every day of the week. Thanks to advice from Mitch Nakic our new General Manager, an alternate ticket system has been implemented and a cash redemption terminal installed in the gaming area. All member concerns seem to have been allayed and the previous level of usage has returned. The Board has learnt something from this episode. Firstly, members could have been consulted before the changes were implemented and secondly poker machine players prefer to be anonymous and they deeply resent any attempt to interfere with that anonymity.

Overheads

The total overheads came in at \$95,918 less than last year made up of \$70,852 Course and \$25,066 Administration. Due mainly to the efforts of Owen Madden and Mitch Nakic (General Managers) and Course Superintendent Shay Tasker and the ongoing monitoring by the Board.

Carnarvon Golf Club Limited
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Capital Expenditure

Capital Expenditure approved by the Board during the year was \$561,803 as follows:-

COURSE

Greens Mower	46,917
Turf Utility Vehicle	14,545
Tractor	34,091
Fountain	6,359
Hover Mower	1,883
Shed Gate	3,200
Path and Bridge	5,247
Retaining Wall	<u>1,527</u>
	<u>113,769</u>

CLUBHOUSE

Poker Machines & Upgrades	186,551
Computer, Software & Setup	3,825
Solar System	58,500
Cash Redemption Terminal	29,250
Kitchen Equipment Upgrades	25,063
Kiosk Tower	9,916
Cabinet	2,349
POS Unit & Printer	2,650
EBET Gaming System	92,232
Clubhouse Building Upgrades	17,150
Outdoor Sign	9,695
2 X Glass Washers	6,660
Air Conditioner	1,938
TV & Projector	1,235
Hand Dryer	<u>1,020</u>
	<u>448,034</u>

TOTAL VALUE **\$ 561,803**

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Due to our less favourable financial situation this year four items were obtained by hire purchase viz:-Poker Machines, Ebet system, cash redemption terminal and the greens mower. Poker machines are normally replaced at the rate of 2 new machines per annum with occasional rebuilds. Some of our machines were very old including the 6 machines forming the Train Link and a decision was made to effect 3 years upgrades in one year. Consequently the link system was replaced by 6 of the popular Lightning style machines.

LOANS

The balance of loans as at 31st January, 2017 was \$354,554

Commercial Loans	<u>354,554</u>
	<u>354,554</u>

Repayments for the Loan year totalled \$164,457.

The NAB flexible facility is a backup arrangement for cash flow purposes towards the end of the subscription year, in this current year the sum of \$50,000 was obtained in May, June and July and repaid in August.

CASH FLOW

Cash decreased (\$139,590) to a closing cash balance of \$323,936 as at January 31st 2017. The cash decrease was made up of:-

Net Profit	(13,839)
Depreciation	387,733
New Commercial Loans	321,998
Repayment of Loans	(164,457)
Capital Expenditures (net of disposal)	(558,971)
Decrease in Working Capital	<u>(112,054)</u>
Cash drawn down during the year	(139,590)
Cash at beginning of Financial Year	<u>463,526</u>
Cash at end of financial year	<u>323,936</u>

The Club has maintained its healthy position despite the hiccough in January and there is no reason to doubt that this state of affairs will not continue providing we can maintain our membership numbers. As mentioned earlier, course revenue has virtually peaked and we must look for a better performance from the Clubhouse. Mitch Nakic has a veritable raft of ideas and proposals including an intense membership drive focussing on social membership to improve the situation.

I have to thank Owen Madden and Mitch Nakic and the office staff for their assistance and advice, John Honeybrook 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

Over the past twelve months it has become very difficult for the Course Superintendent and his staff to maintain the course. Due to extreme weather conditions with none or little rain, then long dry spells with very high temperatures causing disease problems for the fairways known as ground pearl. This particular disease thrives during prolonged dry spells. A programme to control this problem was put in place which entails digging the affected areas up and replacing with new soil and turf as there is no registered chemical control for these insects. This programme had to be put on hold during the extreme heat as the water was not available to irrigate when the turf was replaced.

The greens overall survived the extreme weather conditions over summer, but in the last few weeks some of the greens have been affected by a disease, which is different to that which is on the fairways and therefore was able to be treated immediately and is now in the process of recovery.

The 1st green as most golfers will be aware was the most affected by the disease. The Course Superintendent is well aware of these problems and is using all resources to rectify the situation.

It is disappointing some members do not appreciate what the Course staff have to endure in maintaining the 100 acres that the course covers. They are controlled by all weather conditions. It may come as a surprise that Carnarvon is not the only course which is going through these problems. **“Our main concern is Carnarvon”**.

Considering all the problems that the Course staff were confronted with, they presented the course well every week for the past year. Many thanks to Shay and his staff for all their effort and hard work under difficult circumstances.

It is hoped in the coming year the area around and including the creek will be re-furbished enabling the bunker and the practice area to be re-designed so as not to flood during long periods of heavy rain.

Thanks to Danielle Trevena for all her assistance since taking the position of golf administrator. She has shown much patience at times in difficult circumstances.

I would like to thank the office staff for their contribution over the past year and to our new General Manager, Mitch Nakic who is working hard to improve Carnarvon's situation regarding membership, both social and golf.

My thanks as always go to Mike Callaby and his staff Alex Wiffin and Gerry Hyde for their ongoing support to me and to all Carnarvon members. The Pro shop is an important part of Carnarvon and it would be appreciated if members would continually support it when in need of tuition and golfing equipment.

To Heidi and all the catering, kitchen and bar staff I extend my gratitude for their commitment and courtesy shown to members and visiting pennant teams.

Congratulations to the Club Championship winners and to those who won major events over the past year whose names appear later in this Annual Report. A special mention to Mark Williams who is the new Club Champion with an exceptional four round score.

Unfortunately our Major Pennant team didn't have a very good year in 2016, but went through relegation to survive a play off and stay in Division 3. The Master's Pennant team won their division and regrettably lost in the semi-final.

Thanks to all the players who participated in their respective teams and to their caddies and spectators who attended the matches.

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It is very disappointing that our juniors did not take part in the Junior Club Championships. We do have a number of junior members who only use Carnarvon as a practice facility and play their golf at other courses.

Over the past year we have held junior tournaments during the school holidays with attendance numbers increasing. Another tournament will be organised for later in the year on a date to be fixed which doesn't clash with any other fixture.

Thanks to all Board members over the past year for all your contribution to the running of Carnarvon.

To the volunteers who give up their time to work on the course, your contribution is greatly appreciated as it is a great help to the course staff.

To all playing and social members who are suffering an injury or are in ill health, I wish you a speedy recovery and those who do play will be back on the course very soon.

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, hold, or have held an official handicap at Carnarvon Golf Club, and wish to play 11 holes of golf on Thursday morning. The tee is open from 0700 hours till 0830 hours unless we are notified of any one off corporate arrangement or course closed for any other reason. Members should report to the Club Professional between the above hours and pay \$8.00 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 each Thursday.

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

The Annual General Meeting was held on the 7th July, 2016 and the following office bearers were elected:

President/Treasurer	Keith Speer
Captain	Graham Stepto
Vice-Captain	Lance Flecknoe

We have lost several of our stalwart members during the year 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 not claimed.

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 Shay and his staff for providing us with such a great course, "well done".

The Veterans' Golf Club is an integral part of Carnarvon Golf Club with 35 to 42 members hitting off each week, barring rainy days and Corporate Days. We look forward to new members joining us and we are sure you will enjoy the Club and the camaraderie. In the last twelve months, we have had retired Veteran members attending on Thursday mornings to enjoy the company of their friends with coffee or lunch at the conclusion of our presentation. We enjoy their company very much and look forward to their continued support in the next twelve months.

Members socialise with their friends with light refreshments before and after the presentation of prizes and awards.

SPONSORSHIP

We have been fortunate in obtaining sponsorship from Greg Okladnikov, the Dealer Principal, of Starr Partners Real Estate Agency at 146 South Parade Auburn. (Phone 02 9749-4949).

Greg donates \$30.00 a week as a raffle prize which amounted to a total of \$1,260.00 for the current year. Thankyou Greg for your support and hopefully our members will support you should they require real estate assistance.

We also thank Mick Callaby for his annual sponsorship of the Fred Cherry Memorial Award. It is greatly appreciated.

The Carnarvon Golf Club also donates two bottles of wine for every four bottles the Vets' buy at full price. This gesture is also greatly appreciated.

CHAMPIONSHIPS

The Veterans donate the trophies for the Veteran's 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 Michael Lee. 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 by Mr Robert Underwood. This is a perpetual trophy kindly donated by the family of the late Len Plummer. Congratulations Robert.

SUMMARY OF INCOME AND EXPENDITURE

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

We played 1,673 games during the year. Four games were washed out and two Corporate days. Two other games lost at Christmas.

Game fees paid		\$ 13,660
Golf balls won	837	\$ 2,511
Bottles of wine won	252	\$ 2,772
Vouchers Purchased	420	\$ 4,200
Vouchers Purchased	42	\$ 840 Fred Cherry Award

OTHER EXPENDITURE

Christmas in July party	\$ 1,386.60
Christmas Party in December	\$ 1,729.10

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 the course. We thank Owen Madden and Mitch Nakic, two General Managers, of Carnarvon Golf Club who have assisted the Vets to enjoy our time at the club. We also thank all the all staff for their great contribution to our enjoyment of the Vets Thursday competition. Thank you, David, for looking after our accounts.

We are pleased that the Committee approved the new membership category of Senior Vet Member. This will allow senior members to be playing members in lieu of Associate members which has in the past resulted in members hanging up their golf sticks, so to speak.

To those who have left the Vets Club due to ill health we miss your company and wish you well in your future endeavours. Len, I hope they are looking after you at the SAN and look forward to your return, take it slowly.

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

Lastly to the Vet Members I thank you for your support during the year and look forward to your continued company during the coming year.

Keith Speer

President, Carnarvon Veterans Golf Club

General Managers Report

I present to you the Carnarvon Golf Club annual report for the year ending 31st of January 2017. The result, although a loss as outlined in the Finance Report, has come \$30K better than budget. The Board and Management continue to closely monitor the Club's income and expenditure, having regard to ongoing operational requirements, including the provision and maintenance of the course and clubhouse facilities.

With the increased competition for the leisure dollar, constant financial challenges await many Golf Clubs, including Carnarvon. Rising costs, changing demographics, wider varieties of sporting and recreational opportunities, a time-poor public and declining membership fees are just some of the challenges, being increasingly dealt with by Golf Clubs.

With this in mind, Your Board and Club Management are embarking on a direction to increase social non-playing patronage, while meeting our obligations on providing for golfing related activities. Although in its infancy, the initial results are looking promising as we start welcoming our new members.

As noted in the financial chairman's report, we have continued to enhance our gaming floor services and operations, and as of February, we are one of only a few, NSW Clubs, that can offer a Ticket in/out and card based gaming service. The new cash redemption terminal has been a welcomed addition and reflects the proactive approach the Board, has undertaken in offering the best services, available to its members.

The new promotions released in February, have been received well, resulting in much banter and interest. It is pleasing to hear the positive feedback from members, with the new raffles and bar/bistro promotions proving popular. February also saw the launch of the new loyalty program and is yet another way the club focusses on rewarding our members, like never before. The new membership drive aimed at social club goers, will only help to increase the quality and range of services on offer.

With the building approaching its second decade of existence, as is expected, much of the plant and equipment is increasing the burden on the budget. This unfortunate circumstance, deals a difficult financial question, whether to keep repairing antiquated systems or invest in updating the equipment.

Over the past year, the club has hosted functions, including 8 weddings, 21 corporate golf days, 82 wakes, 41 conferences and 153 other events. The team led by functions co-ordinator Heidi and Head Chef Rufus continues to do a great job and recent bridal industry awards results, have confirmed this. Carnarvon GC was a finalist in the much acclaimed ABIA awards, in no less than three categories, achieving runner-up status in best club reception. With the dedication displayed by the functions team, the club attained this award running against other reception venues with budgets significantly dwarfing our own. Congratulations Heidi, Rufus, Mel and the functions team, keep up the great work.

Being dealt some of the most adverse weather conditions this year, Shay and his greenkeeping staff, have done a remarkable job preserving Carnarvon Golf Club's reputation as one of the finest courses in Sydney. Through record heatwave conditions and torrential rain, the course was voted by Golf Australia magazine, as one of the top twenty public course to play. To Shay, Dale and the greens staff, your dedication and can-do attitude are immeasurable.

To Mike Callaby, Alex and Gerry, the feedback from members on your professionalism, is never tiring. Your coordinated efforts, achieving such a high turnover of play on the course in a seamless manner, is no doubt the envy of other golf clubs.

I would like to take this opportunity to thank the President John Honeybrook and the Board of Directors for their faith in me as the new General Manager and their ongoing support in moving the Club forward. The Board is indeed progressive, and with their leadership, the team is continually exploring ways to address the changing landscape of Club and Course operations.

Carnarvon Golf Club Limited
ABN: 57 000 854 544

To Kathy, David, Sam, Anna and Danielle, I would like to sincerely thank you and all of our wonderful staff who have been amazing. Your efforts, commitment, and energy to ensure our members and guests have a positive experience at our Club, are greatly appreciated. The way you engage members and visitors alike, is a testament to the success of Carnarvon Golf Club.

With all that said, on behalf of the Directors, Management and Staff, my final thank you is to you our members. Without your loyal patronage and contribution there is no club, so please continue your support and offer your feedback so we can ensure to meet your expectations, after all, it is YOUR CLUB.

Mitch Nakic

General Manager

Ladies Captain Report

In 2016 The Board of Directors appointed myself, Una Bell (Vice-Captain), Agnes Cho, Lisa Kim and Michelle Park as members of the Ladies' Match and General Committee for a two year term. It is with great pleasure that we welcome Una onto the Committee. The Committee has continued to work closely with John Honeybrook (President), Chris Thomson (Captain) and The Members of the Board to ensure that our Lady Golf members have had a full and enjoyable golf programme.

The Ladies Mixed Charity Day was well supported and the monies raised went to Care Flight. Our thanks go to Sharon Honeybrook and Kathy Knevitt for all the effort they put in to making this a successful and enjoyable day.

The Ladies Presentation and Christmas lunch was well supported and we thank Life Member, Lola Mitchell, for her continued support. Our congratulations are extended to all the Ladies who received awards on the day and whose names appear later in this annual report.

This New Year has started with early wins to the Grade and Western District Shields Teams, and we wish all our Representative Teams every success.

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

- Western Districts I & II Pennant
- NSW Women's Grade 3
- Western District Shield I
- Northern District Bronze 1
- Western District Bronze I & II Salvagers
- Golf NSW Gold, Silver and Bronze Medal Play offs

We would also like to thank those members who make themselves available to caddy and to those who support the teams in both the Ladies and Men's competitions.

Thank you also to the following: Our new General Manager, Mitch Nakic and the Office Staff; Heidi Manson; the Bar and Catering Staff; Chef Refus; Shay Tasker and the Course Staff; and Michael Callaby, Alex Wiffin and Gerry Hyde in the Pro shop for all the hard work and support they put in to ensure that all our members and visitors are provided with a positive experience at Carnarvon Golf Club.

To all members who through illness or injury were unable to play golf during this past year, we hope you will be back playing again in the near future.

Catherine Tucker

Lady Captain

Directors Report

for the year ended 31st January 2017

- 1) Your Directors submit their report on the Financial Statements of the Company for the financial year ended January 31st 2017.
- 2) The names of the Directors in office during the period of this report are as follows :

<u>NAME</u>	<u>Qualifications and Responsibilities</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>
<u>CURRENT BOARD MEMBERS:</u>						
John A. HONEYBROOK (Retired)	President	4 years	24	22	36	34
	Vice President	3 years				
	Director	11 years				
Member 25 years	Chairman Match					
	Board Member	18 years				
	Committee Member: Finance, Greens					
Reginald C. ARMSTRONG (Company Director)	Vice President	1 years	24	22	36	33
	Director	5 years				
Member 26 years	Board Member	6 years				
	Committee Member: Finance, Greens and Match					
Christopher F. THOMSON (Electrical Contractor)	Captain	9 years	24	20	36	31
	Director	13 years				
	Board Member	22 years				
Member 34 years	Chairman Greens					
	Committee Member: Finance and Match					
Barry J. RYAN (Retired)	Director	16 years	24	24	37	37
	Vice President	3 years				
Member 38 years	Board Member	19 years				
	Chairman Finance					
	Committee Member: Greens, Match, AML/CTF					
Gene K. LEVETTE (Consultant)	Director	9 years	23	20	32	30
	Vice President	6 years				
	Board Member	15 years				
Member 26 years	Committee Member: Finance, Greens, Match, AML/CTF					

Carnarvon Golf Club Limited
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Nicholas J. STOVES	Director	13 years				
(Retired)	President	6 years	24	22	36	32
	Vice President	2 years				
Member 39 years	Board Member	21 years				
	Committee Member: Finance, Greens and Match					
Ron D. MCKELLAR	Director	2 years	24	19	37	30
(Financial Controller)	Past Director	6 years				
	Board Member	8 years				
Member 30 years	Committee Member: Finance, Greens, Match, AML/CTF					
Catherine TUCKER	Vice Captain	1 year	16	15	25	22
(Teacher)	Match Chair	1 year				
Member 24 years	Board Member	1 year				
	Ladies President					
	Committee Member: Finance, Greens, Match, AML/CTF					
Peter A. RICHARDSON	Director	4 years	16	14	25	23
(Finance Manager)	Board Member	4 years				
Member 13 years	Committee Member: Finance, Greens, Match. AML/CTF					

NON-CURRENT BOARD MEMBERS:

Stephen FLETCHER	Director	5 years	6	7	9	11
(Retired)	Committee Member: Finance, Greens and Match					
Member 29 years						
James TRAN	Director		2	4	6	6
(Managing Director)						
Member 14 years						

- 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 loss of the Company for the financial year after abnormal items was \$13,839
- 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.

Carnarvon Golf Club Limited
ABN: 57 000 854 544

- 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 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, 2017 has been received and can be found on page 24.

Signed in accordance with a Resolution of the Directors.

J. Honeybrook
President

B.J. Ryan
Director

Dated 24th March 2017 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 41 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, 2017 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.

J. Honeybrook
President

B.J. Ryan
Director

Dated 24th March 2017 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 2017 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 24TH Day of March 2017

Independent Auditor's Report
TO THE MEMBERS OF CARNARVON GOLF CLUB LTD

Report on the Audit of 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 2017, 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.

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 2017 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards.

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 same time of this auditor's report.

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

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.

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

Independent Auditor's Report (continued)

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect the material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit we exercise professional judgement and maintain professional scepticism throughout the audit.

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.

MAWBY COWPER MEARES & CO

Chartered Accountants

Stuart D. Meares
Partner

Dated this 24th Day of March 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st January 2017

	Note	2017 \$	2016 \$
Sales	2	1,503,834	1,478,497
Cost of Sales	3	<u>(527,813)</u>	<u>(492,382)</u>
GROSS PROFIT		976,021	986,115
Other Revenue	2	2,283,025	2,366,638
Other Income	2	84,943	36,722
Administration Expenses		(1,089,966)	(1,115,032)
Golf Course Expenses		(1,177,818)	(1,248,670)
Trading Expenses		<u>(1,090,044)</u>	<u>(1,006,440)</u>
PROFIT / (LOSS) BEFORE INCOME TAX		(13,839)	19,333
Income Tax Expense	1	<u>-</u>	<u>-</u>
PROFIT / (LOSS) FOR THE YEAR	3	<u>(13,839)</u>	<u>19,333</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(13,839)</u>	<u>19,333</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>(13,839)</u>	<u>19,333</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>(13,839)</u>	<u>19,333</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31st January 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash	4	323,936	463,526
Trade and Other Receivables	5	11,361	20,912
Inventories	6	50,504	50,005
Other	7	85,443	58,824
Total Current Assets		471,244	593,267
NON CURRENT ASSETS			
Property, Plant & Equipment	8	4,169,347	3,998,109
Total Non Current Assets		4,169,347	3,998,109
TOTAL ASSETS		4,640,591	4,591,376
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	260,694	315,017
Borrowings	10	183,596	104,430
Provisions	11	251,502	267,243
Other	12	527,012	551,435
Total Current Liabilities		1,222,804	1,238,125
NON CURRENT LIABILITIES			
Borrowings	10	170,958	92,583
Total Non-Current Liabilities		170,958	92,583
TOTAL LIABILITIES		1,393,762	1,330,708
NET ASSETS		3,246,829	3,260,668
MEMBERS' FUNDS			
Accumulated Funds		3,246,829	3,260,668
TOTAL MEMBERS' FUNDS		3,246,829	3,260,668

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st January 2017

	Retained Earnings \$	Total \$
BALANCE AT 1 FEBRUARY 2015	<u>3,241,335</u>	<u>3,241,335</u>
Comprehensive Income		
Profit attributable to members of the entity	<u>19,333</u>	<u>19,333</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>19,333</u>	<u>19,333</u>
BALANCE AT 31 JANUARY 2016	3,260,668	3,260,668
Comprehensive Income		
Profit attributable to members of the entity	<u>(13,839)</u>	<u>(13,839)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(13,839)</u>	<u>(13,839)</u>
BALANCE AT 31 JANUARY 2017	<u><u>3,246,829</u></u>	<u><u>3,246,829</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
 for the year ended 31st January 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		3,123,698	3,153,086
Cash payments in the course of operations		(3,598,399)	(3,429,685)
Interest received		2,240	4,230
Subscriptions & joining fees		<u>727,437</u>	<u>744,133</u>
Net cash provided by operating activities	15	<u>254,976</u>	<u>471,764</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(234,654)	(257,272)
Proceeds from disposal of fixed assets		4,545	6,089
Net cash used in investing activities		<u>(230,109)</u>	<u>(250,463)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net Increase in other borrowings		50,000	100,000
Repayment of borrowings		<u>(214,457)</u>	<u>(230,331)</u>
Net cash provided from/(used in) financing activities		<u>(164,457)</u>	<u>(130,331)</u>
Net increase/(decrease) in cash held		(139,590)	90,970
Cash at the beginning of the Financial Year		<u>463,526</u>	<u>372,556</u>
CASH AT THE END OF THE FINANCIAL YEAR	4	<u><u>323,936</u></u>	<u><u>463,526</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

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 to 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 & 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 2017

2. REVENUE AND OTHER INCOME

	2017	2016
	\$	\$
REVENUE		
SALES REVENUE		
Sales of Goods	1,503,834	1,478,497
OTHER REVENUE		
Subscriptions & Joining Fees	733,400	739,100
Competition Fees	443,602	422,627
Visitors' Green Fees	203,463	196,816
Motorised Cart Hire Fees	127,718	111,473
Keno Commission Received	14,923	16,876
TAB Commission Received	4,054	3,991
Raffles Tickets Sales	37,704	36,973
Poker Machine Revenue	718,161	838,782
TOTAL OTHER REVENUE	2,283,025	2,366,638
TOTAL REVENUE	3,786,859	3,845,135
OTHER INCOME		
Promotion & Sponsorship	7,781	9,536
Interest Received	2,240	4,230
Other	74,922	22,956
TOTAL OTHER INCOME	84,943	36,722
TOTAL REVENUE & OTHER INCOME	3,871,802	3,881,857

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

3. PROFIT FOR THE YEAR

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

EXPENSES	2017	2016
	\$	\$
Cost of Sales	527,813	491,746
Interest and Charges	25,222	28,047
Depreciation and Amortisation	387,733	356,267
Employee Benefits - Superannuation	144,973	155,934
Auditors Remuneration		
Audit Services	10,390	10,560

4. CASH

Cash at Bank	81,649	59,613
Cash on Hand	40,870	46,220
Poker Machine Float	-	4,676
Interest Bearing Deposits	201,417	353,017
	<u>323,936</u>	<u>463,526</u>

5. TRADE AND OTHER RECEIVABLES

Sundry Debtors	10,099	14,737
EFTPOS	1,262	6,175
	<u>11,361</u>	<u>20,912</u>

6. INVENTORIES

Bar Stock on Hand	36,557	34,124
Kitchen Stock on Hand	13,947	15,881
	<u>50,504</u>	<u>50,005</u>

7. OTHER CURRENT ASSETS

Prepayments	85,443	58,824
	<u>85,443</u>	<u>58,824</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

8. PROPERTY, PLANT & EQUIPMENT	2017	2016
	\$	\$
Freehold Land at Cost	15,000	15,000
Landscaping at Cost	58,016	56,490
Clubhouse Building at Cost	4,504,439	4,428,789
Less Accumulated Depreciation	<u>(1,684,084)</u>	<u>(1,584,807)</u>
	<u>2,893,371</u>	<u>2,915,472</u>
Clubhouse Contents at Cost	732,380	701,006
Less Accumulated Depreciation	<u>(619,179)</u>	<u>(619,309)</u>
	<u>113,201</u>	<u>81,697</u>
Poker Machines at Cost	654,251	391,823
Less Accumulated Depreciation	<u>(289,838)</u>	<u>(265,745)</u>
	<u>364,413</u>	<u>126,078</u>
Course Equipment at Cost	1,116,197	1,097,196
Motorised Carts at Cost	149,856	149,856
Less Accumulated Depreciation	<u>(793,066)</u>	<u>(748,848)</u>
	<u>472,987</u>	<u>498,204</u>
Pump House, Dams & Irrigation Systems at Cost	609,149	602,790
Less Accumulated Depreciation	<u>(500,904)</u>	<u>(469,742)</u>
	<u>108,245</u>	<u>133,048</u>
Course Improvements at Cost	792,762	787,515
Less Accumulated Depreciation	<u>(575,632)</u>	<u>(543,905)</u>
	<u>217,130</u>	<u>243,610</u>
Total property, plant & equipment	<u><u>4,169,347</u></u>	<u><u>3,998,109</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

	2017 \$	2016 \$
9. TRADE AND OTHER PAYABLES		
Creditors, Accruals & Deposits	260,694	315,017
	<u>260,694</u>	<u>315,017</u>
10. BORROWINGS		
Current		
Loan - Financial Institution	183,596	104,430
	<u>183,596</u>	<u>104,430</u>
Non Current		
Loan - Financial Institution	170,958	92,583
	<u>170,958</u>	<u>92,583</u>
Total Borrowings	<u>354,554</u>	<u>197,013</u>
11. PROVISIONS		
Annual Leave	104,540	116,372
Long Service Leave	117,434	118,993
Leave Provision on Costs	29,528	31,878
	<u>251,502</u>	<u>267,243</u>
12. OTHER CURRENT LIABILITIES		
Subscriptions in Advance	407,460	413,424
Green Fee Deposits in Advance	12,009	8,036
Sundry Income In Advance	6,878	7,328
Members' House Vouchers	98,371	107,170
Loyalty Redeem & Bonus Point	2,294	15,477
	<u>527,012</u>	<u>551,435</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

13. CAPITAL EXPENDITURE

1) Clubhouse	2017
	\$
Poker Machines & Upgrades	186,551
Computer, Software & Set up	3,825
Cash Redemption Terminal	29,250
Solar System	58,500
Kitchen Equipment Upgrades	25,063
Kiosk Tower	9,916
Ebet Gaming System	92,232
POS Unit	2,650
Cabinet	2,349
Club House Building Upgrades	17,150
Outdoor Sign	9,695
2X Glass Washer	6,660
Air Conditioner	1,938
TV & Projector	1,235
Hand Dryer	1,020
	<hr/>
	448,034
2) Course	
Green Mower	46,917
Turf Utility Vehicle	14,545
Tractor	34,091
Fountain	6,359
Hover Mower	1,883
Shed Gate	3,200
Path & Bridge	5,247
Retaining Wall	1,527
	<hr/>
	113,769
	<hr/>
TOTAL VALUE	561,803

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

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, 2017 the number of members was 1890 (2016:1966).

15. STATEMENT OF CASH FLOWS

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

	2017	2016
	\$	\$
Operating profit after tax	(13,839)	19,333
Depreciation & amortisation	387,733	356,267
(Gain)/Loss on sale of equipment	(1,714)	1,194
(Increase)/decrease in sundry debtors	9,551	7,726
(Increase)/decrease in inventories	(499)	(6,229)
(Increase)/decrease in prepayments	(26,619)	42,884
increase/(decrease) in other Current Liabilities	(24,423)	2,857
increase/(decrease) in provisions	(15,741)	7,433
increase/(decrease) in creditors	(59,473)	40,299
Net cash provided by operating activities	254,976	471,764

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 \$13,910

During the year, Smokey Brown Pest Management Services, a company controlled by Dusko Grabovica, Brother in Law of Mitch Nakic, General Manager, provided services for \$1,100. Smokey Brown Pest Management Services was engaged by Carnarvon Golf Club three years prior to General Manager, Mitch Nakic commencing.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

17. FINANCIAL RISK MANAGEMENT

The club's financial instruments consists primarily of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, bills 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	2017 \$	2016 \$
Financial Assets:			
Cash	4	323,936	463,526
Receivables	5	11,361	20,912
Total Financial Assets		<u>335,297</u>	<u>484,438</u>
Financial Liabilities:			
Trade and Sundry Creditors	9	260,694	315,017
Lease Liabilities	10	354,554	197,013
Total Financial Liabilities		<u>615,248</u>	<u>512,030</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 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

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 2017.

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.

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	
	2017	2016	2017	2016	2017	2016
Financial liabilities due for payment:						
Trade and Sundry Creditors	260,694	315,017	0	0	260,694	315,017
Lease Liabilities	183,596	104,430	170,958	92,583	354,554	197,013
	<u>444,290</u>	<u>419,447</u>	<u>170,958</u>	<u>92,583</u>	<u>615,248</u>	<u>512,030</u>
Financial assets - cash flows realisable:						
Cash	323,936	463,526	0	0	323,936	436,526
Receivables	11,361	20,912	0	0	11,361	20,912
	<u>335,297</u>	<u>484,438</u>	<u>0</u>	<u>0</u>	<u>335,297</u>	<u>484,438</u>
Net financial assets (liabilities)	<u>(108,993)</u>	<u>64,991</u>	<u>(170,958)</u>	<u>(92,583)</u>	<u>(279,951)</u>	<u>(27,592)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st January 2017

Market Risk

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 31 January 2017 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

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 2017, 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:

	2017	2016
Change in profit		
Increase in interest rate by 2%	5,521	8,253
Decrease in interest rate by 2%	(5,521)	(8,253)
Change in equity		
Increase in interest rate by 2%	5,521	8,253
Decrease in interest rate by 2%	(5,521)	(8,253)

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 2017

	2017	2016
	\$	\$
BAR		
Sales	591,713	575,914
Less Cost of Sales		
Opening Stock	34,124	29,176
Purchases	219,917	217,929
Closing Stock	(36,557)	(34,124)
	<u>217,484</u>	<u>212,981</u>
GROSS PROFIT	<u>374,229</u>	<u>362,933</u>
% to Sales	63.25%	63.02%
 CATERING		
Sales	912,121	902,583
Less Cost of Sales		
Opening Stock	15,881	14,600
Purchases	308,395	280,046
Closing Stock	(13,947)	(15,881)
	<u>310,329</u>	<u>278,765</u>
GROSS PROFIT	<u>601,792</u>	<u>623,818</u>
% to Sales	65.98%	69.11%
 POKER MACHINES		
Net Revenue (after GST)	718,161	838,782
Less: Tax	-	636
GROSS PROFIT	<u>718,161</u>	<u>838,146</u>

DETAILED TRADING ACCOUNT

for the year ended 31st January 2017

	2017	2016
	\$	\$
GROSS TRADING PROFITS		
Bar	374,229	362,933
Catering	601,792	623,818
Poker Machines	718,161	838,146
Keno Commission	14,923	16,876
TAB Commission	4,054	3,991
Raffles	37,703	36,973
	<u>1,750,862</u>	<u>1,882,737</u>
 EXPENSES		
Wages	665,997	610,797
Leave Provision on Costs	4,750	10,430
Superannuation	62,379	60,900
Payroll Tax	10,756	14,111
Workers Compensation Insurance	17,063	17,521
Staff Expenses	2,429	1,718
Interest & Bank Charges	2,069	1,559
Promotions & Prizes	92,899	82,648
Printing & Stationery	1,625	1,585
Replacements, Repairs & Maintenance	64,769	63,298
Stock Audit	8,582	8,359
Miscellaneous Expenses	15,466	12,134
Data Monitoring Services Charges	16,045	15,904
Sky Channel	10,597	10,829
Laundry & Gas	32,800	29,798
Depreciation	69,698	36,135
Rental Expenses	7,800	25,294
Poker Machines License Expenses	4,320	4,320
Loss/(Gain) on Disposal	-	(900)
	<u>1,090,044</u>	<u>1,006,440</u>
 NET TRADING PROFIT	 <u>660,818</u>	 <u>876,297</u>

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

DETAILED GOLF COURSE EXPENSES ACCOUNT

for the year ended 31st January 2017

	2017	2016
	\$	\$
Golf Course Expenses		
Wages	441,627	457,368
Leave Provision on Costs	7,135	11,002
Superannuation	33,942	37,721
Payroll Tax	(749)	8,998
Workers Compensation Insurance	987	10,970
Staff Expenses & Training	16,144	12,795
Fringe Benefits Tax	1,410	3,400
Supplies and Maintenance	155,204	157,213
Environmental Management	5,160	6,270
Occupational Health & Safety	1,827	2,148
Machinery Repairs	34,354	46,931
Petrol & Oil	15,693	23,545
Motorised Cart Expenses	17,633	12,532
Golf Printing & Stationery	3,277	6,533
Computer Expenses	18,078	16,911
Professional Retainer	30,000	24,000
Trophies	76,051	77,588
Ladies Trophies & Other Expenses	30,332	29,697
Green Fee Commission	20,346	19,676
Starting Commission	12,730	12,430
Miscellaneous	2,581	2,571
Golf Ball Damages	926	5,123
Interest & Bank Charges	17,747	19,769
Pennant Expenses	14,562	15,082
Affiliation & Golf Links Fees	33,208	31,124
Depreciation	190,068	195,864
Loss/(Gain) on Disposal	(2,455)	1,409
TOTAL COURSE EXPENSES	1,177,818	1,248,670

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

DETAILED ADMINISTRATION EXPENSES ACCOUNT

for the year ended 31st January 2017

	2017	2016
	\$	\$
Administration Expenses		
Wages	306,132	311,482
Leave Provision on Costs	5,734	10,446
Superannuation	48,652	57,313
Payroll Tax	4,752	9,171
Workers Compensation Insurance	8,473	11,269
Staff Training	940	771
Staff Expenses	3,200	4,894
Repairs & Maintenance	28,465	56,353
Security	12,755	12,976
Electricity	108,977	106,342
Cleaning & Supplies	82,629	76,006
Insurance	46,394	41,744
Printing & Stationery	9,173	5,291
Advertising & Promotions	96,132	78,873
Social & Entertainment	23,817	21,284
Audit Fees	10,390	10,560
Staff Uniform	4,298	3,666
Rates	16,198	16,257
Lease Rent - Council	64,995	44,214
Badge Draw	13,547	13,836
Miscellaneous Administration	8,545	8,116
Association Expenses	6,468	6,210
Motor Vehicle Expenses	1,522	1,436
Bank Charges	4,887	5,432
Interest Paid	519	1,287
Postage	4,045	2,674
Telephone	10,256	13,290
Directors Expenses	4,809	3,503
Donations	2,595	2,906
General Manager Expenses	1,139	1,367
Members Meeting/Amenities Expenses	3,472	17,063
Computer Expenses	12,052	11,274
Fringe Benefits Tax	700	1,200
Depreciation	127,967	124,268
Rental Expenses	4,596	21,573
Loss/(Gain) on Disposal	741	685
TOTAL ADMINISTRATION EXPENSES	1,089,966	1,115,032

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

DETAILED PROFIT AND LOSS ACCOUNT

for the year ended 31st January 2017

	2017	2016
	\$	\$
INCOME		
Subscriptions	733,400	739,100
Competition Fees	386,201	367,949
Ladies Competition Fees & Other Income	57,402	54,678
Visitors Green Fees	203,463	196,816
Motorised Cart Hire	127,718	111,473
Investment Income	2,240	4,230
Promotion & Sponsorship	7,781	9,536
Miscellaneous Income	74,922	22,956
Net Trading Profits	660,818	876,297
TOTAL INCOME	<u>2,253,945</u>	<u>2,383,035</u>
TOTAL COURSE EXPENSES	1,177,818	1,248,670
TOTAL ADMINISTRATION EXPENSES	<u>1,089,966</u>	<u>1,115,032</u>
TOTAL EXPENSES	<u>2,267,784</u>	<u>2,363,702</u>
NET OPERATING SURPLUS/(LOSS)	<u>(13,839)</u>	<u>19,333</u>

MAJOR EVENT WINNERS 2016

CLUB CHAMPION	:	Mark Williams
A Reserve CHAMPION	:	Paul Hajjar
B Grade CHAMPION	:	John Graham
C Grade CHAMPION	:	Tiger Lee
Junior CHAMPION	:	not played
Veterans CHAMPION (Net)	:	Michael Lee
(Scr)	:	Paul Merrigan
FOURSOME CHAMPION	:	Brad Lincoln & Mark Williams
MIXED FOURSOME CHAMPION	:	Duk-Hwan Kim & Clara Kim
MATCH PLAY CHAMPION	:	Sean Moylan
'A' Reserve CHAMPION	:	Steve Kim
B Grade CHAMPION	:	Peter Cramer
C Grade CHAMPION	:	Dong Ha Kim
CARNARVON CUP	:	Kyle Flynn (Wynnum)
PRESIDENTS CUP	:	Michael Lee
CAPTAINS TROPHY	:	Kyung Man Han
ROSANNA TROPHY	:	Wayne Jung
PEGG-LAKEMAN SHIELD	:	Sung Bok Lee & In Sung Lee
CARNARVON BOWL	:	Neville Brown & Judy Rickard
GOLD MEDAL	:	Glen Morley

LADIES MAJOR EVENT WINNERS 2016

CLUB CHAMPION	:	Lisa Kim
Division 2 CHAMPION	:	Hee Soo Lee
Division 3 CHAMPION	:	In Kyung Chung
Senior Champion	:	Angela Cho
Senior Net Champion	:	Una Bell
FOURSOME CHAMPIONS	:	Angela Cho & Lisa Kim
CARNARVON CUP	:	Collette Blacklock (Ryde Parramatta)
CARNARVON SALVER	:	Young Ja Kim
PREMIERSHIP CUP	:	Hee Soo Lee
GOLD MEDAL	:	Sunny Song
MOTHERS DAY CUP	:	Theresa Yoon
CAPTAINS TROPHY	:	Jenny Shim
ROSE BOWL	:	Catherine Tucker

LADIES VETERAN EVENT WINNERS 2016

RENE BUXTON POINTS SALVER	:	Anna Mace
RENE BUXTON NET SALVER	:	Una Bell