

Carnarvon Golf Club Limited
ABN: 57 000 854 544

Carnarvon Golf Club

46th Annual Report

Year Ended 31st January, 2016 – for presentation at the Annual General Meeting

Tuesday, 19th April 2016 at 6:00pm



Carnarvon Golf Club Limited
ACN: 000 854 544
65-95 Nottinghill Road, Lidcombe NSW 2141
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All questions relating to the Financial Statements should be in writing to the General Manager no later than 7 days prior to the Annual Meeting

OFFICE BEARERS 2015-2016

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,
Ron McKellar

LIFE MEMBERS

George Middleton
Lola Mitchell

GENERAL MANAGER

Owen Madden

GOLF COURSE MANAGER

Shay Tasker

AUDITORS

Mawby, Cowper, Meares & Co.

LADIES MATCH COMMITTEE 2015 – 2016

PATRON

Mrs. Betty Davies

CAPTAIN

Catherine Tucker

VICE CAPTAIN

Barbara Lynch

COMMITTEE

Agnes Cho, Lisa Kim, Michelle Park

MEMBERSHIP REPORT

As at 31st January 2016

	<u>CATEGORY</u>	<u>2015-2016</u>	<u>2014-2015</u>
MEN:	Life	1	2
	Full Playing	256	282
	Senior	161	162
	Staff	1	1
	Intermediate(18-24)	20	13
	Corporate	3	1
	Country	9	14
	Professional	4	4
	Restricted Full Playing	30	35
	Restricted Playing	56	19
	Limited 5 Day	-	7
	Junior 1 (12-17)	17	11
LADIES:	Life	1	1
	Full Playing	89	120
	Senior	27	31
	Intermediate (18-24)	1	1
	Country	2	4
	Limited 5 Day	39	3
	Junior 1 (12-17)	3	0
<hr/> SUB TOTAL		720	711
HONORARY		4	4
SOCIAL		1242	1432
<hr/> TOTAL		1966	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 2016 Annual General Meeting of Carnarvon Golf Club Ltd (ABN 57 000 854 544) shall be held on Tuesday 19th April 2016 commencing at 6.00pm in the Club's premises at Nottingham Road, Lidcombe, NSW 2141

AGENDA

1. Confirmation of Minutes of the 45th Annual General Meeting of members held on 12th May 2015.
2. Consideration of the Annual Report of the Directors, Financial Statements, supportive accounts and Audit Report for the year ended 31st January 2016.
3. To appoint auditors for the ensuing year
4. Election of Office Bearers
5. To consider Notice of Ordinary Resolutions, 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 2016 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.

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: 24th March 2016

Owen Madden
General Manager
By direction of the Board

Presidents Report

I am pleased to take this opportunity to present the 46th Annual Report to Carnarvon members.

We have just completed the first of our two year tenure for members of the Board. Although one Director resigned for personal reasons during this time, the two years in office was a success, as it allowed for continuity of the Board in terms of forward planning, decision making and achievement.

It is pleasing to report we have again finished our financial year ended 31 January 2016 in the black with a modest profit of \$19,333. This is another year we have been in profit, a great result considering the number of metropolitan golf clubs that have either closed or sought a partnership with larger clubs. A club annual profit, taking into consideration our course revenue was down over the past 12 months, was a good result. The reduction in course revenue is a sign of the times, with reasons ranging from adverse weather conditions to a general downturn in golf memberships generally.

Income for the year was \$2,383,035, expenditure was \$2,363,702. A full breakdown of our finances are found within the Annual General Report. Cash at the end of the financial year is \$463,526. Thank you to Barry Ryan, Owen Madden, Peter Richardson, Ron McKellar and David Lai for the work contained within this report.

Memberships have been declining over the past 5-10 years, subsequently we are constantly seeking new members. To this end there has been a change during the past two years, which included a greater scope of options available for playing members. With the decision to offer memberships more suited to our golfers, we included flexible payment options of fees. The Board is of the opinion, a successful future for Carnarvon Golf Club is to constantly offer members a variety of memberships that fit their lifestyle, their family, work commitments and their age. Some members cannot play golf every week or they reach an age where they feel they can only play with our Vets. To this end we have offered Senior Veteran Memberships and Time Poor memberships in an endeavour to keep our valued long time members and encourage new memberships. I do however thank our full playing members who are the major contributors to the club. I also thank our social members who enjoy our club facilities, for their much needed custom.

During the past two years we have managed to considerably reduce our various loans, we have purchased new tractors, other on course tools of trade that enable Course Superintendent Shay Tasker and his staff to maintain the golf course in its excellent condition. Shay has the redeveloped first green in hand now, after excessive heat and flooding storms caused havoc with the growth of new turf. We have purchased new equipment for the kitchen and invested in solar powered panels to reduce electricity prices. We have invested in upgrading poker machines, upgraded our computer systems and general maintenance of the clubhouse.

After negotiating with Auburn Council our Landlords, on behalf of the Lands Department we signed a new 20 year lease starting at \$65,000 per annum. There are no major changes to the lease indicating Council and Government consider us to be worthwhile tenants of the 103 acres that make up the grounds of Carnarvon Golf Course.

Carnarvon Golf Club continues to 'punch above its weight' by contributing much to the local community, charities, junior golf, the environment, the upkeep of our picturesque course and a place where members and their guests can enjoy each other's company, have a good meal, a beer or just sit quietly. For a small club I am pleased with what we achieve and I am proud to be the Club President and represent all members.

It is our people who make Carnarvon Golf Club a great place, its members and its staff. General Manager Owen Madden and our good staff have, by hard work brought usage of the clubhouse on. We boast good golfing, fine meals, excellent functions, great entertainment, our bridge club, poker nights and on the whole a friendly club atmosphere.

Carnarvon Golf Club Limited
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On the course, players are initially met by our pro-shop staff, Head Professional Michael Callaby, Alex Wiffin and Gerry Hyde, then they get the opportunity to play what I consider to be one of the best courses in Sydney's Western Suburbs. Thank you to Mike and his team for their knowledge and support above and beyond the normal duties of club professionals.

At Club level, good managers must be given encouragement and the opportunity to manage with freedom, support and the advice of a good Board of Directors. I have been most fortunate in having both, the support and advice from such a Board and good management from Owen Madden. Vice President Gene Levette, Captain Chris Thomson, Vice-Captain John Honeybrook, Chairman of Finance Barry Ryan, Directors Reg Armstrong, Steve Fletcher, Peter Richardson and Ron McKellar have all been invaluable on the Board. I thank them for their support and advice during my term as President.

Thank you to our Ladies' Committee, Captain Catherine Tucker, Vice-Captain Barbara Lynch and committee members Agnes Cho, Lisa Kim and Michelle Park for the excellent job they have done managing ladies' golf. Also thank you for their support to the Board. Their input at Match and Greens Meetings throughout the year was invaluable. The Ladies' Committee was able to put to the Board suggestions, that were implemented and significantly improved ladies' tee times, competitions, visitor's access, trophies and pennants. The Board gives praise to the Ladies' Committee.

To Keith Speer, President of our wonderful Vets, thank you for the continued financial support of Carnarvon. The Vets enjoy their Thursday golf, followed by much camaraderie in the clubhouse afterwards, where plenty of reminiscing and storytelling takes place. Winning scores and trophies are handed out sometimes to the embarrassment of the recipient. Good fun is had by all. Thank you also to our Bridge Club members who have sponsored a number of golf trophies for the club, they were much appreciated.

Thank you to our all our clubhouse staff and on course staff for the great job everyone does contributing to the success of Carnarvon Golf Club.

Many thanks also to our honorary solicitor Mick Fisher, for all his advice over many years. Legal and otherwise and support.

Congratulations to those who managed to win trophies throughout the year and thank you to those golfers, team managers and their caddies who represented our club in their respective pennant matches.

During the year we lost some wonderful and well-loved people. People who had given a lot of themselves to Carnarvon over many years. To their relatives and friends I respectfully offer my sincere condolences. To those who are ill or recovering from an illness I hope you recover quickly and enjoy good health again.

Finally, thank you to our members for your support year after year.

Nick Stoves

President

Finance Directors Report

On behalf of the Board of Directors I am happy to report an operating profit of \$19,333 for the financial year ending 31st January, 2016 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. As the accounts indicate the Club's income stream is now leaning towards the non-golfing side of our operation due mainly to the continuing decline in golf membership. While it is essential that we maintain our course in its current superb condition we must also continue to present our Clubhouse in the best light to retain and expand the other side of our activities. To this end we have been gradually building up provisions for Repairs and Maintenance so that we can continue the necessary face lifts.

Trading Results

Income from the course was \$36,260 below the previous year. Membership fees were down \$28,150 reflecting the decline in membership. This was an improvement on the previous year so, perhaps, we are getting close to a stable membership level. Visitors' fees were \$6,817 below the previous year which, again, was a distinct improvement indicating that our revised pricing structures are having the desired effect. Men's and ladies' competition fees were both below anticipated levels partly mirroring the lower membership levels and also indicating a desire of some members to prefer social golf over competition golf.

Catering (bistro, functions and half way house) showed a net profit of \$160,106; this figure was \$77,641 better than the previous year. This was a marked increase and was due mainly to a flow on from menu revisions, changed stock ordering procedures and closer management involvement. Weddings, wakes, birthdays, anniversaries and other functions were major contributors.

Net profit from bar trading was \$111,693 which, while being a tidy sum, was \$32,123 less than the previous year. This is partly attributable to the decline in membership with the associated loss of the \$300 house accounts and also to the Club policy of deferring excise increases and not always applying the full increase.

Poker machine trading was again buoyant being \$82,154 above last year. Updating of the facility with new machines has continued and the popular card system is being introduced for the convenience of members and guests.

Overheads

The total overheads came in at \$22,318 more than last year and \$14,097 below budget. Due mainly to the efforts of Owen Madden (General Manager) and Course Superintendents Steve Jacobsen and Shay Tasker. This area was monitored closely by the Board

Capital Expenditure

Capital Expenditure approved by the Board during the year was \$288,415 as follows:-

COURSE	\$
1st Green	25,237
Motor Vehicle	41,361
Spreader	24,545
Transfer Pumps & Motor	22,000
Spray Unit	15,148
Computer, Software & Setup	13,894
Blower	9,995
Cylinder Grinding Attachment	3,800
Retaining Wall	3,494
Brushcutters, Chainsaw & Trimmer	<u>2,979</u>
	<u>162,453</u>
CLUBHOUSE	
Poker Machines & Upgrades	72,550
Kitchen Exhaust System	13,821
CCTV Upgrade	8,519
Balcony Windbreaks	7,750
Stool Recover	3,875
4 X Heaters & installation	3,324
POS Unit & Printer	3,293
Hot Water Heater	2,405
Roof Access Systems	2,374
2 X Hand Dryers	2,302
Phone System	1,732
Painting	1,364
Miscellaneous	<u>2,653</u>
	<u>125,962</u>
TOTAL VALUE	<u>\$ 288,415</u>

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In previous years the Board policy was to acquire most of the capital expenditure items by hire purchase agreements while maintaining the total repayment to below 50% of the depreciation figure.

Due to our better financial situation this year only two items were obtained by hire purchase viz: Spray Unit for \$15,148 and Blower for \$9,995. The remainder of capital expenditure \$263,272 was by cash.

LOANS

The balance of loans as at 31st January, 2016 was \$197,013

Commercial Loans	<u>197,013</u>
	<u>197,013</u>

Repayments for the Loan year totalled \$130,331 which is 37% of the allowance for depreciation.

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 \$100,000 was obtained in June and repaid in August.

CASH FLOW

Cash increased \$90,970 to a closing cash balance of \$463,526 as at January 31st 2016. The cash increase was made up of:-

Net Profit	19,333
Depreciation	356,267
New Commercial Loans	25,143
Repayment of Loans	(130,331)
Capital Expenditures (net of disposal)	(280,412)
Increase in Working Capital	<u>100,970</u>
Cash drawn down during the year	90,970
Cash at beginning of Financial Year	<u>372,556</u>
Cash at end of financial year	<u>463,526</u>

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 eighteen years old. The Clubs previous lease was due to expire on 31st March, 2017. This has presented some difficulties as the Club was precluded from entering into long term contracts and arrangements. Negotiations over an extended period came to fruition during the year with the granting of a new twenty year lease commencing on 1st January, 2016 at quite a reasonable rental. This leaves the door open for the incoming Board to consider a makeover of the Club with financing, if needed over a number of years.

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

Since our last annual report we have a new Course Superintendent, Shay Tasker, who is doing an excellent job overall along with his staff in making many welcome improvements.

Once again it has been a difficult year for our Green staff, with long dry spells and periods of torrential rain causing flooding and severe winds which caused the loss of many trees. The Course staff must be congratulated for their efforts to return the course in good condition for play in such a short time.

Unfortunately the 1st green needed to be renovated due to problems with the soil used restricting the drainage which in turn restricted root growth thus preventing good grass coverage.

The 1st green is still a concern after a setback due to the heavy rain and high humidity. The new turf was unable to cope and died. The green was re-seeded and covered to protect it from the elements to help germination. Though the green is now slowly making progress the Course Superintendent is confident of a good result. All other greens are in good condition and will be cored in August to prepare them for the spring.

Shay is in the process of making inquiries to be able to increase the depth of the 8th dam which in turn will increase our water capacity. This problem was brought to the Boards attention after removing the pump for repair. The pump motor is protected by a 1.5 metre deep S.S. cage which is sitting in mud. The dam needs to be dredged and so Shay is making inquiries to Sydney Water and Auburn Council for financial or other assistance for a solution. Congratulations to Shay & his staff for their work tirelessly presenting the course in top condition every week.

My thanks to Mike Callaby for his continuing support with Friday night booking in and his staff, Alex and Gerry who also make themselves available when required as well as their professionalism in the Pro shop.

I must also thank Ruth McKinnon for all her support to me in the past year in all matters relating to golf. Unfortunately Ruth moved away but still makes herself available via the net or phone. I would also like to thank Danielle, Ruth's replacement.

To Owen, Kathy, Heidi and David from the office, also bar and catering staff, thanks for your continued commitment to the running of the club.

Thank you to all the Wednesday volunteers who work on the gardens and surrounds. Your contribution is greatly appreciated as this enables the course staff to give more time to other duties.

My thanks to all who represented Carnarvon Golf Club in various Ladies and Men's pennant teams and also to the managers of these teams, to the caddies for their involvement with the teams and to the supporters who went to watch the games.

Congratulations to all the Major winners of events in 2015 whose names appear later in the Carnarvon Annual Report.

Carnarvon Golf Club Limited
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To the Thursday Vets, thanks for your financial support toward the trophies for the weekend competitions.

Thank you to all Carnarvon members for your continued support of our club and my best wishes for the coming year.

To those who have lost loved ones during the year, please accept my condolences and to those who are in ill health I wish you a speedy recovery.

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 9th July, 2015 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 50 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.

Members socialise with their friends with light refreshments before 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 \$1,290.00 for the current year. Thank you Greg for your support and hopefully our members will support you should they require real estate assistance.

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 Ian Calvert. 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 Ms Inja Kim. This is a perpetual trophy kindly donated by the family of the late Len Plummer.

SUMMARY OF INCOME AND EXPENDITURE

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

We played 1,641 games during the year. Seven games were washed out and two Corporate days. Two other games lost at Christmas.

Game fees paid		\$13,224	
Golf balls won	943	\$ 2,829	
Bottles of wine won	228	\$ 2,490	
Vouchers Purchased	420	\$ 4,200	
Vouchers Purchased	43	\$ 860	Fred Cherry Award

OTHER EXPENDITURE

Christmas in July party		\$1,365	
Christmas Party in December		\$2,360	
Members gift Christmas		\$ 480	Bottle of wine each

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, the General Manager, of Carnarvon Golf Club and all his staff for their great contribution to our enjoyment of the Vets Thursday competition.

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.

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

The recent year end January 2016 produced once again a very encouraging profit for the club. Members will be very pleased to learn that we have posted a healthy profit of \$19,333. Although we have experienced a further decline in our course income, we have worked hard to support course income decline with a much better than forecast return from club-house operations, in particular functions and gaming.

Due to our increased success over the year, the Club has been able to hold off on the recent excise increase in beverages that are imposed on our alcoholic beverage purchases every 6 months. Members will no doubt be happy to learn that beer prices are not being increased this time around.

For the past 5 years we have managed to return a healthy profit to the club each year. At the same time, we have continued our investment in capital equipment for both the course and the club-house. We are now in the enviable position of being able to reduce our lease commitments by buying capital equipment out of our cash flow, negating the requirement to pay leasing costs and interest payments. 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.

Members will no doubt be aware that after quite some time assessing the benefits and savings of a solar power generation system, the club has installed a 60 kilowatt system. Last year alone, the club spent \$106,342 on electricity. The new solar system will create savings of around \$1,190 per month, resulting in a payback of the system in 4 to 4.5 years. After which, the system will create power savings of approximately \$14,280 per year.

After a considerable decision making process, the club has approved the installation of access gantries to a number of inaccessible air conditioning units in the club-house roof area. Proper maintenance of these 2 units has never been possible due to the location where they were initially installed. The outcome was poor maintenance and a safety risk to maintenance personnel. The new gantries, although expensive, are a long sought solution to access and safety concerns.

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 337 functions over the past year, including 11 weddings, 18 corporate golf days, 120 wakes, 119 conferences and 69 other events.

Late last year, in conjunction with a core team of our Korean members, the club hosted a Friendship Day with complimentary food on offer. Approximately 170 members enjoyed the taste of Korean cuisine prepared and cooked by a team of around 15 of our Korean members. The second Friendship Day was on 13th March with a more Australian BBQ theme. Supported by a team of volunteer helpers the day was enjoyed by around 75 members. As an added benefit, music was supplied by the Sudden Comfort Duo. Thank you to all those volunteer members at both Friendship Days who offered their time and efforts to help make both days a great success.

Some members may not be aware but we also host the *SYDNEY SHADOWS BAND* approximately once a month in the function room. As the name suggests, they play tunes from the great band of the past, The Shadows. Once again, entry is free to listen and enjoy great Shadows music. The next free gig is scheduled for Sunday 22nd May from 11am.

Danny and the Dee Gees are renting an area in our lower floor area of the club to practice and enhance their musical abilities. The band has performed a number of times here at the club, including a New Year's Eve party, which attracted a great crowd of around 90 revellers. In years gone by, it has been very difficult to attract a crowd on this party night of the year but I must congratulate the Band and in particular social members Sathie Gounden and Charles Bardon for all the hard work they did to generate so much interest and attendance on the night. Well done!

More recently, local band *AVELNA* performed and attracted a great crowd of local supporters.

The Club hosted yet another *Kevin Hill Art Show of the Top 10 Australian Artists* over the year. The exhibition was extremely popular and it seems we will continue to enjoy outstanding works of art for the coming year as well. Kevin Hill has re-booked his fabulous show for the weekend of 30th and 31st April- it's well worth seeing.

As mentioned in last year's Presidents Report, the Club was planning to install a new Pylon Display with double-sided LED screens on the corner of Joseph and Amy Streets with a very large display and LED changeable text displays. Unfortunately, the RMS objected to the display unless it was moved 90 metres north on Joseph Street and consequently we could not proceed with the installation. As a result of being knocked back, the Club decided the next best option was to modernize and update our current sign. Members will no doubt be aware of the new look sign promoting the club to passing traffic on Amy and Joseph Streets.

I would also like to remind members of our new Friday Night Members Draw. We now have 2 Major Draws of \$500 each and every month on the second Friday of the month. Draws are from the ticket barrel located in reception. Members can enter the draws once a week from 5pm on Friday afternoons. Minor weekly draws are conducted every Friday night.

On Sunday 15th May we will once again host the Regional Final of the Australian Poker League Championships. Previous events have been very well attended by over 90 eager poker players during the day and early evening. Texas Hold-em poker is conducted here at the Club every Wednesday and Friday nights.

The Club has been busy and actively encouraging the development of junior golf. The inaugural Ray Harrison & Alec Mercer Charity Golf Day was held in February last year where funds were raised for the establishment of the Junior Development Foundation. Recently, Carnarvon hosted a Junior Masters event from the proceeds of the Charity Day, where 30 players competed. Due to the success of the Charity Golf Day and subsequent Junior Masters Event, we hosted the 2nd Ray Harrison & Alec Mercer Charity Golf Day on Friday 11th March. A total of 78 players competed on the day and further funding was raised for Ray's junior development foundation.

For the past year or so, we have also been establishing an international junior development programme with Mr Tim Hosking. Tim is a member of the Australian PGA and currently resides in Shanghai, China where he is heavily involved in junior development. Tim so far has brought 4 junior golfers over from China to become junior members of Carnarvon Golf Club. By creating a close relationship with junior golfers from China, the additional benefits to the club will be the establishment of other categories of membership for their parents and guardians over the coming years, not to mention the expansion of the Carnarvon brand to a market consisting of many millions of golfers.

Once again, 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.

I do need to offer my thanks to Ruth McKinnon who recently moved on after many years here at the Club. Ruth was a great support and a valuable employee. Her knowledge and dedication will be missed. I wish both Ruth and Phil all the best in their new adventure in Northern NSW.

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.

Carnarvon Golf Club Limited
ABN: 57 000 854 544

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 Captain Report

On behalf of the Ladies' Match and General Committee and the Lady members of the club I would like to acknowledge the continued efforts and untiring work of President, Nick Stoves, Captain, Chris Thomson and The Directors for the benefit of our club.

Congratulations to the Club and Ladies champions and all those who took part in the major events conducted this year. I would also like to thank the players and the caddies who supported them in the following events:

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

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.

Our Charity Day, supporting Care Flight, was well attended and our sincere thanks go to Kathy Knevitt and Sharon Honeybrook for all the organisation they put into ensuring that a fun, enjoyable day was had by all. Thanks also to the male members who played on the day, your support was appreciated.

Thank you also to Owen Madden the Office, Bar and Catering Staff, Shay Tasker and his Course Staff and Michael Callaby, Alex Wiffin and Gerry Hyde for all the support they have given to The Ladies Match and General Committee.

I would also like to extend my gratitude to Barbara Lynch and the Committee Ladies for their tireless efforts throughout the year.

Catherine Tucker

Lady Captain

Directors Report

for the year ended 31st January 2016

- 1) Your Directors submit their report on the Financial Statements of the Company for the financial year ended January 31st 2016.
- 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>						
Nicholas J. STOVES (Retired)	President Vice President Director	6 years 2 years 12 years	26	25	36	34
Member 39 years	Board Member Committee Member: Finance, Greens and Match	20 years				
Christopher F. THOMSON (Electrical Contractor)	Captain Director Board Member	8 years 13 years 21 years	26	21	36	32
Member 34 years	Chairman Greens Committee Member: Finance and Match					
Barry J. RYAN (Retired)	Director Vice President Board Member	15 years 3 years 18 years	26	23	36	32
Member 38 years	Chairman Finance Committee Member: Greens and Match					
Gene K. LEVETTE (Consultant)	Vice President Director Board Member	6 years 8 years 14 years	26	22	36	30
Member 26 years	Committee Member: Finance, Greens and Match					
Reginald C. ARMSTRONG (Company Director)	Director Board Member Committee Member: Finance, Greens and Match	5 years 5 years	26	21	36	30
Member 26 years						

Carnarvon Golf Club Limited
ABN: 57 000 854 544

Ron D. MCKELLAR	Director	1 year	17	13	24	19
(Financial Controller)	Past Director	6 years				
Member 30 years	Committee Member: Finance, Greens and Match					
John A. HONEYBROOK	President	3 years	26	23	28	23
(Retired)	Vice President	3 years				
	Director	11 years				
Member 25 years	Chairman Match					
	Board Member	17 years				
	Committee Member: Finance, Greens					
Stephen FLETCHER	Director	5 years	26	25	36	36
(Retired)	Committee Member: Finance, Greens and Match					
Member 29 years						
<u>NON-CURRENT BOARD MEMBERS:</u>						
Shawn SINGHAM	Director	3 years	9	7	12	10
(Logistics Manager)	Board Member	3 years				
Member 8 years	Committee Member: Finance, Greens and 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 \$19,333
- 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

Carnarvon Golf Club Limited
ABN: 57 000 854 544

- 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, 2016 has been received and can be found on page 24.

Signed in accordance with a Resolution of the Directors.

Nick Stoves

B.J. Ryan

Director

Director

Dated 24th March 2016 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, 2016 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 24th March 2016 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 2016 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 2016

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

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 2016, 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.

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.

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 Auditor's 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 2016 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 24th day of March 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st January 2016

	Note	2016 \$	2015 \$
Sales	2	1,478,497	1,519,448
Cost of Sales	3	<u>(492,382)</u>	<u>(548,541)</u>
GROSS PROFIT		986,115	970,907
Other Revenue	2	2,366,638	2,355,338
Other Income	2	36,722	36,442
Administration Expenses		(1,115,032)	(1,102,990)
Golf Course Expenses		(1,248,670)	(1,238,394)
Trading Expenses		<u>(1,006,440)</u>	<u>(1,013,388)</u>
PROFIT / (LOSS) BEFORE INCOME TAX		19,333	7,915
Income Tax Expense	1	<u>-</u>	<u>-</u>
PROFIT / (LOSS) FOR THE YEAR	3	<u>19,333</u>	<u>7,915</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>19,333</u>	<u>7,915</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>19,333</u>	<u>7,915</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>19,333</u>	<u>7,915</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31st January 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash	4	463,526	372,556
Trade and Other Receivables	5	20,912	28,638
Inventories	6	50,005	43,776
Other	7	58,824	101,708
Total Current Assets		593,267	546,678
NON CURRENT ASSETS			
Property, Plant & Equipment	8	3,998,109	4,073,964
Total Non Current Assets		3,998,109	4,073,964
TOTAL ASSETS		4,591,376	4,620,642
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	315,017	268,719
Borrowings	10	104,430	127,537
Provisions	11	267,243	259,810
Other	12	551,435	548,578
Total Current Liabilities		1,238,125	1,204,644
NON CURRENT LIABILITIES			
Borrowings	10	92,583	174,663
Total Non Current Liabilities		92,583	174,663
TOTAL LIABILITIES		1,330,708	1,379,307
NET ASSETS		3,260,668	3,241,335
MEMBERS' FUNDS			
Accumulated Funds		3,260,668	3,241,335
TOTAL MEMBERS' FUNDS		3,260,668	3,241,335

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st January 2016

	Reattained Earnings \$	Total \$
BALANCE AT 1 FEBRUARY 2014	<u>3,233,420</u>	<u>3,233,420</u>
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	3,241,335	3,241,335
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	<u><u>3,260,668</u></u>	<u><u>3,260,668</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
 for the year ended January 31 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		3,153,086	3,151,886
Cash payments in the course of operations		(3,429,685)	(3,515,623)
Interest received		4,230	4,176
Subscriptions & joining fees		<u>744,133</u>	<u>726,911</u>
Net cash provided by operating activities	15	<u>471,764</u>	<u>367,350</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(257,272)	(198,350)
Proceeds from disposal of fixed assets		6,089	14,329
Net cash used in investing activities		<u>(250,463)</u>	<u>(184,021)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net Increase in other borrowings		100,000	250,000
Repayment of borrowings		<u>(230,331)</u>	<u>(395,456)</u>
Net cash provided from/(used in) financing activities		<u>(130,331)</u>	<u>(145,456)</u>
Net increase/(decrease) in cash held		90,970	37,873
Cash at the beginning of the Financial Year		<u>372,556</u>	<u>334,683</u>
CASH AT THE END OF THE FINANCIAL YEAR	4	<u><u>463,526</u></u>	<u><u>372,556</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

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 January 31 2016

2. REVENUE AND OTHER INCOME

	2016	2015
	\$	\$
REVENUE		
SALES REVENUE		
Sales of Goods	1,478,497	1,519,448
OTHER REVENUE		
Subscriptions & Joining Fees	739,100	767,250
Competition Fees	422,627	441,611
Visitors' Green Fees	196,816	203,633
Motorised Cart Hire Fees	111,473	121,932
Keno Commission Received	16,876	18,179
TAB Commission Received	3,991	3,498
Raffles Tickets Sales	36,973	42,607
Poker Machine Revenue	838,782	756,628
TOTAL OTHER REVENUE	2,366,638	2,355,338
TOTAL REVENUE	3,845,135	3,874,786
OTHER INCOME		
Promotion & Sponsorship	9,536	7,324
Interest Received	4,230	4,176
Other	22,956	24,942
TOTAL OTHER INCOME	36,722	36,442
TOTAL REVENUE & OTHER INCOME	3,881,857	3,911,228

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

3. PROFIT FOR THE YEAR

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

EXPENSES	2016	2015
	\$	\$
Cost of Sales	491,746	548,541
Interest and Charges	28,047	34,509
Depreciation and Amortisation	356,267	335,316
Employee Benefits - Superannuation	155,934	149,413
Auditors Remuneration		
Audit Services	10,560	10,550

4. CASH

Cash at Bank	59,613	72,176
Cash on Hand	46,220	42,520
Poker Machine Float	4,676	4,334
Interest Bearing Deposits	353,017	253,526
	<u>463,526</u>	<u>372,556</u>

5. TRADE AND OTHER RECEIVABLES

Sundry Debtors	14,737	22,083
EFTPOS	6,175	6,555
	<u>20,912</u>	<u>28,638</u>

6. INVENTORIES

Bar Stock on Hand	34,124	29,176
Kitchen Stock on Hand	15,881	14,600
	<u>50,005</u>	<u>43,776</u>

7. OTHER CURRENT ASSETS

Prepayments	58,824	101,708
	<u>58,824</u>	<u>101,708</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

8. PROPERTY, PLANT & EQUIPMENT	2016	2015
	\$	\$
Freehold Land at Cost	15,000	15,000
Landscaping at Cost	56,490	52,996
Clubhouse Building at Cost	4,428,789	4,416,260
Less Accumulated Depreciation	<u>(1,584,807)</u>	<u>(1,488,979)</u>
	<u>2,915,472</u>	<u>2,995,277</u>
Clubhouse Contents at Cost	701,006	685,216
Less Accumulated Depreciation	<u>(619,309)</u>	<u>(611,991)</u>
	<u>81,697</u>	<u>73,225</u>
Poker Machines at Cost	391,823	396,678
Less Accumulated Depreciation	<u>(265,745)</u>	<u>(307,014)</u>
	<u>126,078</u>	<u>89,664</u>
Course Equipment at Cost	1,097,196	1,074,774
Motorised Carts at Cost	149,856	149,856
Less Accumulated Depreciation	<u>(748,848)</u>	<u>(704,278)</u>
	<u>498,204</u>	<u>520,352</u>
Pump House, Dams & Irrigation Systems at Cost	602,790	587,965
Less Accumulated Depreciation	<u>(469,742)</u>	<u>(443,479)</u>
	<u>133,048</u>	<u>144,486</u>
Course Improvements at Cost	787,515	762,278
Less Accumulated Depreciation	<u>(543,905)</u>	<u>(511,318)</u>
	<u>243,610</u>	<u>250,960</u>
Total property, plant & equipment	<u><u>3,998,109</u></u>	<u><u>4,073,964</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

	2016 \$	2015 \$
9. TRADE AND OTHER PAYABLES		
Creditors, Accruals & Deposits	315,017	268,719
	<u>315,017</u>	<u>268,719</u>
10. BORROWINGS		
Current		
Loan - Other Financial Institution	104,430	127,537
	<u>104,430</u>	<u>127,537</u>
Non Current		
Loan - Other Financial Institution	92,583	174,663
	<u>92,583</u>	<u>174,663</u>
Total Borrowings	<u>197,013</u>	<u>302,200</u>
11. PROVISIONS		
Annual Leave	116,372	120,210
Long Service Leave	118,993	139,600
Leave Provision on Costs	31,878	-
	<u>267,243</u>	<u>259,810</u>
12. OTHER CURRENT LIABILITIES		
Subscriptions in Advance	413,424	408,391
Green Fee Deposits in Advance	8,036	8,964
Sundry Income In Advance	7,328	9,083
Members' House Vouchers	107,170	107,104
Loyalty Redeem & Bonus Point	15,477	15,036
	<u>551,435</u>	<u>548,578</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

13. CAPITAL EXPENDITURE

1) Clubhouse	2016
	\$
Poker Machines & Upgrades	72,550
Kitchen Exhaust System	13,821
CCTV Upgrade	8,519
Balcony Wind Breaks	7,750
Stool Recover	3,875
4 X Heaters & Installation	3,324
POS Unit & Printer	3,293
Hot Water Heater	2,405
Roof Access Systems	2,374
2 X Hand Dryer	2,302
Phone System	1,732
Painting	1,364
Miscellaneous	2,653
	<hr/>
	125,962
2) Course	
1st Green	25,237
Motor Vehicle	41,361
Spreader	24,545
Transfer Pumps & Motor	22,000
Spray Unit	15,148
Computer, Software & Setup	13,894
Blower	9,995
Cylinder Grinding Attachment	3,800
Retaining Wall	3,494
Brushcutters, Chainsaw & Trimmer	2,979
	<hr/>
	162,453
	<hr/>
TOTAL VALUE	288,415

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

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, 2016 the number of members was 1966 (2015: 2147).

15. STATEMENT OF CASH FLOWS

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

	2016	2015
	\$	\$
Operating profit after tax	19,333	7,915
Depreciation & amortisation	356,267	335,316
(Gain)/Loss on sale of equipment	1,194	(12,607)
(Increase)/decrease in sundry debtors	7,726	(18,462)
(Increase)/decrease in inventories	(6,229)	4,630
(Increase)/decrease in prepayments	42,884	11,740
increase/(decrease) in other Current Liabilities	2,857	(42,678)
increase/(decrease) in provisions	7,433	56,044
increase/(decrease) in creditors	40,299	25,452
Net cash provided by operating activities	471,764	367,350

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 \$3,720.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

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	2016 \$	2015 \$
Financial Assets:			
Cash	4	463,526	372,556
Receivables	5	20,912	28,638
		<u>484,438</u>	<u>401,194</u>
Total Financial Assets			
Financial Liabilities:			
Trade and Sundry Creditors	9	315,017	268,719
Lease Liabilities	10	197,013	302,200
		<u>512,030</u>	<u>570,919</u>
Total Financial Liabilities			

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 2016

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 January 31 2016

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 2016.

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	
	2016	2015	2016	2015	2016	2015
Financial liabilities due for payment:						
Trade and Sundry Creditors	315,017	268,719	0	0	315,017	268,719
Lease Liabilities	<u>104,430</u>	<u>127,537</u>	<u>92,583</u>	<u>174,663</u>	<u>197,013</u>	<u>302,200</u>
	<u>419,447</u>	<u>396,256</u>	<u>92,583</u>	<u>174,663</u>	<u>512,030</u>	<u>570,919</u>
Financial assets - cash flows realisable:						
Cash	463,526	372,556	0	0	463,526	372,556
Receivables	<u>20,912</u>	<u>28,638</u>	<u>0</u>	<u>0</u>	<u>20,912</u>	<u>28,638</u>
	<u>484,438</u>	<u>401,194</u>	<u>0</u>	<u>0</u>	<u>484,438</u>	<u>401,194</u>
Net financial assets (liabilities)	<u>64,991</u>	<u>4,938</u>	<u>(92,583)</u>	<u>(174,663)</u>	<u>(27,592)</u>	<u>(169,725)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended January 31 2016

Market Risk

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 31 January 2016 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 2016, 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:

	2016	2015
Change in profit		
Increase in interest rate by 2%	8,253	6,514
Decrease in interest rate by 2%	(8,253)	(6,514)
Change in equity		
Increase in interest rate by 2%	8,253	6,514
Decrease in interest rate by 2%	(8,253)	(6,514)

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 January 31 2016

	2016	2015
	\$	\$
BAR		
Sales	575,914	598,124
Less Cost of Sales		
Opening Stock	29,176	32,377
Purchases	217,929	208,859
Closing Stock	(34,124)	(29,176)
	<u>212,981</u>	<u>212,060</u>
GROSS PROFIT	<u>362,933</u>	<u>386,064</u>
% to Sales	63.02%	64.55%
 CATERING		
Sales	902,583	921,324
Less Cost of Sales		
Opening Stock	14,600	16,029
Purchases	280,046	335,052
Closing Stock	(15,881)	(14,600)
	<u>278,765</u>	<u>336,481</u>
GROSS PROFIT	<u>623,818</u>	<u>584,843</u>
% to Sales	69.11%	63.48%
 POKER MACHINES		
Net Revenue (after GST)	838,782	756,628
Less: Tax	636	-
GROSS PROFIT	<u>838,146</u>	<u>756,628</u>

DETAILED TRADING ACCOUNT

for the year ended January 31 2016

	2016	2015
	\$	\$
GROSS TRADING PROFITS		
Bar	362,933	386,064
Catering	623,818	584,843
Poker Machines	838,146	756,628
Keno Commission	16,876	18,179
TAB Commission	3,991	3,498
Raffles	36,973	42,607
	<u>1,882,737</u>	<u>1,791,819</u>
 EXPENSES		
Wages	610,797	653,999
Leave Provision on Costs	10,430	-
Superannuation	60,900	61,221
Payroll Tax	14,111	9,317
Workers Compensation Insurance	17,521	10,862
Staff Expenses	1,718	1,045
Interest & Bank Charges	1,559	2,966
Promotions & Prizes	82,648	91,892
Printing & Stationery	1,585	1,155
Replacements, Repairs & Maintenance	63,298	59,472
Stock Audit	8,359	7,300
Miscellaneous Expenses	12,134	12,015
Data Monitoring Services Charges	15,904	15,456
Sky Chanel	10,829	11,815
Laundry & Gas	29,798	34,184
Depreciation	36,135	28,029
Rental Expenses	25,294	11,460
Poker Machines License Expenses	4,320	12,620
Loss/(Gain) on Disposal	(900)	(11,420)
	<u>1,006,440</u>	<u>1,013,388</u>
 NET TRADING PROFIT	 <u><u>876,297</u></u>	 <u><u>778,431</u></u>

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

DETAILED GOLF COURSE EXPENSES ACCOUNT

for the year ended January 31 2016

	2016	2015
	\$	\$
Golf Course Expenses		
Wages	457,368	465,286
Leave Provision on Costs	11,002	-
Superannuation	37,721	40,137
Payroll Tax	8,998	4,150
Workers compensation Insurance	10,970	3,773
Staff Expenses & Training	12,795	10,658
Fringe Benefits Tax	3,400	3,250
Supplies and Maintenance	157,213	167,812
Environmental Management	6,270	2,219
Occupational Health & Safety	2,148	1,564
Machinery Repairs	46,931	39,212
Petrol & Oil	23,545	34,620
Motorised Cart Expenses	12,532	12,846
Golf Printing & Stationery	6,533	5,926
Computer Expenses	16,911	15,795
Professional Retainer	24,000	18,000
Trophies	77,588	88,616
Ladies Trophies & Other Expenses	29,697	28,467
Green Fee Commission	19,676	20,363
Starting Commission	12,430	12,760
Miscellaneous	2,571	3,341
Golf Ball Damages	5,123	5,116
Interest & Bank Charges	19,769	23,295
Pennant Expenses	15,082	11,242
Affiliation & Golf Links Fees	31,124	31,540
Depreciation	195,864	183,888
Rental Expenses	-	6,381
Loss/(Gain) on Disposal	1,409	(1,863)
TOTAL COURSE EXPENSES	<u>1,248,670</u>	<u>1,238,394</u>

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

DETAILED ADMINISTRATION EXPENSES ACCOUNT

for the year ended January 31 2016

	2016	2015
	\$	\$
Administration Expenses		
Wages	311,482	328,024
Leave Provision on Costs	10,446	-
Superannuation	57,313	48,055
Payroll Tax	9,171	5,902
Workers compensation Insurance	11,269	6,942
Staff Training	771	1,324
Staff Expenses	4,894	4,019
Repairs & Maintenance	56,353	54,008
Security	12,976	13,331
Electricity	106,342	119,646
Cleaning & Supplies	76,006	75,462
Insurance	41,744	37,866
Printing & Stationery	5,291	12,198
Advertising & Promotions	78,873	73,463
Social & Entertainment	21,284	20,966
Audit Fees	10,560	10,550
Staff Uniform	3,666	2,674
Rates	16,257	17,688
Lease Rent - Council	44,214	41,877
Badge Draw	13,836	19,305
Miscellaneous Administration	8,116	1,826
Association Expenses	6,210	5,680
Motor Vehicle Expenses	1,436	1,400
Bank Charges	5,432	4,937
Interest Paid	1,287	3,311
Postage	2,674	3,687
Telephone	13,290	14,450
Directors Expenses	3,503	6,557
Donations	2,906	3,269
General Manager Expenses	1,367	1,664
Members Meeting/Amenities Expenses	17,063	19,038
Computer Expenses	11,274	10,530
Fringe Benefits Tax	1,200	1,160
Depreciation	124,268	123,399
Rental Expenses	21,573	8,106
Loss/(Gain) on Disposal	685	676
TOTAL ADMINISTRATION EXPENSES	<u>1,115,032</u>	<u>1,102,990</u>

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

DETAILED PROFIT AND LOSS ACCOUNT

for the year ended January 31 2016

	2016	2015
	\$	\$
INCOME		
Subscriptions	739,100	767,250
Competition Fees	303,384	316,373
\$2.73 Increase in Comp Fees - Men	64,565	68,569
Ladies Competition Fees & Other Income	42,576	43,926
\$1.91 Increase in Comp Fees - Ladies	12,102	12,743
Visitors Green Fees	196,816	203,633
Motorised Cart Hire	111,473	121,932
Investment Income	4,230	4,176
Promotion & Sponsorship	9,536	7,324
Miscellaneous Income	22,956	24,942
Net Trading Profits	876,297	778,431
TOTAL INCOME	<u>2,383,035</u>	<u>2,349,299</u>
TOTAL COURSE EXPENSES	1,248,670	1,238,394
TOTAL ADMINISTRATION EXPENSES	1,115,032	1,102,990
TOTAL EXPENSES	<u>2,363,702</u>	<u>2,341,384</u>
NET OPERATING SURPLUS/(LOSS)	<u>19,333</u>	<u>7,915</u>

MAJOR EVENT WINNERS 2015

CLUB CHAMPION	:	Matt Osborne
A Reserve CHAMPION	:	Dong Jin Shin
B Grade CHAMPION	:	Martin Lee
C Grade CHAMPION	:	Jung Gil Choi
Junior CHAMPION	:	not played
Veterans CHAMPION (Net)	:	Ian Calvert
(Scr)	:	Brad Lincoln
FOURSOME CHAMPION	:	Glenn Osborne & Matt Osborne
MIXED FOURSOME CHAMPION	:	Sean Moylan & Loretta Dorman
MATCH PLAY CHAMPION	:	Sean Moylan
'A' Reserve CHAMPION	:	Aaron D'Ortona
B Grade CHAMPION	:	Yun Noh Lee
C Grade CHAMPION	:	Mark Gibson
CARNARVON CUP	:	Sean Moylan
PRESIDENTS CUP	:	Fred Song
CAPTAINS TROPHY	:	Stephen Fletcher
ROSANNA TROPHY	:	Michael S. Cho
PEGG-LAKEMAN SHIELD	:	Paul Merrigan & David Christie
CARNARVON BOWL	:	Ian Yan & Vivien Tan
GOLD MEDAL	:	Terry Dolan

LADIES MAJOR EVENT WINNERS 2015

CLUB CHAMPION	:	Lisa Kim
Division 2 CHAMPION	:	Veronica Kim
Division 3 CHAMPION	:	Won Ok Kim
Senior Champion	:	Veronica Kim
FOURSOME CHAMPIONS	:	Angela Cho & Agnes You
Division 2 CHAMPIONS	:	Clara Kim & Grace J Lee
CARNARVON CUP	:	Grace Kim
CARNARVON SALVER	:	Agnes Cho
PREMIERSHIP CUP	:	Lisa Kim
GOLD MEDAL	:	Fay Butcher
MOTHERS DAY CUP	:	Angela Cho