

Carnarvon Golf Club Limited  
ABN: 57 000 854 544

# Carnarvon Golf Club

## 49<sup>th</sup> Annual Report

Year Ended 31<sup>st</sup> January, 2019 – for presentation at the Annual General Meeting

**Wednesday 1<sup>st</sup> May 2019 at 6:30pm**



Carnarvon Golf Club Limited  
ACN: 000 854 544  
65-95 Nottinghill Road, Lidcombe NSW 2141  
Telephone: (02) 9649 6255

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**OFFICE BEARERS 2018-2019**

**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,  
Mark Abood

**LIFE MEMBERS**

George Middleton  
Lola Mitchell  
Barry Ryan  
Nick Stoves  
Chris Thomson

**GENERAL MANAGER**

Mitch Nakic

**GOLF COURSE MANAGER**

Shay Tasker

**AUDITORS**

Mawby, Cowper, Meares & Co.

**LADIES MATCH COMMITTEE 2018 – 2019**

**PATRON**

Mrs. Betty Davies

**CAPTAIN**

Barbara Lynch

**VICE CAPTAIN**

Una Bell

**COMMITTEE**

Agnes Cho, Lisa Kim, Michelle Park

**MEMBERSHIP REPORT**

As at 31<sup>st</sup> January 2019

	<u>CATEGORY</u>	<u>2018-2019</u>	<u>2017-2018</u>
MEN:	Life	4	2
	Full Playing	206	242
	Senior	150	152
	Staff	1	1
	Intermediate 1 (18-24)	10	13
	Intermediate 2 (25-30)	5	-
	Intermediate 3 (31-35)	10	-
	Corporate	-	1
	Country	4	4
	Professional	4	4
	Restricted Full Playing	13	23
	Restricted Playing	36	35
	Male Time Poor	20	13
	Junior 1 (12-17)	6	3
	Veteran	10	11
LADIES:	Life	1	1
	Full Playing	79	78
	Senior	26	25
	Intermediate 1 (18-24)	2	1
	Intermediate 2 (25-30)	-	-
	Intermediate 3 (31-35)	1	-
	Country	-	-
	Limited 5 Day	29	30
	Female Time Poor	1	-
	Junior 1 (12-17)	1	3
Veteran	3	1	
<b>SUB TOTAL</b>		<b>622</b>	<b>643</b>
HONORARY		4	4
SOCIAL		1307	1265
<b>TOTAL</b>		<b>1933</b>	<b>1912</b>

**Carnarvon Golf Club Ltd (ABN 57 000 854 544)**

**Notice of Annual General Meeting**

Notice is hereby given that the 49th Annual General Meeting of Carnarvon Golf Club Ltd (ABN 57 000 854 544) shall be held on Wednesday 1<sup>st</sup> May 2019 commencing at 6.30pm in the Club's premises at Nottingham Road, Lidcombe, NSW 2141

**AGENDA**

1. Confirmation of Minutes of the 48<sup>th</sup> Annual General Meeting of members held on 9<sup>th</sup> May 2018.
2. Consideration of the Annual Report of the Directors, Financial Statements, supportive accounts and Audit Report for the year ended 31<sup>st</sup> January 2019.
3. To appoint auditors for the ensuing year
4. To consider Notice of Ordinary Resolutions, as further indicated
5. To consider Notice of Special Resolution, as further indicated
6. General Business

**FIRST ORDINARY RESOLUTION: Directors' Benefits**

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

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

- (i) The reasonable costs of Directors attending the Registered Clubs Association (Clubs NSW) meetings and Annual General Meeting and the reasonable costs of Directors attending meetings of other Associations of which the Club is a member.
- (ii) The reasonable costs of Directors attending seminars, lectures, trade displays, organised study tours, fact finding tours, and other similar events as may be determined by the Board from time to time, provided however, that such expenditure shall not reflect the reimbursement of any expenses incurred by Directors during free time or extraneous activities at such fact finding tours.
- (iii) The reasonable costs of Directors attending other Clubs for the purpose of observing their facilities and methods of operation.
- (iv) The attendance of Directors at functions, with spouses or partners, where such attendances are required by the Club and such Directors and their spouses or partners are representing the Club.
- (v) The provision of Club uniforms as decided by the Board from time to time. Such uniforms shall at all times be in keeping with the image of the Club in the Community.
- (vi) The holding of an Annual Dinner for Directors, their spouses or partners and other such persons as deemed by the Board to be appropriate to the occasion.
- (vii) The provision of car parking spaces for 5 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 two 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 Captain, Vice-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 2019 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 Limited ACN 57 000 854 544 be amended by deleting Rule 24 (e) and replacing it with the following rule:

**ORDINARY MEMBERSHIP**

(24) Subject to any By-Laws passed from time to time by the Board, the requirements for election to the following classes of Ordinary Membership and the playing rights of each class are:

(e) Senior Full Playing Member Any person who has been a Full Playing member of the Club for twenty (20) years continuously and who has reached the age of sixty (60) years will be classified as a Senior Full Playing member. A member seeking the benefit of this class of membership must submit an application in writing to the Secretary together with satisfactory proof of age. The annual subscriptions applicable to Senior Full Playing Membership will be:-

In the case of all persons who were Ordinary Members on or before 11 April 2001 and who have not at any subsequent time ceased to be Ordinary Members, will pay annual subscriptions which are equivalent to sixth tenths of the annual subscriptions then applicable to Full Playing Membership (rounding to the next whole dollar).

In the case of all persons who are elected as Ordinary Members (either for the first time, or for a subsequent time in the case of those persons who have previously ceased to be Ordinary Members) after 11 April 2001, annual subscriptions which are determined by the Board from time to time.

Senior Full Playing members shall enjoy the same rights as Full Playing Members.

**Notes to Member on the First Special Resolution**

1. The First Special resolution is proposing that the male senior membership rates be charged at 60% of the full member rate beginning September 1<sup>st</sup> 2019.
2. As of the 31<sup>st</sup> of January, 2019, the senior membership has now reached over 42% of the full playing membership.
3. The cost of subsidising senior members is \$167,850.00 per annum (as at January 2019) and will increase each year as more members become eligible. The club has recognised losses for the past two years due to receding revenues and increasing costs of providing an A grade golf course and clubhouse.
4. The Board, after review of the diminishing subscription revenue and rising cost of course operations has identified the Senior Full Playing Membership rate amongst other revenue sources requiring restructure for the club to remain independent and viable.
5. The Board is implementing changes to other revenue streams and pursuing avenues to reduce costs but these do not require member approval. As the discount applicable to all senior membership is embedded into the constitution any changes need to be submitted as a special resolution and approved by members at an AGM.
6. To be passed a Special Resolution must receive votes in its favour from at least seventy five percent (75%) of those members who, being eligible to do so, vote in person on the resolution at the Meeting.
7. Should the resolution at six tenths (60%) of the full playing membership rates be accepted, the rate of senior membership will be \$1,426.00 including GST, House account levy of \$300.00 & Golf link and Affiliation fees based on this year's subscription rate.
8. Should the special resolution proposing senior full playing membership rates be changed to six tenths (60%) of full playing member rates be passed, the third special resolution will become obsolete and automatically be rescinded.

**SECOND SPECIAL RESOLUTION-**

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

That the Constitution of Carnarvon Golf Club Limited ACN 57 000 854 544 is amended by deleting Rule 24 (f) and replacing it with the following rule:

**ORDINARY MEMBERSHIP**

(24) Subject to any By-Laws passed from time to time by the Board, the requirements for election to the following classes of Ordinary Membership and the playing rights of each class are:

(f) Senior Playing Member Any person who has been a Playing Member of the Club for twenty (20) years continuously and who has reached the age of sixty (60) years will be classified as a Senior Playing Member. A member seeking the benefit of this class of membership must submit an application in writing to the Secretary together with satisfactory proof of age. The annual subscriptions applicable to Playing Membership will be:-

In the case of all persons who were Ordinary Members on or before 11 April 2001 and who have not at any subsequent time ceased to be Ordinary Members, will pay annual subscriptions which are equivalent to six tenths of the annual subscriptions then applicable to Playing Membership (rounding to the next whole dollar).

In the case of all persons who are elected as Ordinary Members (either for the first time, or for a subsequent time in the case of those persons who have previously ceased to be Ordinary Members) after 11 April 2001, annual subscriptions which are determined by the Board from time to time.

Senior Playing members shall enjoy the same rights as Playing Members.

**Notes to Member on the Second Special Resolution**

1. The Second Special resolution is proposing that the female senior membership rates be charged at 60% of the playing member rate beginning September 1<sup>st</sup> 2019
2. As of the 31<sup>st</sup> of January, 2019, the senior playing membership has now reached over 24% of the playing membership.
3. The cost of subsidising senior members is \$167,850.00 per annum (as at January 2019) and will increase each year as more members become eligible. The club has recognised losses for the past two years due to receding revenues and increasing costs of providing an A grade golf course and clubhouse.
4. The Board, after review of the diminishing subscription revenue and rising cost of course operations has identified the Senior membership rates amongst others that requires restructure for the club to remain independent and viable.
5. The Board is implementing changes to other revenue streams and pursuing avenues to reduce costs but these do not require member approval. As the discount applicable to all senior membership is embedded into the constitution any changes need to be submitted as a special resolution and approved by members at an AGM.
6. To be passed a Special Resolution must receive votes in its favour from at least seventy five percent (75%) of those members who, being eligible to do so, vote in person on the resolution at the Meeting.
7. Should the resolution at six tenths (60%) of the playing membership rates pass, the rate of senior playing membership will be \$1,072.00 including GST, House account levy of \$300.00 & Golf link and Affiliation fees based on this year's subscription rate.
8. Should the special resolution proposing senior playing membership rates be changed to six tenths of playing member rates be passed, the fourth special resolution will become obsolete and automatically be rescinded.



**THIRD SPECIAL RESOLUTION-**

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

That the Constitution of Carnarvon Golf Club Limited ACN 57 000 854 544 is amended by deleting Rule 24 (e) and replacing it with the following rule:

**ORDINARY MEMBERSHIP**

(24) Subject to any By-Laws passed from time to time by the Board, the requirements for election to the following classes of Ordinary Membership and the playing rights of each class are:

(e) Senior Full Playing Member Any person who has been a Full Playing member of the Club for twenty (20) years continuously and who has reached the age of sixty (60) years will be classified as a Senior Full Playing member. A member seeking the benefit of this class of membership must submit an application in writing to the Secretary together with satisfactory proof of age. The annual subscriptions applicable to Senior Full Playing Membership will be:-

In the case of all persons who were Ordinary Members on or before 11 April 2001 and who have not at any subsequent time ceased to be Ordinary Members, will pay annual subscriptions which are equivalent to one half of the annual subscriptions then applicable to Full Playing Membership (rounding to the next whole dollar).

In the case of all persons who are elected as Ordinary Members (either for the first time, or for a subsequent time in the case of those persons who have previously ceased to be Ordinary Members) after 11 April 2001, annual subscriptions which are determined by the Board from time to time.

Senior Full Playing members shall enjoy the same rights as Full Playing Members.

**Notes to Member on the Third Special Resolution**

1. The Third Special resolution is proposing that the male senior membership rates be charged at 50% of the full member rate beginning September 1<sup>st</sup> 2019.
2. As of the 31<sup>st</sup> of January, 2019, the senior membership has now reached over 42% of the full playing membership.
3. The cost of subsidising senior members is \$167,850.00 per annum (as at January 2019) and will increase each year as more members become eligible. The club has recognised losses for the past two years due to receding revenues and increasing costs of providing an A grade golf course and clubhouse.
4. The Board, after review of the diminishing subscription revenue and rising cost of course operations has identified the Senior Full Playing Membership rate amongst other revenue sources requiring restructure for the club to remain independent and viable.
5. The Board is implementing changes to other revenue streams and pursuing avenues to reduce costs but these do not require member approval. As the discount applicable to all senior membership is embedded into the constitution any changes need to be submitted as a special resolution and approved by members at an AGM.
6. To be passed a Special Resolution must receive votes in its favour from at least seventy five percent (75%) of those members who, being eligible to do so, vote in person on the resolution at the Meeting.
7. Should the resolution at one half (50%) of the full playing membership rates be accepted, the rate of senior membership will be \$1,247.00 including GST, House account levy of \$300.00, Golf link and Affiliation fees based on this year's subscription rate.
8. Should the first special resolution proposing senior full membership rates be changed to six tenths (60%) of full playing member rates be passed, the third special resolution will become obsolete and automatically be rescinded.

**FOURTH SPECIAL RESOLUTION-**

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

That the Constitution of Carnarvon Golf Club Limited ACN 57 000 854 544 is amended by deleting Rule 24 (f) and replacing it with the following rule:

**ORDINARY MEMBERSHIP**

(24) Subject to any By-Laws passed from time to time by the Board, the requirements for election to the following classes of Ordinary Membership and the playing rights of each class are:

(f) Senior Playing Member Any person who has been a Playing Member of the Club for twenty (20) years continuously and who has reached the age of sixty (60) years will be classified as a Senior Playing Member. A member seeking the benefit of this class of membership must submit an application in writing to the Secretary together with satisfactory proof of age. The annual subscriptions applicable to Playing Membership will be:-

In the case of all persons who were Ordinary Members on or before 11 April 2001 and who have not at any subsequent time ceased to be Ordinary Members, will pay annual subscriptions which are equivalent to one half of the annual subscriptions then applicable to Playing Membership (rounding to the next whole dollar).

In the case of all persons who are elected as Ordinary Members (either for the first time, or for a subsequent time in the case of those persons who have previously ceased to be Ordinary Members) after 11 April 2001, annual subscriptions which are determined by the Board from time to time.

Senior Playing members shall enjoy the same rights as Playing Members.

**Notes to Member on the Fourth Special Resolution**

1. The Second Special resolution is proposing that the female senior membership rates be charged at 50% of the playing member rate beginning September 1<sup>st</sup> 2019
2. As of the 31<sup>st</sup> of January, 2019, the senior playing membership has now reached over 24% of the playing membership.
3. The cost of subsidising senior members is \$167,850.00 per annum (as at January 2019) and will increase each year as more members become eligible. The club has recognised losses for the past two years due to receding revenues and increasing costs of providing an A grade golf course and clubhouse.
4. The Board, after review of the diminishing subscription revenue and rising cost of course operations has identified the Senior membership rates amongst others that requires restructure for the club to remain independent and viable.
5. The Board is implementing changes to other revenue streams and pursuing avenues to reduce costs but these do not require member approval. As the discount applicable to all senior membership is embedded into the constitution any changes need to be submitted as a special resolution and approved by members at an AGM.
6. To be passed a Special Resolution must receive votes in its favour from at least seventy five percent (75%) of those members who, being eligible to do so, vote in person on the resolution at the Meeting.
7. Should the resolution at six tenths (60%) of the playing membership rates pass, the rate of senior playing membership will be \$952.00 including GST, House account levy of \$300.00 & Golf link and Affiliation fees based on this year's subscription rate.
8. Should the second special resolution proposing senior playing membership rates be changed to six tenths of playing member rates be passed, the fourth special resolution will become obsolete and automatically be rescinded.

**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: 19<sup>th</sup> March 2019

Mitch Nakic

General Manager

By direction of the Board

## Presidents Report

I present the 49<sup>th</sup> Annual Report and Financial Statements to you, the members of Carnarvon Golf Club.

This year has proved to be a financial struggle for the club posting a loss of \$521,365. I will not sugar coat the fact that Carnarvon has sustained its biggest loss in the history of the club but it is not that dire that we can't work our way out of the situation. Reasons for the loss are many and are more detailed in the Financial Report written by Barry Ryan. Some of the main causes for the loss include an increase in depreciation to a value of \$419,947, increased staff costs during the renovations, reduced membership income and reduced trading during the renovation period. The Board approved a budget for the financial year 2019- 2020 projecting a deficit of \$250,420 which will see a cash surplus of \$122,580. The budget is a financial projection of where the club should be on a monthly basis for our financial year which finishes on 31 January 2020. While the budget shows a deficit there is every chance that with the hard work of Mitch Nakic and our staff will see a better result.

Golfing membership over the past year has reduced from 643 to 622 and this is a trend common to the majority of golf clubs. One area of membership that has increased is the Intermediate levels. During the year that Board approved additional membership categories for Intermediate 2 and Intermediate 3 as the progression from junior to full membership was decreasing. The new categories saw a rise in members between the ages of 25 to 35 of 16. This increase was due to the competitive pricing of the membership categories being Intermediate 1 :18 to 24 years \$300.00, intermediate 2 :25 to 30 years \$970.00 and Intermediate 3 :31 to 35 years \$1785.00 for males and \$1330.00 for females. One class of membership that is available to members who joined prior to 2001 is a discount that the club can no longer afford. A discount of 66% that was approved in the 1950's is not able to be sustained by the club. The Board has submitted two Special Resolutions to change the discount to Senior Members. The first resolution increases the percentage paid by senior members to 60% of the membership rate. The second resolution increases the percentage paid by the Senior Members to 50% of the membership rate. I am one of these members and most members of the Board are in the same category. I urge you to consider the resolutions and support them, as the current rates of discount can no longer be afforded by the club.

The Board made a commitment to improve the water storage capacity after the very harsh conditions experienced during the summer of 2017 – 2018. Dredging the dams was a considered the best way to increase our water capacity as the dams contained metres of silt which hampers the extraction of water from the dams. As you all know we purchased a dredge to carry out the desilting of the dams. The dredge was to be delivered so it could be used in the winter period but the delivery was delayed and it arrived at a time when we didn't have the staff available to work the dredge. The dredge is to be craned into the dam in the next weeks weather permitting. I would like to thank Reg and Scotty for their effort in commissioning the dredge prior to the launch and for their commitment to getting the dredge running.

Refurbishment of the club was completed in April 2018 and it has made the club a very warm and accommodating place for members and guests. The new look for the club has definitely opened up the view from the members and the coffee lounge areas giving rise to better viewing of the golf course.

The course has gone through another difficult year with the weather and we still have ground pearl that continues to plague our fairways. I thank our greens staff for their persistence in their effort to minimise bare patches on the fairways by planting Santa Anna couch. Shay Tasker and his staff, Dale Mecozzi, Nathan Fairley, Dillon Holdsworth, Kent Small, Alex Boughton, Malcolm Ogden and mechanic Michael Atkins have done a fine job of keeping the course playable, the greens in top condition and the machinery in good working condition. Well done Shay and your team.

The pro-shop at Carnarvon Golf is where first impressions are created and Michael Callaby and his staff Alex Wiffin and Gerry Hyde give visiting golfers and our members a very friendly and welcoming experience. Thank you, Michael for your commitment to Carnarvon.

Carnarvon Golf Club Limited  
ABN: 57 000 854 544

Carnarvon Golf Club is made up of Committees, Sub Committees, Pennant Managers, players and caddies that help the club compete in interclub competitions throughout the year. Each year our club competes in a variety of pennant events for male and female members. I would like to thank the Captain Chris Thomson, Vice-Captain Catherine Tucker, the ladies Committee; Captain, Barbara Lynch; Vice-Captain, Una Bell, Committee members, Agnes Cho, Lisa Kim and Michelle Park, Major Pennant Manager, Alex Wiffin for their hard work this year. I especially thank the players who represent the Club and their caddies. One person who helps all of us that are on committee is Danielle Trevena our Golf Administration and Marketing Manager. Thank you, Danielle, for your continued assistance to all on committee.

The "Garden Gnomes" have worked very hard over the last year maintaining the gardens and club surrounds. Well done Peter Mace, Graham Barratt, Dennis Lynch, Chris Ashworth, Rob Potter, Mick Brooks and David Tucker for the work you have done. I have a Board that works very well together and I would like to thank Vice President Reg Armstrong, Captain Chris Thomson, Chair of Finance Barry Ryan, Directors Catherine Tucker, Mark Abood, Peter Richardson, Nick Stoves and Gene Levette for their help and guidance throughout the year.

Sponsors of Carnarvon provide a very welcome financial benefit to our club and to Ace Performance Plumbing, Carlton United, Coca-Cola, Carnarvon Veterans, Carnarvon Bridge Club, The Wickerman, One Realty Lidcombe and BBKing Restaurant. I thank you all for supporting Carnarvon Golf Club.

Social members and golfing members make up our membership base and it is very nice to see families of members utilising the clubhouse facilities, Nottingham 65, bar and function areas. General Manager Mitch Nakic is striving to engage local people to visit the club and enjoy the fare in Nottingham 65 under the guidance of head chef Rufus Lama. Rufus has presented a new menu and I can personally say that the food is of superior quality. I would especially like to thank Mitch Nakic for his diligence and work ethic since taking up the position of General Manager. Mitch has a can-do attitude and the Board and I appreciate what he has done.

Functions provide an alternative income for Carnarvon Golf Club and Heidi Manson our Functions Manager organises 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.

The Carnarvon Veterans hold a very well supported golf day on Thursday mornings. Our veterans also provide sponsorship for the clubs Gold Medal in May. I would like to thank the Veterans for their continued support of the club and their sponsorship.

Carnarvon Golf Club delivers good service, great meals and provides a very good venue for all types of functions. I thank our club staff for their continued effort to deliver the service that makes all members and guests feel welcome.

The Club lost a very dear and loved Life Member and Patron in the last few months, George Middleton. George was Patron of the club since 1970 and will be sadly missed. To replace George was not easy but I believe the Board has found another iconic Club Patron in Nick Stoves. I congratulate Nick on his appointment as Club Patron.

Congratulations to those members who won championships and major events throughout the year. To those who are incapacitated, unwell or have family who are ailing I offer my wishes for a healthy recovery and to those who have lost someone near and dear I offer my sincere condolence

I thank you for the privilege of being the President of your club and I do sincerely apologise for the deficit we have delivered this year.

**John Honeybrook**

**President**

## Finance Directors Report

The current year produced an overall deficit of \$521,365 mainly as a result of a number of one off circumstances including;

- Reduced trading during the renovation period,
- Increased staff expenditure during the renovation period,
- Write off of existing gaming room and associated items,
- Review of Assets Register and write off of items at end of useful life,
- Reclassification of previously capitalised items as expenses,
- Revised accounting, costing and reporting for the Club's various departments.

Other factors affecting the result included;

- Reduced income from membership as full playing numbers reduce and seniors' percentage of playing members reaches near 50% of total membership
- Competition from neighbouring clubs
- Continued down turn in the golf club world.

After accounting for depreciation of \$419,947 the cash deficit for the year was \$101,418.

It was inevitable that trade would fall away while renovations were underway. The builders stayed pretty much on target during the operation but the atmosphere was less than inviting. We have to thank members and guests who patronised the Club during this period. I am happy to report that trading has now returned to normal.

At various stages it was necessary to have two bars open for access reasons requiring extra staff and similarly catering required additional staff. The staff are to be commended for their efforts in difficult conditions.

The additional structures and associated works installed to accommodate the legislative requirements of no smoking in Clubs had to be removed as we were providing a new gaming facility. The old structures were not fully depreciated so the residual value needed to be written off as Loss on Disposal. The amount involved was \$55,602

The review of the Asset Register resulted in \$4,023 of club contents being written off. On the course \$19,528 of Course Improvements were identified as having no further effective life. Some of these items had previously been capitalised expenses, in some of the earlier years of the club it was practice to capitalise expenses and the Board has now approved new guidelines in this area.

Following the revised procedures some \$37,701 of the current year's expenditure on course improvements has been reclassified as expenses and consequently has been transferred from the Balance Sheet to the Profit and Loss Account.

The auditor has also agreed with our proposal for asset recording procedures. The old Asset Register had been in existence for some twenty years and had recorded virtually every purchase of an asset related nature.. While the register was an excellent audit trail it was unwieldy in operation. The register is now housed in three separate documents. There will be an Archive Register for discarded items, an asset register for useful items with no value and a depreciation register for those items still being depreciated.

The Club has a number of different departments to cover each of the various activities within the Club. Each department has income and expenditure allocated to it by various formulae whose rationale is hidden in the mists of time and which to be quite frank have little or no relevance in the modern world. The formulae have all been redesigned and agreed to by the auditor and will be operative for the new financial year. In reviewing the new format some incidental items were written off to provide a fair basis for the new system. Reports emanating from this system will be in the modern "dashboard" style and will incorporate the latest industry benchmarks. The move to new reporting arrangements instigated some write offs as the depreciation figures had to be reined in.

***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***

Senior membership is placing greater strain on the Club – and this is increasing year on year. We now have 178 senior members and 285 full members (both sexes combined). Of the 285 full members 53 can become seniors and are currently awaiting the ticking over of their entry date. In the fullness of time those 53 will move from full members to senior members. The dilemma is the Club's effective full playing membership is 461 of whom 176 are seniors with a potential to rise to 229 seniors. Up until, say, 5 years ago the Club could afford senior membership as the percentage as a whole was 10% or less of the total membership.. Like most other clubs Carnarvon has had a continuing decline in membership over recent years. The full members are dropping away but the seniors are in fact growing particularly as full members qualify for senior membership. Senior members and those approaching senior status are not leaving. The Club constitution was amended to limit seniors to those members joining before 11<sup>th</sup> April, 2001. Seniors as a percentage of playing membership has long passed the unsustainable point where we now have close to half the playing membership on discounted rates. All but one other club in our surrounding area have abandoned their senior categories so this not a local issue

Seniors have a sense of entitlement to their standing and who could deny them that. They have all been in the Club for at least the statutory 20 years and mostly for many years beyond that. In fact at least one senior was a member for some 45 years before qualifying. Many players have stayed with Carnarvon over the years in anticipation of achieving senior status. Many others are, undoubtedly, able to continue in golf because of the reduced rates and may not be able to continue otherwise. The problem is that the senior's rate was and is the cheapest in Australia. No other Club in the country has ever had a fee anywhere near ours. The original concessional fee was so unbelievably generous that it is difficult to credit from this distance that it was even contemplated.

For those unaware of the history concessional membership goes back to the 2<sup>nd</sup> half of the 1950s. At a normal monthly Board meeting in the "correspondence" segment a letter was dealt with from a respected member whose name will not be divulged indicating that he was retiring from the Railways and he would not be able to afford club membership and was therefore resigning. As the next item of business the Board approved the new category of concessional membership at ONE SIXTH of the full rate. Needless to say that member became the Club's first concessional member. For some unknown reason the Board had the category included in the Club constitution and there it sits to this day. Virtually all clubs put this type of membership in the By Laws; we will never know why our forefathers didn't. Only one serious attempt has been made to change the senior rate and that was in the 1990s when the Board became aware that a new clubhouse would have to be built. The Board sponsored a Special Resolution proposing that the then concessional rate be increased to 50% to help cover the cost of the building and to help with ongoing loan repayments. The Board's case was comprehensive and well-presented but did not sway the members. When it became evident that the motion would not succeed the chairman accepted an amendment to the resolution proposing an increase to one third of the full rate. The amendment was passed. All subsequent Boards have considered increasing seniors' rates but have backed away from the perceived futility of obtaining a 75% majority.

Most of the Board are or have been seniors and are well aware of the impact on seniors of increased rates but now have to deal with running a club with a reducing income. All Directors are well briefed on our financial situation and the alternatives available. The clubhouse was renovated last year on a virtual break even basis following the sale of 6 gaming machine entitlements. The renovations were necessary as the clubhouse was getting a little threadbare and rundown. The result has generally received the endorsement of the members. While trading continued during renovations at an admittedly lower level it took longer than anticipated to resume normal volumes.

The budget has been finalised for the coming year with a projected operating loss of \$250,420 which coupled with depreciation of \$373,000 results in a cash surplus of \$122,580. All capital expenditure bids have had to be put on hold for the time being. We will have a revenue shortfall and all our endeavours will be directed towards improving that situation the seniors' fees for the year are discounted by \$187,017. By no means is all the income down turn attributable to seniors and us looking to improve results across the board.

Most if not all of the small neighbouring clubs suffered trading difficulties in recent years and were virtually forced into amalgamation with big clubs to survive. Their fortunes have all blossomed and many of them now offer services and prices at rates Carnarvon can only dream about. For example one club now offers lunch from a select menu at \$8 including a schooner of draught beer or a glass of wine. Our General Manager researched relevant data bases and found that gambling revenue from various venues in the near vicinity ranked very

highly. Carnarvon opened a VIP Lounge to pleasing results for the first few weeks until the neighbouring clubs followed suit. As most are better situated geographically than us and as they have the backing of mega clubs we can't compete.

For some years now considered opinion has been that there are now more golf clubs than are needed for the number of people who wish to join golf clubs. Considered opinion also has it that golf clubs are following the path of bowling clubs albeit 20 years behind. Survival dictates that golf clubs will have to develop a new business model to survive. The golf club decline became obvious in the last decade when some of the weaker clubs started to reduce prices to obtain more business. The first thing to go was joining fees and with it went club loyalty and the introduction of shopping around at renewal time. Then the reduced fees such as the social golfers bait of 2 rounds of golf and a cart for \$80. You can confirm this by logging into Google and bringing up the Annual Reports of neighbouring golf clubs. You will find that some are selling the farm and others have disappointing trading. I think you will find that Carnarvon is travelling pretty well in comparison to other golf clubs.

### **Trading Results.**

Adjustments made to the social golf booking system has allowed a little more access for green fee players. Men's' competition fees were \$8,870 up on the previous year which was a good result taking into account reduced membership and some extreme weather conditions badly affecting afternoon golf. Ladies' fees showed an improvement of \$2,221. Motorised cart fees were up by \$755. The course usage is now reaching capacity to the extent that it become necessary to introduce a booking system for social play. Competition fees were increased by \$2.00 and a social fee charge of \$2.00 introduced for social golf before 3.00 pm. These charges were introduced in the latter part of the financial year and had produced a minor improvement to the relevant figures.

Catering (bistro, functions and half way house) showed a net profit of \$61,382; this figure was \$20,475 below the previous year some of which can be attributed to the disruption from the clubhouse renovations and also to extra training of catering staff. Rostering has been reviewed and revised Club purchasing procedures implemented. There were very good function figures recorded for November and December.

Net profit from bar trading was \$26,136 which was \$31,228 less than last year. This is largely due to disruptions to trade and additional staff during Club renovations and 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. The decline in bar trading is industry wide and in our case as the membership comes from some 230 localities a consequent reduction in liquor consumption is to be expected. Results from the bar from the latter months of 2018 have been encouraging possibly due to the extended range at the bar and the opening of the coffee lounge.

Poker machine trading was \$23,054 less than last year. The move to the dedicated Gaming Room was disruptive and it took a while for players to return. The breakdown of the gaming room air conditioning did not help. All machines have now been updated and players now have their desired privacy and anonymity and a cash redemption terminal.

### **Overheads**

The total overheads came in at \$291,967 more than last year but both administration and course would have come in better than budget except for the Loss on Disposal associated with asset register write offs. Mitch Nakic (General Managers) and Course Superintendent Shay Tasker achieved savings throughout their budgets and are to be commended for their efforts. All expenditure is monitored at monthly Board meetings.



Carnarvon Golf Club Limited  
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**Capital Expenditure**

Capital Expenditure approved by the Board during the year was \$731,620 as follows:-

**COURSE**

Creek project	16,220	
Practice Nets Refurbish	6,078	
Misc Course Improvement	7,415	
Dredger & Parts	81,726	
Greens Groomer	8,500	
Transfer Pump	2,574	
Computer, Software & Setup	2,086	
Hot Water unit & Installation	1,100	
CCTV	1,070	
Miscellaneous	<u>1,770</u>	<u>128,539</u>

**CLUBHOUSE**

Club House Renovation	328,308	
Carpet	36,021	
Furniture	40,188	
Bar, Beverage System	33,369	
Bar Tills System	20,135	
Combi Oven & Installation	19,739	
Poker Machines & Upgrades	99,450	
Display Board & Signs	7,256	
Hot Water Unit & Installation	5,100	
2 X Television	3,636	
Scanner for Stocktake	2,035	
2 <sup>nd</sup> Hand Fire Panel	1,545	
Air Conditioning & Upgrades	1,500	
CCTV	1,030	
Miscellaneous	<u>3,769</u>	<u>603,081</u>

**TOTAL VALUE**

**\$731,620**

## LOANS

The balance of loans as at 31<sup>st</sup> January, 2019 was \$146,534 made up as follows...

Existing Loans	54,272	
New Loans Poker Machines	92,262	<b><u>\$146,534</u></b>

The Club has a flexible loan facility with NAB as a back arrangement for cash flow purposes but did not need to use it this year.

## CASH FLOW

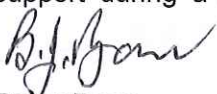
Cash decreased \$716,757 to a closing balance of \$247,457 as at 31<sup>st</sup> January, 2019. The cash decrease was made up as follows;

Net Profit	(521,365)
Depreciation	419,947
New Commercial Loans	96,150
Repayment of loans	(120,574)
Capital Expenditures (net of disposal)	(651,468)
Increase in working Capital	<u>60,553</u>
Cash drawn down during the year	(716,757)
Cash at beginning of financial year	<u>964,214</u>
Cash at end of financial year	<u><u>247,457</u></u>

The decrease in cash is attributed to the use of the proceeds from the sale of poker machine entitlements in the previous year to effect extensive clubhouse renovations this year.

We must look for a better performance from the Clubhouse. Trading in the bar and catering showed improvement towards the end of the year and we need this to continue. Research into Census results by Mitch Nakic has identified a change in local demographics and has led to a change in emphasis in marketing and use of appropriate newspapers for advertising. If members could hold their various family celebrations at the Club it would help the situation. It is to be hoped that the clubhouse renovations will attract social members from our locality and that they will make Carnarvon their home club.

I have to thank 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

**Barry Ryan**  
**Chairman**  
**Finance Committee**

## **Captains Report**

This past year there weren't any major works on the course and unfortunately the same will occur in the coming year. It was unfortunate that the dredging hasn't been able to be started due to the time that it arrived on site which coincided with the start of the growing season and the priority at that time was to maintain the course. By the time this report is published, it is hoped that the dredge has been launched and has commenced work so as it will be completed this winter.

Congratulations to Superintendent Shay Tasker and his staff for the way the course is presented throughout the year especially in long periods of dry weather and the very humid months of January and February. With these humid conditions several greens have contracted some disease which the Superintendent was quick to remedy the situation. Unfortunately there are still signs of ground pearl on some fairways. The programme of reurfing of the affected areas is continuing.

Two new fairway mowers have been purchased and it is hoped this should reduce the amount of "bouncing" and "ripping" of thicker areas. It is planned to core and scarify the fairways in the coming months. This practice would be beneficial to the fairways especially with the weather we have experienced this summer.

Congratulations to all Major trophy winners throughout the year whose names will appear later in this report.

To all members who made themselves available for representative teams such as: Major Pennants, Masters Pennants and Super Senior Pennants, thanks for your participation and also thanks to the caddies for your involvement and support. All teams were competitive but unfortunately didn't bring home the pennant.

To Mike Callaby and his staff, Alex and Gerry for their continued support throughout the year. Thanks to Alex and Gerry for the junior golf clinics which are held on Fridays which are ably assisted by Una Bell in keeping the participants in control. Alex is also involved in pre-arranged golf clinics which are held on Sunday mornings. For more details contact the Pro Shop. It is hoped that some of these boys and girls will progress to become junior members of Carnarvon.

The Annual Junior Tournament once again was held in the January school holidays this year with an acceptable attendance. We hope this event will continue attracting more players both boys and girls.

My sincere thanks to Mitch, David, Heidi and all Bar and catering staff for their dedication in their areas of responsibility.

A special thanks to Danielle for her assistance with the golf administration.

Thanks to my fellow Directors and Ladies committee for their input and assistance this past year.

Thank you to our volunteers who work on the course each week. Your work is much appreciated and doesn't go unnoticed.

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To the members who are not in the best of health, restricting them from playing golf, hope you are back playing very soon.

Carnarvon has had many members pass away during the past year including the Club Patron, George Middleton. His experience and input has been a great help to myself and other Board Members over the years. George was a member for 68 years and was a stalwart of Carnarvon holding many positions on the Board at various times. He, along with all those who have passed will be sorely miss. My condolences go out to all the respective families.

Thank you to all involved in providing great golf at Carnarvon.

**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 and now, The George Middleton Memorial Award.

The Annual General Meeting was held on the 12th July, 2018 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 has been replaced with George Middleton Memorial Award 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 an average of 39 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. Only two days were washed out in the 2017/2018 competition year.

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 \$1,290.00 for the current year. Thankyou Greg for your support and hopefully our members will support you should they require real estate assistance.

***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***

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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 Henry Kim. 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 Mrs Fay Butcher. This is a perpetual trophy kindly donated by the family of the late Len Plummer. Congratulations Fay.

### SUMMARY OF INCOME AND EXPENDITURE

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

We had 1,884 members and friends turn up to play golf or enjoy the comradery of their Carnarvon friends over 45 weeks during the year. Only two games were washed out however several games were played in extreme heat. Two other games lost at Christmas.

#### Income

Game fees paid	\$13,419.00	
Sponsorship- Starr Partners	\$ 1,560.00	
Sponsorship – Mick Callaby	\$ 430.00	
Grace	\$ 100.00	
	\$15,509.00	Total

#### Expenses

Wine purchases at full price	\$ 2,846.50
Golf Ball – ball comp	\$ 2,406.00
Raffles Club Vouchers	\$ 4,250.00
Memorial Award – Fred Cherry	
Club Vouchers	\$ 860.00
Starr Partners Award sponsorship	\$ 1,290.00
GST	\$ 344.17
Misc. Expenses	\$ 70.80

### OTHER EXPENDITURE

Christmas party in July & December	\$ 4,013.00	
Expenses	\$ 16,080.47	
Balance carried forward from 31 <sup>st</sup> January, 2019		\$3344.09

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 Mitch Nakic, our General Manager, of Carnarvon Golf Club who has 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.

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, Graham, Lance and 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**

## **Ladies Captain Report**

It has been a great pleasure for me to take over the role of Lady Captain of Carnarvon Golf Club in May 2018. In doing so I hope I can follow in the footsteps of all of the outstanding past Lady Captains of our Club and I acknowledge their contributions to the traditions of Carnarvon.

I am supported in this role by our Lady Vice-Captain, Una Bell and a strong Ladies Committee consisting of Lisa Kim, Michelle Park and Agnes Cho. Their assistance is invaluable to the organisation of our very busy program of events each year and I thank them sincerely for this.

Our ladies' pennant program is now in full swing and it has been a pleasure to have so many ladies commit to playing in the various levels of pennant competition this year and I thank all of them and their caddies very much for making our job of forming each team so easy. We have also received tremendous support from our club members and visitors from a number of other clubs to our various open days and in particular our Jean Derrin event, the Ladies Carnarvon Cup. Many friendships have been formed on these days and we are delighted to welcome our regular visitors who come along to join our Wednesday competition days. I suspect the excellent catering provided to our ladies each week after golf may have a lot to do with this and I thank our Chef's team and catering staff for their hospitality on these days.

The support from our Board of Directors is invaluable to the Ladies Committee and lady members and I thank our President, Vice-President, Club Captain, Club Vice-Captain and all of the Board members for their encouragement and advice this past year. Thank you also to our Course Superintendent and all of the ground staff for the excellent presentation of our course.

We are so lucky at Carnarvon to have an outstanding and professional Administration Team in the office 'engine room' headed by our General Manager Mitch, together with our brilliant Catering Manager, Heidi, and our Golf Administrator and Marketing Manager, Danielle, who has been our rock this year, ably supported by Melissa. Thank you all so much.

To our team of Professionals, Michael, Alex and Gerry – your assistance each week to our Committee and to all of our lady members every week has been amazing and we thank you sincerely also.

The future of Carnarvon Golf Club looks to be a very bright one for our members and visitors in our beautiful new club house and on our challenging golf course. On behalf of our lady members I wish our Club continued prosperity and distinction on the world of golf.

**Barbara Lynch**

**Lady Captain**



## General Managers Report

Dear members,

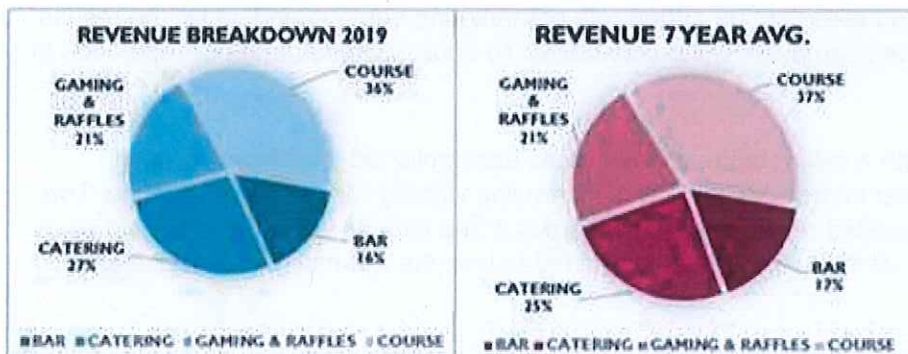
I present to you the General Manager's report for the current year.

The financial results were slightly disappointing, sales growth, while positive, was not at the level anticipated at the beginning of the year. Expenditure as noted in the finance report was higher than expected with the renovations. After a full review of operations, the Board agreed to implement recommendations from the review with the objective of enhancing much needed revenue growth and constant review of expenditure.

As noted in the finance report, this year's result includes some additional "one off" expenditure items which also impacted the financial results. There were approximately \$117,853.00 in write downs, along with the additional extra staffing and associated costs during the renovation period and loss of revenue all contributed to the loss this year.

The Club has maintained the strong commitment and support of golfing operations although ongoing success will be dependent on revenue diversification, we are persevering with strong commitment to Golf and building on revenue from club operations.

A breakdown of this year's revenue;



Bar

Bar sales were affected during the middle quarters of the year due in part to lower national consumption and the renovations limiting how many functions were able to be booked. The renovation of both Bars, the acquisition of the new till system allowing us to unlock a great new range of promotions and rewards coupled with our club marketing campaign, bar sales eventually increased 4.5% compared to last year. Melissa who is working with our beverage representatives is aiming to bring us even more great promotions, Thank you Mel and the team.

Catering

Strong sales results in catering were mainly due to the marketing, rebranding and the passionate work of head chef Rufus and his team contributing to menus, well received. Even though renovations limited function trade, growth outside that time resulted in nearly a million dollars' worth of sales, a record for Carnarvon. The hard work of Heidi and her team also needs mention, the positive comments on the professional conduct and tailored service are always pleasing to hear. Well done all.

#### Poker Machines

Poker machine trade was of concern, due to stagnant growth across NSW and an increasingly competitive environment, we posted a decrease of 4% on the net last year. This year we trialled our late night opening with early success, unfortunately it did not sustain and we now have variable operating closing hours to cater on demand. Capital investments saw the renewing of 15% of the gaming machines, a dedicated air-conditioning system and the building of the new gaming lounge.

#### Course

A 3% decrease in Subscription revenue was offset by increases in visitor, competition fees and miscellaneous income. Overall, Course revenue increased 2.3% on last year. Many hardships were dealt with on the course this year, seeing some of the longest driest spells and hottest weather. The course was also infected with the invasive ground pearl. The green-keeping staff certainly had their work cut out for them like no other year, yet managed to keep the course in good shape. The feedback from visiting pennant teams commenting on how well the course looks compared to others is a testament to the vigilance and skills of Shay and his team. In 2019 expected Capital expenditure is largely to centre on course improvements, revenue willing.

#### Promotions

Promotions were mostly well received, our meat raffles and regular promotions continue to do well. In 2019 we will be restructuring some promotions, adding in some more interactive promotions which will allow for some greater prizes. Late last year Danielle had taken on the added role of marketing our club and so far the results look very promising. This year a concerted campaign will be conducted to boost visitation and our reputation in the area.

In summary it has been a tough year with a few notable achievements accomplished, significant capital investments on the club-house have been made with the aim of increasing viability for the years to come. This year's focus will be on boosting much-needed revenue across all areas of the club as well as decreasing costs associated with running the operations, all the while being mindful not to lose the reputation for service and quality we have built over many years.

On behalf of the Management and Staff I thank the Directors for their ongoing support and guidance throughout the year. I would also thank the Staff for their support throughout 2019, the Club certainly could not run without you and your efforts and do not go unnoticed, keep up the good work! Finally the support and patronage of the members of Carnarvon Golf Club is what keeps the Club going and why we are all here. Thank you to each and every one of you and I hope we continue to serve you well.

**Mitch Nakic**

**General Manager**

**Directors Report**  
 for the year ended 31<sup>st</sup> January 2019

- 1) Your Directors submit their report on the Financial Statements of the Company for the financial year ended January 31<sup>st</sup> 2019.
- 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 &amp; Present</u>	<u>Board Meetings</u>		<u>Other Meetings</u>	
			<u>Held</u>	<u>Attended</u>	<u>Held</u>	<u>Attended</u>
<b><u>CURRENT BOARD MEMBERS:</u></b>						
John A. HONEYBROOK (Retired)	President	6 years	24	22	39	36
	Vice President	3 years				
	Director	11 years				
Member 28 years	Chairman Match					
	Board Member	20 years				
	Committee Member: Finance, Juniors, Greens & Match					
Reginald C. ARMSTRONG (Company Director)	Vice President	3 years	24	20	36	30
	Director	5 years				
Member 28 years	Board Member	8 years				
	Committee Member: Finance, Greens & Match					
Christopher F. THOMSON (Electrical Contractor)	Captain	11 years	24	22	39	32
	Director	13 years				
	Board Member	24 years				
Member 36 years	Chairman Greens					
	Committee Member: Finance, Juniors, Greens & Match					
Barry J. RYAN (Retired)	Director	18 years	24	19	37	30
	Vice President	3 years				
Member 40 years	Board Member	21 years				
	Chairman Finance					
	Committee Member: Finance, Greens, Match, AML/CTF					
Gene K. LEVETTE (Consultant)	Director	11 years	24	21	36	30
	Vice President	6 years				
	Board Member	17 years				
Member 29 years	Committee Member: Finance, Greens & Match					

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<b>Nicholas J. STOVES</b> (Retired)	<b>Director</b>	15 years	24	24	39	39
	<b>President</b>	6 years				
	<b>Vice President</b>	2 years				
<b>Member 42 years</b>	<b>Board Member</b>	23 years				
	<b>Committee Member: Finance, Juniors, Greens &amp; Match</b>					
<b>Catherine TUCKER</b> (Teacher) <b>Member 26 years</b>	<b>Vice Captain</b>	3 years	24	21	36	30
	<b>Match Chair</b>	3 years				
	<b>Board Member</b>	3 years				
	<b>Ladies President</b> <b>Committee Member: Finance, Greens &amp; Match</b>					
<b>Peter A. RICHARDSON</b> (Finance Manager) <b>Member 15 years</b>	<b>Director</b>	6 years	24	13	36	23
	<b>Board Member</b>	6 years				
	<b>Committee Member: Finance, Greens &amp; Match</b>					
<b>Mark P. ABOOD</b> (Retired) <b>Member 38 years</b>	<b>Director</b>	1 year	24	21	37	32
	<b>Board Member</b>	1 year				
	<b>Committee Member: Finance, Greens, Match. AML/CTF</b>					

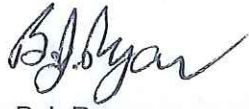
- 3) The principal activities of the company in the course of the financial year were the conduct, support and promotion of golf and the conduct of a Licensed Club at Lidcombe.
- 4) During the financial year there were no significant changes in the nature of the Company's activities.
- 5) The profit/loss of the Company for the financial year after abnormal items was (\$521,365)
- 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) 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.
- 11) The Auditor's Independence Declaration for the year ended 31 January, 2019 has been received and can be found on page 31.

Signed in accordance with a Resolution of the Directors.



J. Honeybrook

President



B.J. Ryan

Director

Dated 3<sup>rd</sup> April 2019 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 34 to 53 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 31<sup>st</sup> January, 2019 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 3<sup>rd</sup> April 2019 at Lidcombe, NSW

Carnarvon Golf Club Limited  
ABN: 57 000 854 544

**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 2019 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**

*S. Meares*

Stuart D. Meares  
Partner

Dated this 3<sup>rd</sup> day of April 2019

**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 2019, 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 and notes to the financial statements including a summary of significant accounting policies 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 2019 and of its financial performance for the year then ended; 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 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 cease operations, or have no realistic alternative but to do so.



## Independent Auditor's Report (continued)

### Auditor's Responsibility

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit 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 3<sup>rd</sup> Day of April 2019

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31<sup>st</sup> January 2019

	Note	2019 \$	2018 \$
Sales	2	1,550,821	1,423,064
Cost of Sales	3	<u>(591,602)</u>	<u>(489,691)</u>
<b>GROSS PROFIT</b>		959,219	933,373
Other Revenue	2	2,235,752	2,268,536
Other Income	2	50,917	53,091
Administration Expenses		(1,241,069)	(1,079,399)
Golf Course Expenses		(1,342,594)	(1,212,296)
Trading Expenses		<u>(1,183,590)</u>	<u>(179,274)</u>
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>		(521,365)	784,031
Income Tax Expense	1	<u>-</u>	<u>-</u>
<b>PROFIT / (LOSS) FOR THE YEAR</b>	3	<u>(521,365)</u>	<u>784,031</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(521,365)</u>	<u>784,031</u>
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>		<u>(521,365)</u>	<u>784,031</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>		<u>(521,365)</u>	<u>784,031</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION**

As at 31<sup>st</sup> January 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	4	247,457	964,214
Trade and Other Receivables	5	9,625	26,421
Inventories	6	54,160	62,370
Other	7	103,529	89,861
<b>Total Current Assets</b>		414,771	1,142,866
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment	8	4,393,001	4,161,480
<b>Total Non Current Assets</b>		4,393,001	4,161,480
<b>TOTAL ASSETS</b>		4,807,772	5,304,346
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	255,526	254,779
Borrowings	10	94,793	116,686
Provisions	11	375,393	297,650
Other	12	520,824	550,099
<b>Total Current Liabilities</b>		1,246,536	1,219,214
<b>NON CURRENT LIABILITIES</b>			
Borrowings	10	51,741	54,272
<b>Total Non-Current Liabilities</b>		51,741	54,272
<b>TOTAL LIABILITIES</b>		1,298,277	1,273,486
<b>NET ASSETS</b>		3,509,495	4,030,860
<b>MEMBERS' FUNDS</b>			
Accumulated Funds		3,509,495	4,030,860
<b>TOTAL MEMBERS' FUNDS</b>		3,509,495	4,030,860

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31<sup>st</sup> January 2019

	Retained Earnings \$	Total \$
<b>BALANCE AT 1 FEBRUARY 2017</b>	<u>3,246,829</u>	<u>3,246,829</u>
Comprehensive Income		
Profit attributable to members of the entity	<u>784,031</u>	<u>(13,839)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>784,031</u>	<u>(13,839)</u>
<b>BALANCE AT 31 JANUARY 2018</b>	4,030,860	3,232,990
Comprehensive Income		
Profit attributable to members of the entity	<u>(521,365)</u>	<u>784,031</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>(521,365)</u>	<u>784,031</u>
<b>BALANCE AT 31 JANUARY 2019</b>	<u><u>3,509,495</u></u>	<u><u>4,017,021</u></u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**

for the year ended 31<sup>st</sup> January 2019

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		3,141,826	3,047,335
Cash payments in the course of operations		(3,777,085)	(3,481,952)
Interest received		1,337	2,846
Subscriptions & joining fees		<u>678,934</u>	<u>707,066</u>
<b>Net cash provided by operating activities</b>	15	<u>45,012</u>	<u>275,295</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant & equipment		(641,195)	(384,421)
Proceeds from disposal of fixed assets		-	933,000
<b>Net cash used in investing activities</b>		<u>(641,195)</u>	<u>548,579</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net Increase in other borrowings		-	125,000
Repayment of borrowings		<u>(120,574)</u>	<u>(308,596)</u>
<b>Net cash provided from/(used in) financing activities</b>		<u>(120,574)</u>	<u>(183,596)</u>
<b>Net increase/(decrease) in cash held</b>		(716,757)	640,278
<b>Cash at the beginning of the Financial Year</b>		<u>964,214</u>	<u>323,936</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	4	<u><u>247,457</u></u>	<u><u>964,214</u></u>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> January 2019

### 1. Summary of Significant Accounting Policies

#### Basis of Preparation

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 on 27<sup>th</sup> March 2019.

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 31<sup>st</sup> January 2019

### 2. REVENUE AND OTHER INCOME

	2019	2018
	\$	\$
<b>REVENUE</b>		
<b>SALES REVENUE</b>		
Sales of Goods	1,550,821	1,423,064
<b>OTHER REVENUE</b>		
Subscriptions & Joining Fees	695,505	717,000
Competition Fees	434,472	423,381
Visitors' Green Fees	209,090	196,939
Motorised Cart Hire Fees	137,191	136,436
Keno Commission Received	12,183	13,553
TAB Commission Received	3,806	6,184
Raffles Tickets Sales	33,733	36,340
Poker Machine Revenue	709,772	738,703
<b>TOTAL OTHER REVENUE</b>	2,235,752	2,268,536
<b>TOTAL REVENUE</b>	3,786,573	3,691,600
<b>OTHER INCOME</b>		
Promotion & Sponsorship	5,636	5,264
Interest Received	1,337	2,846
Other	43,944	44,981
<b>TOTAL OTHER INCOME</b>	50,917	53,091
<b>TOTAL REVENUE &amp; OTHER INCOME</b>	3,837,490	3,744,691



## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> January 2019

### 3. PROFIT FOR THE YEAR

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

EXPENSES	2019	2018
	\$	\$
Cost of Sales	591,602	489,691
Interest and Charges	16,214	24,353
Depreciation and Amortisation	418,947	385,479
Employee Benefits - Superannuation	146,167	138,528
Auditors Remuneration		
Audit Services	11,000	11,200

### 4. CASH

Cash at Bank	61,734	21,554
Cash on Hand	42,520	42,495
Interest Bearing Deposits	143,203	900,165
	<u>247,457</u>	<u>964,214</u>

### 5. TRADE AND OTHER RECEIVABLES

Sundry Debtors	8,672	25,014
EFTPOS	953	1,407
	<u>9,625</u>	<u>26,421</u>

### 6. INVENTORIES

Bar Stock on Hand	36,592	45,791
Kitchen Stock on Hand	17,568	16,579
	<u>54,160</u>	<u>62,370</u>

### 7. OTHER CURRENT ASSETS

Prepayments	103,529	89,861
	<u>103,529</u>	<u>89,861</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31<sup>st</sup> January 2019

<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Freehold Land at Cost	15,000	15,000
Landscaping at Cost	58,016	58,016
Clubhouse Building at Cost	(5,089,040)	4,816,352
<b>Less</b> Accumulated Depreciation	<u>(1,892,088)</u>	<u>(1,784,284)</u>
	<u>3,269,968</u>	<u>3,105,084</u>
Clubhouse Contents at Cost	708,702	757,942
<b>Less</b> Accumulated Depreciation	<u>(500,657)</u>	<u>(639,309)</u>
	<u>208,045</u>	<u>118,633</u>
Poker Machines at Cost	627,424	574,047
<b>Less</b> Accumulated Depreciation	<u>(324,665)</u>	<u>(293,018)</u>
	<u>302,759</u>	<u>281,029</u>
Course Equipment at Cost	1,228,544	1,148,305
Motorised Carts at Cost	149,856	149,856
<b>Less</b> Accumulated Depreciation	<u>(994,558)</u>	<u>(906,461)</u>
	<u>383,842</u>	<u>391,700</u>
Pump House, Dams & Irrigation Systems at Cost	604,033	609,149
<b>Less</b> Accumulated Depreciation	<u>(547,156)</u>	<u>(531,059)</u>
	<u>56,877</u>	<u>78,090</u>
Course Improvements at Cost	615,354	792,762
<b>Less</b> Accumulated Depreciation	<u>(443,844)</u>	<u>(605,818)</u>
	<u>171,510</u>	<u>186,944</u>
<b>Total property, plant &amp; equipment</b>	<u><u>4,393,001</u></u>	<u><u>4,161,480</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31<sup>st</sup> January 2019

	2019 \$	2018 \$
<b>9. TRADE AND OTHER PAYABLES</b>		
Creditors, Accruals & Deposits	255,526	254,779
	<u>255,526</u>	<u>254,779</u>
<b>10. BORROWINGS</b>		
<b>Current</b>		
Loan - Financial Institution	94,793	116,686
	<u>94,793</u>	<u>116,686</u>
<b>Non Current</b>		
Loan - Financial Institution	51,741	54,272
	<u>51,741</u>	<u>54,272</u>
<b>Total Borrowings</b>	<u>146,534</u>	<u>170,958</u>
<b>11. PROVISIONS</b>		
Annual Leave	175,407	134,367
Long Service Leave	154,073	127,327
Leave Provision on Costs	45,913	35,956
	<u>375,393</u>	<u>297,650</u>
<b>12. OTHER CURRENT LIABILITIES</b>		
Subscriptions in Advance	380,956	397,527
Green Fee Deposits in Advance	14,373	13,900
Sundry Income In Advance	31,356	41,349
Members' House Vouchers	90,274	95,392
Loyalty Redeem & Bonus Point	3,865	1,931
	<u>520,824</u>	<u>550,099</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> January 2019

### 13. CAPITAL EXPENDITURE

1) <i>Clubhouse</i>	2018
	\$
Club House Renovation	328,308
Carpet	36,021
Furnitures	40,188
Bar Beverage System	33,369
Bar Tills Systems	20,135
Combi Oven & Installation	19,739
Poker Machines & Upgrades	99,450
Display Board & Signs	7,256
Hot Water Unit & Installation	5,100
2 x Television	3,636
Scanner for Stocktake	2,035
2 <sup>nd</sup> Hand Fire Panel	1,545
Air Conditioning & Upgrades	1,500
CCTV	1,030
Miscellaneous	3,769
	<hr/>
	603,081
	<hr/>
2) <i>Course</i>	
Creek Project	16,220
Practice Nets Refurbishment	6,078
Misc Course Improvement	7,415
Dredger & Parts	81,726
Greens Groomer	8,500
Transfer Pump	2,574
Computer, Software & Setup	2,086
Hot Water Unit & Installation	1,100
CCTV	1,070
Miscellaneous	1,770
	<hr/>
	128,539
	<hr/>
TOTAL VALUE	<hr/> <hr/> 731,620

### 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, 2019 the number of members was 1933 (2018:1912).

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> January 2019

### 15. STATEMENT OF CASH FLOWS

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

	2019	2018
	\$	\$
Operating profit after tax	(521,365)	784,031
Depreciation & amortisation	419,947	385,479
(Gain)/Loss on sale of equipment	80,152	(930,515)
(Increase)/decrease in sundry debtors	16,796	(15,060)
(Increase)/decrease in inventories	8,210	(11,867)
(Increase)/decrease in prepayments	(13,668)	(4,418)
increase/(decrease) in other Current Liabilities	(29,276)	23,088
increase/(decrease) in provisions	77,744	46,147
increase/(decrease) in creditors	6,472	(1,590)
Net cash provided by operating activities	45,012	275,295

### 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 \$6,146

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 \$2,500. 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 31<sup>st</sup> January 2019

### 17. FINANCIAL RISK MANAGEMENT

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

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

	Note	2019 \$	2018 \$
Financial Assets:			
Cash	4	247,457	964,214
Receivables	5	9,625	26,421
		<u>          </u>	<u>          </u>
Total Financial Assets		<u>257,082</u>	<u>990,365</u>
Financial Liabilities:			
Trade and Sundry Creditors	9	255,526	254,779
Lease Liabilities	10	146,534	170,958
		<u>          </u>	<u>          </u>
Total Financial Liabilities		<u>402,060</u>	<u>425,737</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 2019.

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 Club is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31<sup>st</sup> January 2019

### 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 2019.

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	
	2019	2018	2019	2018	2019	2018
Financial liabilities due for payment:						
Trade and Sundry Creditors	255,526	254,779	0	0	255,526	254,779
Lease Liabilities	94,793	116,686	51,741	54,272	146,534	170,958
	<u>350,319</u>	<u>371,465</u>	<u>51,741</u>	<u>54,272</u>	<u>402,060</u>	<u>425,737</u>
Financial assets - cash flows realisable:						
Cash	247,457	964,214	0	0	247,457	964,214
Receivables	9,625	26,421	0	0	9,625	26,421
	<u>257,082</u>	<u>990,635</u>	<u>0</u>	<u>0</u>	<u>257,082</u>	<u>990,635</u>
Net financial assets (liabilities)	<u>(93,237)</u>	<u>619,170</u>	<u>(51,741)</u>	<u>(54,272)</u>	<u>(144,978)</u>	<u>564,898</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31<sup>st</sup> January 2019

**Market Risk**

*Interest rate risk*

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 31 January 2019 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 Club 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 2019, 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:

	2019	2018
Change in profit		
Increase in interest rate by 2%	3,959	18,294
Decrease in interest rate by 2%	(3,959)	(18,294)
Change in equity		
Increase in interest rate by 2%	3,959	18,294
Decrease in interest rate by 2%	(3,959)	(18,294)

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 31<sup>st</sup> January 2019

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>BAR</b>		
Sales	561,679	538,139
<b>Less Cost of Sales</b>		
Opening Stock	45,791	36,557
Purchases	220,207	203,286
Closing Stock	(36,592)	(45,791)
	<u>229,406</u>	<u>194,052</u>
<b>GROSS PROFIT</b>	<u>332,273</u>	<u>344,087</u>
% to Sales	59.16%	63.94%
 <b>CATERING</b>		
Sales	989,142	884,925
<b>Less Cost of Sales</b>		
Opening Stock	16,580	13,947
Purchases	363,184	298,908
Closing Stock	(17,568)	(16,580)
	<u>362,196</u>	<u>296,275</u>
<b>GROSS PROFIT</b>	<u>626,946</u>	<u>588,650</u>
% to Sales	63.38%	66.52%
 <b>POKER MACHINES</b>		
Net Revenue (after GST)	709,772	738,703
<b>Less: Tax</b>	-	(636)
<b>GROSS PROFIT</b>	<u>709,772</u>	<u>739,339</u>

**DETAILED TRADING ACCOUNT**  
 for the year ended 31<sup>st</sup> January 2019

	2019	2018
	\$	\$
<b>GROSS TRADING PROFITS</b>		
Bar	332,273	344,087
Catering	626,946	588,650
Poker Machines	709,772	739,339
Keno Commission	12,183	13,553
TAB Commission	3,806	6,184
Raffles	33,733	36,340
	1,718,713	1,728,153
<b>EXPENSES</b>		
Wages	726,192	657,380
Leave Provision on Costs	6,715	6,306
Superannuation	62,396	58,518
Payroll Tax	18,463	14,487
Workers Compensation Insurance	14,819	18,715
Staff Expenses	861	1,228
Interest & Bank Charges	4,968	4,720
Promotions & Prizes	96,916	100,942
Printing & Stationery	3,315	3,893
Replacements, Repairs & Maintenance	75,857	57,182
Stock Audit	100	14,800
Miscellaneous Expenses	15,270	13,447
Data Monitoring Services Charges	13,441	14,956
Sky Channel	11,369	11,028
Laundry & Gas	39,011	33,471
Depreciation	77,720	80,899
Rental Expenses	13,002	13,497
Poker Machines License Expenses	3,175	4,320
Loss/(Gain) on Disposal	-	(930,515)
	1,183,590	179,274
<b>NET TRADING PROFIT</b>	535,123	1,548,879

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

**DETAILED GOLF COURSE EXPENSES ACCOUNT**

for the year ended 31<sup>st</sup> January 2019

	2019	2018
	\$	\$
<b>Golf Course Expenses</b>		
Wages	520,110	480,246
Leave Provision on Costs	8,111	7,671
Superannuation	39,717	37,172
Payroll Tax	10,012	4,496
Workers Compensation Insurance	8,022	5,711
Staff Expenses & Training	9,957	8,182
Fringe Benefits Tax	700	1,020
Supplies and Maintenance	211,565	158,042
Environmental Management	5,179	2,110
Occupational Health & Safety	1,320	965
Machinery Repairs	33,095	38,548
Petrol & Oil	18,400	16,000
Motorised Cart Expenses	21,969	10,527
Golf Printing & Stationery	5,295	4,609
Computer Expenses	21,901	19,885
Professional Retainer	30,000	30,000
Trophies	83,587	77,152
Ladies Trophies & Other Expenses	29,850	31,383
Green Fee Commission	20,904	19,452
Starting Commission	12,850	12,750
Miscellaneous	7,343	2,350
Golf Ball Damages	2,555	4,337
Interest & Bank Charges	4,712	12,250
Pennant Expenses	16,774	11,349
Affiliation & Golf Links Fees	32,755	33,449
Depreciation	154,928	177,277
Rental Expenses	11,455	5,363
Loss/(Gain) on Disposal	19,528	-
<b>TOTAL COURSE EXPENSES</b>	1,342,594	1,212,296

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

**DETAILED ADMINISTRATION EXPENSES ACCOUNT**

for the year ended 31<sup>st</sup> January 2019

	2019	2018
	\$	\$
<b>Administration Expenses</b>		
Wages	288,230	291,260
Leave Provision on Costs	4,774	5,206
Superannuation	44,054	42,838
Payroll Tax	7,774	5,462
Workers Compensation Insurance	6,091	8,250
Staff Training	2,759	1,383
Staff Expenses	725	3,534
Repairs & Maintenance	42,503	41,591
Security	13,726	11,673
Electricity	119,234	105,507
Cleaning & Supplies	91,496	85,604
Insurance	54,258	51,639
Printing & Stationery	7,497	8,014
Advertising & Promotions	108,433	92,334
Social & Entertainment	22,523	24,418
Audit Fees	11,000	11,200
Staff Uniform	3,384	2,712
Rates	15,179	17,998
Lease Rent - Council	65,000	65,000
Badge Draw	16,962	9,937
Miscellaneous Administration	7,302	8,731
Association Expenses	4,648	4,946
Motor Vehicle Expenses	2,058	1,453
Bank Charges	6,534	5,897
Interest Paid	-	1,486
Postage	5,127	3,801
Telephone	8,912	8,369
Directors Expenses	5,827	4,174
Legal Expenses	-	2,244
Donations	2,035	1,070
General Manager Expenses	938	1,020
Members Meeting/Amenities Expenses	5,335	4,952
Computer Expenses	14,601	13,257
Depreciation	187,299	127,303
Rental Expenses	4,227	5,136
Loss/(Gain) on Disposal	60,624	-
<b>TOTAL ADMINISTRATION EXPENSES</b>	<u>1,241,069</u>	<u>1,079,399</u>

TRANSFERRED TO DETAILED PROFIT AND LOSS ACCOUNT

**DETAILED PROFIT AND LOSS ACCOUNT**  
for the year ended 31<sup>st</sup> January 2019

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>INCOME</b>		
Subscriptions	695,505	717,000
Competition Fees	373,824	364,954
Ladies Competition Fees & Other Income	60,648	58,427
Visitors Green Fees	209,090	196,939
Motorised Cart Hire	137,191	136,436
Investment Income	1,337	2,846
Promotion & Sponsorship	5,636	5,264
Miscellaneous Income	43,944	44,981
Net Trading Profits	535,123	1,548,879
<b>TOTAL INCOME</b>	<u>2,062,298</u>	<u>3,075,726</u>
TOTAL COURSE EXPENSES	1,342,594	1,212,296
TOTAL ADMINISTRATION EXPENSES	<u>1,241,069</u>	<u>1,079,399</u>
<b>TOTAL EXPENSES</b>	<u>2,583,663</u>	<u>2,291,695</u>
<b>NET OPERATING SURPLUS/(LOSS)</b>	<u>(521,365)</u>	<u>784,031</u>

**MAJOR EVENT WINNERS 2018**

CLUB CHAMPION	:	Dilshad Ali
A Reserve CHAMPION	:	Brendan Donnellan
B Grade CHAMPION	:	Dean Bourquin
C Grade CHAMPION	:	Mark Gibson
Junior CHAMPION	:	not played
Veterans CHAMPION (Net)	:	Henry Kim
(Scr)	:	Jeff Mitchell
FOURSOME CHAMPION	:	Iqbal Daryab & Dilshad Ali
MIXED FOURSOME CHAMPION	:	Bo Chun & Lisa Kim
MATCH PLAY CHAMPION	:	Iqbal Daryab
'A' Reserve CHAMPION	:	Aaron D'Ortona
B Grade CHAMPION	:	Richard Lee
C Grade CHAMPION	:	Murray Sullivan
CARNARVON CUP	:	Mark Williams
PRESIDENTS CUP	:	Sion Choe
CAPTAINS TROPHY	:	Mark Hwang
ROSANNA TROPHY	:	Reg Armstrong
PEGG-LAKEMAN SHIELD	:	Yong Sun Kim & Alan Loi
CARNARVON BOWL	:	Mick Brooks & Una Bell
GOLD MEDAL	:	Steve Bolger

**LADIES MAJOR EVENT WINNERS 2018**

CLUB CHAMPION	:	Naomi Yoe
Division 2 CHAMPION	:	Haiwon Oh
Division 3 CHAMPION	:	Mugon Bak
Senior Champion	:	Naomi Yoe
Senior Net Champion	:	Jennifer Threlfo
FOURSOME CHAMPIONS	:	Lisa Kim & Agnes You
CARNARVON CUP	:	Jenny Shim
CARNARVON SALVER	:	Young Ja Kim
PREMIERSHIP CUP	:	Agnes You
GOLD MEDAL	:	Katarina Song
MOTHERS DAY CUP	:	Hee Soo Lee
CAPTAINS TROPHY	:	June Clarke
ROSE BOWL	:	Naomi Yoe

**LADIES VETERAN EVENT WINNERS 2018**

RENE BUXTON POINTS SALVER Div 1	:	Gina Goh
Div 2	:	Judith Rickard
RENE BUXTON NET SALVER	:	Sheryl Murray

THE NEW YORK STATE BAR ASSOCIATION

RESOLUTION NO. 100

ADOPTED AT THE ANNUAL MEETING OF THE NEW YORK STATE BAR ASSOCIATION HELD AT ALBANY, NEW YORK, ON OCTOBER 22, 1987.

WHEREAS, the New York State Bar Association is committed to the highest standards of ethical conduct for its members;

AND WHEREAS, the Association is concerned with the potential for conflicts of interest in the representation of multiple clients;

AND WHEREAS, the Association desires to clarify the ethical obligations of its members in such situations;

IT IS HEREBY RESOLVED, that the following provisions be adopted as amendments to the Rules of Professional Conduct:

1. Rule 1.7 shall be amended to read:

1.7. A lawyer shall not represent a client if the representation involves a conflict of interest that cannot be waived by the client.

2. Rule 1.8 shall be amended to read:

1.8. A lawyer shall not represent a client if the representation involves a conflict of interest that cannot be waived by the client.

3. Rule 1.9 shall be amended to read:

1.9. A lawyer who has formerly represented a client in a matter shall not thereafter represent another person in the same or a substantially related matter in which the interests of the former client are materially adverse to the former client and the lawyer's new client, unless the former client gives its informed consent, confirmed in writing.

APPROVED AND ADOPTED:

NEW YORK STATE BAR ASSOCIATION  
 110 WEST STREET, NEW YORK, N.Y. 10038  
 (212) 512-1000