



PENRITH GOLF & RECREATION CLUB LIMITED



ANNUAL REPORT

2010

2011

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PENRITH GOLF & RECREATION CLUB LIMITED

(a company limited by guarantee)
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Annual General Meeting

Members are advised that the Annual General Meeting of Penrith Golf and Recreation Club Limited will be held in the Clubhouse, Northern Road, Penrith on Sunday 28th August 2011 at 9.00am.

Business:

1. To adopt the Minutes of the Annual General Meeting held on 29th August, 2010.
2. To receive and consider the Annual Reports, the Balance Sheet and Profit and Loss Account of the Club for the year ended May 31st, 2011 and the Auditor's Report thereon.
3. The members will be asked to consider and if thought fit, pass the following resolution.

As an Ordinary Resolution

That pursuant to the Registered Clubs Act:

- (a) The members hereby approve and agree to expenditure by the Club in a sum not exceeding \$10,000 until the next Annual General Meeting of the Club being reasonable expenditure associated with the following activities of directors, subject to production of invoices, receipts or other proper documentary evidence of such expenditure:
 - (i) a meal and beverage for each director immediately before or after a Board or Committee meeting on the day of that meeting when that meeting corresponds with a normal meal time;
 - (ii) expenditure of food and refreshment for directors and senior management officers in entertaining guests of the Club in the Club's dining rooms, where such expenditure is approved by the Board at the next monthly Board meeting as being properly incurred in the course of that director's or senior management officer's duties in relation to the Club and as being reasonable.
 - (iii) Directors have the right to utilise the Committee Parking area adjacent to

the Club House entrance.

- (iv) Directors have the right to enter their name plus 3 others on Starters Sheet before entry by members.
 - (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are directors or officers of the Club.
4. To elect Patrons for the ensuing year.
 5. To deal with any General Meeting Business that may be properly brought before the Meeting.
 6. To declare who will be Office Bearers for the ensuing year.

By Order of the Committee

Brendon Kop
General Manager

July 25, 2011

MEMBERS WISHING TO PUT QUESTIONS OR RECOMMENDATIONS TO THE BOARD AT THE ANNUAL GENERAL MEETING ARE REQUESTED TO GIVE PRIOR NOTICE IN WRITING NO LATER THAN 9.00AM FRIDAY 12TH AUGUST, 2011 (PARAGRAPH 75(e)-CONSTITUTION).



2010/2011 financial year has been a tremendously difficult year for all businesses, but the Club industry has been pounded from pillar to post with all of our major income streams being hit hard. The Club Industry is really feeling the impact of changes to smoking regulations, alcohol consumption and now the proposed crackdown on gambling. All of these income streams along with membership and golf represent our major sources of income. A quick perusal of our accounts will show the impact on our income streams. It has been substantial, with bar and poker machine income down on last year by a total of almost \$300,000. This represents a very substantial portion of our income.



In an attempt to minimise the impact we have continued to cut expenses wherever possible. While we were unable to return a profit we have managed to make a good reduction in the loss from last year.

The Board of Directors have spent huge amounts of time in numerous meetings monitoring the Club's performance and in trying to move the development of a portion of our land forward.

'THE DEVELOPMENT'

At this time it is continuing to unfold in a very positive way. All appears to be proceeding nicely and hopefully will yield a wonderful return to all involved. For more information see the Development Report.

CASH FLOW

To all those members who participated in paying fees in advance, THANK YOU. The income generated was excellent and certainly helped the Club in a moment of need. On-going monitoring of our cash flow is imperative and will continue. Sponsorships and corporate golf are a couple of areas where we are concentrating our efforts on increasing revenue.

Our caterer, Phil is also anticipating increased revenue from alterations to the kitchen and dining areas we are about to commence. We expect these changes to bring more patrons to our Club. Looking forward we are hoping to see improved

revenue from the sources just mentioned and from the traditional income streams.

We expect to be able to pay a substantial part of our bank debt in coming months, which will greatly reduce our interest payments. This should help us to achieve a profit in the coming years. It will necessitate changes to our golf course, but we hope the impact on our golf will be minor and the new course layout will be excellent.

Thank you to Brendon and his staff, Josh and the green staff and Jonathan Green and his team for all they do to make sure the members and visitors to Penrith Golf Club enjoy a good experience.

A special thank you to the Directors of the Club for the ever increasing time and effort put into ensuring our Club is a viable operation.

As always please continue to support your Club and enjoy the facilities we provide.

Greg J. Taylor

President

The accounts for the year show a loss of \$82,165 compared to last year's loss of \$134,521.

This improvement has been achieved mainly by decrease in depreciation from \$207,881 to \$182,268 and reduction Course expenses of \$97,266 and Administration expenses of \$322,510. These savings have been offset by a decrease in revenue of \$245,506.



The interest paid on the loan from the National Australia Bank amounted to \$239,629 an increase of \$2,407, while bank charges rose by \$10,807.

The cash flow for the period has been negative to the amount of \$64,693 due to repayments to the bank of \$123,000.

Projected cash flow for this financial year is not any better unless we receive a major inflow of cash from the projected sale/lease of part of our property. This I believe is on course at the moment.

Our Equipment for maintaining the golf course is getting old and will need to be replaced over the next few years. The clubhouse needs new carpet, painting and general upkeep. Poker machines also need updating including new programs and equipment to allow more efficient servicing of the area.

The future would be very bleak without the proposed development being implemented.

My sincere thanks go to Brendon and the staff of the Club for their support during the year.

Stephen Critchley

Treasurer

I present my 2010/2011 General Manager's report with much enthusiasm and confidence that our wonderful Club is about to enter a very exciting period that will provide long-term financial sustainability.

The disposal of land for the Housing for Seniors residential development has now been approved by the members at the General Meeting held on 24th May 2011. This will lead to the creation of approximately 120 residences and result in some minor golf course adjustments with the loss of the 15th hole and some other alterations, however the financial freedom it will create cannot be more welcomed.

Our financial result for the 2010/2011 trading year was a disappointment with a loss of \$82K, although this was improved on last year's result (\$134K loss).

Some of the factors affecting the result are:-

- Mortgage interest and bank fees \$293K
- Decommissioning of the unleaded fuel tank \$24K
- Insurance premium increase \$12K

A debt free Penrith Golf Club can regularly deliver a monthly trading profit, however we are not in that situation (just yet) and we are forced to spend \$24K+/mth on bank charges and interest on our mortgage. In fact our result would have been a profit of \$211K had we been debt free.

The Club industry has had to endure another tough year and to add to this, the Federal Government is proposing the Mandatory pre-commitment for gaming machines. The cost alone to install the technology is estimated at \$60K-\$80K of which will never be recovered. On top of the proposed Mandatory pre-commitment, the Club industry has been hit by poor consumer confidence with recreational spending at extremely low levels. This has had a significant impact with our Clubhouse bar and gaming revenues down \$269K on last year.

It has been extremely pleasing to see our golf course performing quite well in trading numbers. This is mainly due to a reduced number of green keeping staff resulting in wage savings and a



slight rise in Golf Membership subscriptions. Competition fees and social golf rounds were down from the previous year.

I would like to acknowledge the wonderful members listed below for their continued support of the Club:-

Andy's Army – Andrew Murdoch, Kevin Thomson, John Thurchly, Albert Sinclair, Colin Holmes, Ian Norman, Robert Jensen, Rhonda Stasiuk, Ross Clissold and Gail

Chabros (morning tea scones) for their weekly volunteer work on the golf course

Gavin Swift, Michael Woodcroft and John Stasiuk for purchasing the Club Car for the fundraising raffle. Tickets are still on sale and we encourage members to buy a book of tickets and/or sell a book of tickets. Prize drawn Sunday 4th September 2011.

John Watkins for his voluntary assistance with golf competition management

John Rance for the donation of his old ute to the Club as course transport

John, Steve & Daniel Stasiuk for hiring and operating a stump grinder cleaning up approximately forty (40) stumps on the golf course

Kevin Thomson, John, Daniel & Rhonda Stasiuk, & Steven Wise for bridge repairs on the 1st hole

Gavin Swift from Swifts Sweeping for providing the cleaning services to maintain our driveway and car park area

Scott Plummer from Nepean Landscape Supplies (river stones) as well as Robert & Frank Lorber (excavation) for the creation of the dry creek bed on the 4th & 5th holes.

I would also like to thank the members who took advantage of the 5 year, 3 year and early bird memberships. This was a huge assistance to our cash flow and allowed the Club to keep operating in what was a very difficult period at the beginning of 2011. Clubs are all about the people who belong to it and I am so proud to have so many dedicated supportive members.

I would like to thank Adrian Vanderwert, Adam Benson, Jade Swift and all the remainder of the bar staff for an outstanding job. Their camaraderie and customer service skills are second to none. They are an asset to the business and make me feel privileged to have them as my staff.

To Jeannette Kop and the Administration staff, a huge thanks for the support provided in running the admin side of the business. There are many systems that would not operate effectively and efficiently enough without their dedicated assistance and I am truly grateful for their support.

Jonathan Green and his staff continue to provide exceptional service to the members and our visitors. We have had a number of corporate / charity events that the Pro Shop have assisted with and have been instrumental in gaining important repeat business. I also encourage every member to utilise the Pro Shop for any golf equipment needs.

Our Course Superintendent Joshua Lockett, his talented offsider Andrew Moon and the rest of the maintenance staff have done a great job presenting the golf course to our members and visitors. They have had to endure faulty irrigation pumps, old machinery and not much of a budget and the loss of a full-time mechanic. Throughout summer we were having trouble irrigating fairways due to the pumps failing during their usual watering program. With thanks to the NSW Department of Primary Industries and their WaterSmart Farms funding program, we have been able to upgrade our irrigation pumps and purchase a fairway Vertidrain aerator, which will provide the necessary tools to maintain the golf course and reduce water usage.

I would like to thank the Board of Directors and particularly the Development Committee. There has been many, many, many hours spent in meetings trying to ascertain the right direction forward for the Club to alleviate the debt. I would like to thank our Club Captain Ian Forrester for his tireless efforts in developing the 5 year cash flow budget. This document is now our life blood as we journey through the coming years.

To our Club Caterer Phil Scott of Citrus Café & Grill, I send a big thank you. Phil and his staff have done an outstanding job providing very

good quality meals at very reasonable prices. Citrus Café & Grill are by far the best caterer the Club has had in many years. We are looking at making some changes shortly in our catering set up to create a broader menu with a much larger dining area.

I would like to acknowledge the sponsorship throughout the year of the following companies:-

- Angostura Lemon, Lime & Bitters
- 21st Century Property Investments
- Smith Street Auto
- Bob Moore Lighting
- Express Packaging
- Milnsbridge IT Voice & Data
- SEI Carbide Australia Pty Ltd
- Hi-Quality Home Improvements
- Stramit Building Products
- Aussie Home Loans
- Sheet Fed Offset Printing
- FHP Contract Engineers
- Carnet Car Auctions
- Glenbrook Liquor
- Australian Industrial Safety Training

I also welcome our new sponsors:-

- Bing Lee Penrith (returning)
- Swifts Sweeping & Drainage
- Carlton & United Breweries (CUB)

There have been significant changes to the handicapping system by Golf Australia with more to come later this year. I hope everyone has adjusted to the new system, but most importantly you are enjoying your golf at Penrith Golf Club. I would like to congratulate all of our event winners over the course of the year. Good luck for the year ahead and may you lower your handicap.

Thank you once again for your support of our great Club. I look forward to the challenges that lie ahead and moving towards complete sustainability for Penrith Golf Club.

Yours sincerely,

Brendon Kop

General Manager

In my first year as Captain, I have quickly realised that one person cannot complete this very demanding role, without the assistance and knowledge of a dedicated and hard working team.

Our handicapper John Watkins continued his pivotal support in planning and administering our local competitions, and a special mention must also be given to Rod Sutherland and Vice Captain Jamie Ford for the additional time and support they have provided throughout the year.

These three guys, along with the other members of your Match Committee, John Stasiuk, Kerry Roelandts and Lady Captain Julie Preskett have all worked hard throughout the year to ensure members enjoy their golf – thank you everyone

A special thanks to the Greens Committee, our Course Superintendent Josh Lockett, Andy's Army, Club Professional Jonathan Green and General Manger Brendon Kop and their teams, for their special efforts this year in bringing golf to you, week after week.

Slow play continued to be one of the challenges that frustrated members, and this, together with a focus on divot repair, received our continued attention throughout the year – improvement will only result when members realise and acknowledge, that it is they who create the problem, and they, who are needed to fix it.

Golf Australia's new handicapping system was introduced this year, and provided much comment and discussion. Certainly, some very large stableford scores have resulted from burgeoning handicaps, but the system is still in its early stages, and will be modified in September 2011 to address some of these issues.

Our Course was also re-rated by Golf NSW as part of the new handicapping system, and results will be known shortly. Our course is considered difficult due mainly to its length, and was excellently prepared by Josh Lockett and his team for this rating day. Lady Captain Julie Preskett provided invaluable support to our preparation (Julie is a member of NSW Golf's rating team)



Greg Taylor our referee.

TOP GUN was another huge success with Mike Alexander taking the title this year with a very solid performance in the final. This year's field was noted for the very competitive qualifying scores, and the wide range of player handicaps – which made it extremely difficult for the accompanying Calcutta participants to settle on a favourite. Many thanks to John Watkins for administering this popular competition, our Lady members for their marshalling on the day and

Congratulations to all our Club Champions, especially Rod Sutherland in the Open Championships who started with an opening round of 68, then held on to win from a fast finishing Danny Acret (our Seniors Champion). Vicki Hall is our Open Ladies Champion, and Matthew Munce came from behind to Defeat Rod Sutherland in the Matchplay Final. Alex Platts played excellent golf to take out our Junior title, and is a player with a promising future. A special thanks is again awarded to the lady members who scored and administered these Championships.

Pennant golf again proved popular with teams entered into Metropolitan A, B and C Grade Pennants, along with Masters, Senior Masters, Eric Apperley and Junior Pennants. Our very strong Masters Pennant team (winners 2009) were defeated in the Quarter Finals of the 2010 competition

The Match Committee continues to look at changes to our golfing Calendar which will increase member enjoyment and interest.

2011/12 will see some new events which are timed to allow for needed course renovations, seasonal change, planned housing development, and spread our major events across the year.

Members, I thank you for all your patience, support and understanding during these changing times

Enjoy your golf

Ian Forrester

Captain

EVENT WINNERS 2010/2011	2010	2011
Club Champion	J. McMiles	R. Sutherland
Runner up	D. Limbach	D. Acret
'B' Grade Champion	E. Greentree	S. Anderson
Runner up	C. Fleming	G. Hay
'C' Grade Champion	B. Fletcher	M. Sajowitz
Runner up	M. Mayer	R. Vesperman
Senior Champion	D. Limbach	D. Acret
Junior Champion	J. Duerell	A. Platts
Matchplay Champion	J. McMiles	M. Munce
Foursomes Champions	J. Beech	TBA
	R. Sutherland	TBA
Runner up	D. Limbach	TBA
	G. Howland	TBA
Mixed Foursomes Champions	D. Dewberry	TBA
	V. Hall	TBA
Runner up	K. Kim	TBA
	S. Kim	TBA
Spence Wood Knockout	B. Paterson	TBA
	J. Craig	TBA
Captain's Knockout	G. Dummett	TBA
Runner up	W. Cochran	TBA
Parent & Child Cup Winners	P. Hatch	TBA
	S. Hatch	TBA
Vice Captain's Silver Putter	C. Montgomery	TBA
Medal of Medals	P. McKenzie	TBA
Top Gun Champion	J. Zadavec	M. Alexander
Penrith Open Cup	P. Morris	TBA
Autumn Cup	T. Smith	J. Craig
	J. Shin	M. Pilarowski
	A. Song	J. Barnes

This past year has been one of the most difficult in the Club's history. The financial constraints under which Josh and his crew have been working saw a reduction in personnel from nine full timers to six. Currently our staff is eight full timers and one casual. We no longer have the luxury of a full time horticulturist and mechanic. Andy's Army (more on them later) and a casual mechanic have to suffice.



All the machinery in the greens' shed is well past it's used by date incurring high maintenance cost. The current Capital Equipment forecast will see the entire fleet replaced over the next five years, provided the Development proceeds.

Our UPL fuel tank began to leak and consultants were called in to assess the environmental impact. The tank was pressure tested, and failed, soil samples were taken and fortunately these proved to be negative. The tank was emptied of the contaminated fuel and filled with inert foam at a cost of \$17,400 which we could ill-afford.

During the year the Club under-went a study by WaterSmart Farms Assessments (it details water usage reduction on the Golf Course) which is a part of the Hawkesbury Nepean Recovery Program and is financed through the Australian Government Water for the Future program. It is a very concise document and details what we can do to reduce our water usage. Each Hole has been studied and the Course overall. Replacement pumps cost us 12 mega litres and we have a submission waiting for approval, for a fairway Vertidrain, dam weed removal and water Aerators. This will cost us a further 26 mega litres. Our licence was originally for 222 mega litres it will now be reduced to 180 mega litres. We will still have plenty of water as we never pumped more than 140 mega litres from the river in any one year.

Andy's Army has been a tower of strength to the Club completing numerous tasks over the past year. The repair of the bridges from the First green to the Second tee and to the Eleventh green was handled in a very professional manner and

demonstrates how successful a dedicated membership can operate. The repair and extension of the railing on the bridge from the 11th Visitors tee was another successful project. Rubbish collection removal can be a very mundane chore but has been carried out in an enthusiastic way by the Army every week. Painting, pruning, tree removal, mulching and general gardening are high on their list of priorities. I would like to thank them for their contribution to the running of the Golf Course. These proud members deserve a great big thank you from the membership for doing such a fantastic job.

There is always room for more volunteers so please if you have some time to spare just turn up at the Club on Tuesday morning and be part of Andy's Army or contact Andrew Murdoch or Kevin Thompson.

I would like to thank the Greens' Committee Clark Gibbons, Jamie Ford, Rod Sutherland and Josh Locket for their help and enthusiasm during the year.

I would also like to thank Josh and his crew for their efforts in maintaining our Golf Course on a miniscule budget, in very trying times. Hopefully we have turned the corner and better times will soon prevail.

Jonathan Llewelyn

Chairman

As mentioned in last year's Annual Report the Board has for some time been looking at possible development opportunities to ensure the viability of Penrith Golf Club in the future.

In late 2010 it became clear to the Board that the club had an opportunity to pursue a development with one developer which would be a good match for the club and provide a good return to the club.

A Development Committee was formed to oversee the continuing work relating to this proposed development and report to the Board. A big thank you goes to the committee members Jonathan Llewelyn, Clark Gibbons, Ian Forrester and Brendon Kop for the many hours of effort put into this project. A special thank you also to Greg Taylor for his advice and assistance given to the committee.

The Committee has been dealing with the developer to formulate a mutually agreeable plan. In early 2011 the Board reached a point where it believed the development proposal being discussed was feasible and called a special members meeting on 23 May 2011, asking for member approval to proceed with the development. Members unanimously approved the proposal. The Board thanks members for



their support in this major project.

As advised to members, there will be a need to relocate the greenkeepers shed and make minor changes to the course to allow the development. The Board will do everything possible to ensure there will be as little disruption to the course as possible during the development.

The committee is currently liaising with the clubs Solicitor to prepare a contract to be signed by the developer. The land has been surveyed and a course designer is preparing a design to ensure the course can be modified to allow the development with minimum changes to the course.

Members will be kept informed of progress as information becomes available.

Bob Jensen

Chairman

Testing and sometimes frustrating probably best describes the past 12 months on the course at Penrith Golf Club.

With the encounters of the typical Penrith climate of extremely hot summer days and cool winter mornings there were a few other obstacles to endure along the way.

Our full time mechanic of over 10 years Nathan Healy, decided to move on which left us with having him help us out only 1-2 days per week which with a much aged machinery fleet left us in limbo at some very inconvenient times with machinery breakdowns and other mechanical issues.

Our irrigation pumps which are the originals (16+ years) were very unreliable and failing during watering programs and due to lack of funds to replace them this left us with only having access to one working pump during the peak seasons of the year and only being able to predominantly irrigate greens and tees with our fairways suffering as a result.

Along with a lack of fairway watering, fertiliser has not been applied to them for 5-6 years due to budget restraints.

Vandalism is still an ongoing issue with damage to a number of greens throughout the year, most notable the 11th which saw a substance poured over various parts of the green, this along with the usual digging up of turf, missing cups, flags, rakes and hoses from around the maintenance shed.

Having said all this, the golf course has been maintained to a consistent playability and with the proposed development of the golf club to take place in the future, things can only be brighter.

Some minor works were completed over the past 12 months which include weed removal from the pumping dam, topping up bunker sand and drainage of the 13th tee.

An audit of the course was done as part of the Water Smart Farms Project and everything from Drainage, water saving, irrigation system and sprinkler performance was assessed with a lot of recommendations put in place regarding these



issues.

To all of my staff, Andrew, Sean, Jim, Matty & Andy I can't thank you guys enough for your efforts in what can be tough times with our limited troops and I would like to congratulate Andrew Moon for his appointment as my assistant.

The working bee continue to be doing a great job on the course helping out with the odd jobs such as mulching, edging pathways, painting and other allocated duties

and to John Thruclly for his work keeping the dam banks neat and tidy.

With the help of the Stasiuks', repairs to the access bridge from the 1st green to the 2nd tee and the machinery access bridge between the 1st & 11th were completed.

The work these guys do doesn't go unnoticed and is much appreciated by both my staff and fellow members.

To Brendon Kop and your staff thankyou and well done.

Thankyou to Jonathan Green and the pro-shop staff Anthony & Ray for an outstanding job, the communication I receive about upcoming golfing events and corporate golf is much appreciated when it comes to organising my day to day schedule.

Thanks to the Greens committee for their input and feedback, Jonathan Llewelyn, Rodney Sutherland, Clark Gibbons and Jamie Ford.

And to the Ladies committee, thankyou for your input, your monthly course requirements are a big help to both myself and my staff.

Yours on the Greens

Joshua Lockett

The last twelve months in the golfing world provided us with the usual variety of challenges. We had periods of inclement weather, economic uncertainty and competition from other Golf Clubs and sports. These factors combined to test the playing numbers of our competition and social golfers. Considering the pressures, Penrith Golf Club fared very well and it was pleasing to witness increasing strength in the competition fields.



A big thank you to my staff members, Ray, Anthony and Alex. They are loyal workers and definitely enhance the quality of the Pro Shop operations.

In closing I would like to thank each and every member of Penrith Golf Club for their support and patronage and I wish everyone a safe and enjoyable golfing experience for the coming year.

Yours in Golf,

Jonathan Green

Many thanks go to the current board for their support and communication throughout a year that has given them many and varied challenges. Liaison between the Pro Shop and especially the Match Committee is vital and I thank them for it.

The Ladies Committee has worked tirelessly throughout the year and should be congratulated. I thank them for their outstanding communication.

Brendon Kop and his clubhouse staff have been tremendous throughout the year, especially in tandem with the Pro Shop in running Corporate Golf events. Thank you.

I offer congratulations to Josh Lockett and his course staff for consistently producing a golf course that is the envy of our immediate neighbours. Thanks fellas.

The ladies first open day Penrith Cup for 2011 was held on 17th March. Our raffle on the day raised \$215.00 to go to the Oncology Unit at Nepean Hospital for cancer research.

It is with regret that I have to announce that we lost another one of our life members this year with the passing of Alwyn Veney. Al, as she was more affectionately known as, passed away one day after her 91st birthday, she was much loved and respected by her fellow golfers and will be sorely missed.



Charity Day for the Special Unit at Werrington Public School was held on 30th September 2010 and was again a great success raising \$10,500.00. A big thank you goes to all our sponsors and helpers for this day. Without these sponsorships, and the help from all involved, this day would not be the success it has been for many years. Since 1993 the Charity Day Event has raised a grant total of \$215,500.00 for the Special Unit, located in the Werrington Public School. This is a very worthy cause and we look forward to your continued help for this year's Charity Day, to be held on the 29th September 2011. Please contact any one of the Ladies on the Committee if you can assist in anyway on this day.

The Triangle Cup for 2010, between Penrith, Dunheved and Leonay Golf Clubs, was won by Leonay with 596 points, Dunheved was next with 591 and Penrith had 543 points. So far this year Leonay are in the lead with one more game to be played at Dunheved. I am hopeful that we can come from behind to regain the trophy for Penrith for 2011.

Three Pennant teams were fielded this year, with Pennant 1 & 2 coming under the WGN, and the Grade under Metropolitan. Thank you to all those ladies who played and represented the club, and also to the ladies who assist with morning teas and lunches, when Penrith Golf Club was host.

The Ladies Committee thanks the Board of Directors, Office and Bar Staff, the Greens Staff, the Catering Staff, and the Pro Shop Staff for all their support throughout the year. All these people make golfing at Penrith a pleasure each week.

I would like to give a very big "thank you" to my committee members – Pauline Tees, Diane Montgomery, Julie Preskett, Diane Moncrieff, Pam Tunchon, Robyn Thomson, Jenny Porter, Kay Gordon, Lorraine Cochrane, Kerrie Roelandts and Mary Cook. Without the assistance and guidance from all of you, this job would be impossible.

I wish you all good golfing and good health for the year to come.

Leona Clissold

Ladies President

2010 FOURSOMES CHAMPIONS	
Division 1	Diane Montgomery & Tracey Warne
Division. 2	Dianne Moncrieff & Julie Preskett
MEDAL OF MEDALS	Dianne Moncrieff
SINGLES KNOCKOUT	Joy Nash
FOURBALL KNOCKOUT	Kerrie Roelandts & Lesley Wells
PRESIDENTS BOWL	Bernadette McGrath
LADIES TOP GUN	Joanne Ogle
2011 CLUB CHAMPION	Vicki Hall
Nett	Rhonda Stasiuk
Division 2	Dianne Moncrieff
Nett	Morag Penman
Division 3	Janet Hartley
Nett	Betty Corradin
PATRONESS TROPHY	Monica Davies
VETERAN SHIELD	Morag Penman
C.E.O. TROPHY	Morag Penman
LIFE MEMBER TROPHY	Mary Cook

PENRITH GOLF AND RECREATION CLUB LIMITED

(A Company Limited by Guarantee)

ABN 54 000 377 499

FINANCIAL STATEMENTS – 31ST MAY, 2011**CONTENTS**

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Directors' Report

For the year ended 31st May, 2011

The Directors present their report together with the accounts of Penrith Golf and Recreation Club Limited for the year ended 31st May, 2011.

Directors

The Directors of the Company in office at any time during the year and up to the date of this report are:

TAYLOR, Greg	LLEWELYN, Jonathan	GIBBONS, Clark
FORRESTER, Ian	SUTHERLAND, Rodney	CRITCHLEY, Stephen
HATCH, Michael	FORD, Jamie	MURDOCH, Andrew
STASIUK, John	JENSEN, Robert	

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Jeannette Adriana Kop who was appointed company secretary on 7 September 1989 who previously had several years experience in the Club industry.

Principal Activities

The Principal Activity of the Company consisted of the conduct and promotion of a licensed golf club for members of the Company. No change in the principal activities of the Company took place during the year.

Membership

The Club is a Company limited by guarantee and without a share capital. The number of members at the end of the year is as follows:

	2011	2010
Social Members	3185	3389
Full Members	354	384
5 Year Term Members	5	4
3 Year Term Members	11	0
Lady Members	47	45
3 Year Term Lady Members	1	0
Five Day Members	62	57
Six Day Members	15	16
Young Male Adult Members	21	25
Young Lady Adult Members	2	1
Student Members	3	1
Senior Members	49	46
Junior Members – Male	34	26
Junior Members – Female	3	2
Lady Senior Members	11	11
Sponsorship Members	23	19
Ordinary Senior Male Members	15	10
Ordinary Senior Lady Members	12	13
Absentee Members	1	2
Concessional Members	4	5
Term Life Members	1	1
Total	3859	4056

Directors' Report cont.**For the year ended 31st May, 2011****Result**

The operating Loss for the year amounted to \$82,165 (2010: Loss \$134,521) after charging \$182,268 for depreciation (2010: \$207,881).

Dividends

The Company is a non-profit organisation and is prevented by its constitution from paying dividends.

Review of Operations

Movements in significant items of revenue are as follows:

			Increase/ (Decrease)	Movement
	2011	2010	\$	%
Poker Machine Net Revenue	995,656	1,187,920	(192,264)	(16.19)
Bar Sales	882,279	959,411	(77,132)	(8.04)
Subscriptions/Entrance Fees	333,648	303,177	30,471	10.05

State of Affairs

The Club's total equity of the Members decreased \$82,165 for the year while the working capital of the Club decreased from a deficiency of \$516,034 in 2010 to a deficiency of \$383,150. In addition, the cash on hand and at the Bank decreased from \$340,000 in 2010 to \$275,307.

Environmental Regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

Events Subsequent to Balance Date

There is as at the date of this report no matter of circumstance which has arisen since 31st May, 2011 that has significantly affected or may significantly affect -

- i. The Operations of the Company
- ii. The Results of those operations; or
- iii. The state of affairs of the Company subsequent to 31st May, 2011.

Directors' Report cont.

For the year ended 31st May, 2011

Information on Directors

Name	Occupation	Position	Director since/ from
TAYLOR, Greg	Real Estate Agent	President	August 2004
LLEWELYN, Jonathan	Retired	Vice President	August 1997
GIBBONS, Clark	Retired	Vice President	March 2009
FORRESTER, Ian	Retired	Director/Captain	July 2009
SUTHERLAND, Rodney	Title Searcher	Captain/Director	August 2001
CRITCHLEY, Stephen	Accountant	Treasurer	January 2001
HATCH, Michael	Retired	Director	September 2003/August 2010
FORD, Jamie	Company Director	Director/Vice Captain	August 2008
MURDOCH, Andrew	Retired	Vice Captain	August 2008/August 2010
STASIUK, John	Builder	Director	August 2010
JENSEN, Robert	Retired	Director	August 2010

Likely Developments

The Directors do not anticipate any particular developments in the operation of the Company which would affect the results in subsequent years.

Directors' Meetings

The number of Directors' Meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Board Meetings		Committee Meetings	
	A	B	A	B
TAYLOR, Greg	12	12	21	22
LLEWELYN, Jonathan	12	12	29	29
GIBBONS, Clark	11	12	24	31
CRITCHELY, Stephen	12	12	19	19
FORRESTER, Ian	12	12	28	28
FORD, Jamie	11	12	12	19
JENSEN, Robert	8	9	15	17
SUTHERLAND, Rodney	12	12	19	20
STASIUK, John	8	9	20	21
HATCH, Michael	3	3	3	3
MURDOCH, Andrew	3	3	3	3

A – Number of meetings attended

B – The number of meetings held during the time the director held office during the year.

Directors' Report cont.

For the year ended 31st May, 2011

OBJECTIVES

SHORT TERM

To provide a social sporting club for members and guests, with the usual facilities of a club, to promote the game of golf to both children and adults and providing a meeting place for community groups.

LONG TERM

To maintain and upgrade facilities to attract new golf and social members to enjoy the facilities of the Club and to increase our involvement with community groups.

Strategy for achieving the objectives

Principal strategies include:

- Encouraging the participation of Golf members in Golf NSW events.
- Attracting new golfers and retaining existing golf members by offering the best playing facilities possible.
- Fostering a fraternal feeling amongst golfers to preserve and promote the best traditions in the game of golf.
- Marketing the advantages of membership of the club.
- Striving to provide a high standard of customer service.
- Pursuing new marketing initiatives.
- Provide the members and the local community with a Club House.
- Which offers excellent food and friendly atmosphere.

Indemnification and Insurance of Officers

The Company has provided for and paid premiums totalling \$2,476.53 during the year for directors and officers liability insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$5,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting in their individual or collective capacity as directors or officers of the Company.

Auditor’s Independent Declaration

The Auditor’s Independent Declaration for the year ended 31st May 2011 has been received and can be found on page 5 of this report.

Dated at Penrith this 7th day July 2011.

Signed in accordance with a resolution of Directors



GREG TAYLOR - DIRECTOR

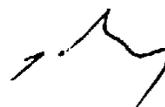


STEPHEN CRITCHLEY - DIRECTOR

**Auditor’s Independent Declaration
Under Section 307c of the Corporations Act 2001
To The Members of Penrith Golf and Recreation Club Limited**

I declare to the best of my knowledge and belief, during the year ended 31st May, 2011 there have been:

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



HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor

DATED AT SYDNEY
THIS 5TH DAY OF
JULY, 2011

PENRITH GOLF AND RECREATION CLUB LIMITED (a company limited by guarantee) ABN 54 000 377 499

Statement of Comprehensive Income

For the year ended 31st May 2011

	Notes	2011	2010
Revenue from Continuing Operation			\$
Sale of goods		882,279	959,411
Rendering of services		2,047,529	2,216,686
Financial Income		3,951	3,168
Total Revenue from Continuing Operations		2,933,759	3,179,265
Course expenses		(574,169)	(671,437)
Poker Machine expenses		(206,327)	(318,643)
Bar expenses		(770,896)	(680,383)
Administration expenses		(1,037,256)	(1,195,436)
Earnings before borrowing costs, tax depreciation and amortisation		345,111	313,366
Depreciation and amortisation expense		(182,268)	(207,881)
Financial expenses		(245,008)	(240,006)
Profit/(Loss) before income tax		(82,165)	(134,521)
Income tax expense relating to ordinary activities	(d)	-	-
Total Comprehensive Income (Loss) for the year		(82,165)	(134,521)

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Statement of Financial Position

As at 31st May 2011

	Notes	2011	2010
			\$
Current Assets:			
Cash and cash equivalents		275,307	340,000
Inventories	5	34,849	32,388
Other	6	15,161	30,892
Total Current Assets		<u>325,317</u>	<u>403,280</u>
Non-current Assets:			
Property, plant and equipment	7	15,824,108	15,973,777
Total Non-current Assets		<u>15,824,108</u>	<u>15,973,777</u>
Total Assets		<u>16,149,425</u>	<u>16,377,057</u>
Liabilities:			
Trade and other payables	8	246,483	162,174
Interest-bearing loans and borrowings	9	25,175	250,175
Provisions	10	104,441	110,690
Other		332,368	396,275
Total current liabilities		<u>708,467</u>	<u>919,314</u>
Non-current liabilities:			
Interest-bearing loans and borrowings	9	3,230,839	3,174,013
Provisions	10	88,378	79,824
Total Non-current liabilities		<u>3,319,217</u>	<u>3,253,837</u>
Total liabilities		<u>4,027,684</u>	<u>4,173,151</u>
Net Assets		<u>12,121,741</u>	<u>12,203,906</u>
Members' Equity:			
Reserves		13,065,112	13,065,112
Accumulated Losses	14	(943,371)	(861,206)
Total members' Equity		<u>12,121,741</u>	<u>12,203,906</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Statement in Changes in Equity

For the year ended 31st May 2011

	2011	2010 \$
Opening Balance 1 June 2010	12,203,906	12,338,427
Profit/(Loss) for the period	<u>(82,165)</u>	<u>(134,521)</u>
Closing Balance 31 May 2011	<u>12,121,741</u>	<u>12,203,906</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Cash Flow Statement

For the year ended 31st May 2011

	Notes	2011	2010
			\$
Cash Flow From Operating Activities			
Receipts from Member & Guests		3,157,353	3,467,997
Cash payments to Suppliers and Employees		<u>(2,785,595)</u>	<u>(3,112,114)</u>
Cash generated from operations		371,758	355,883
Interest received		3,951	3,164
Interest paid		(239,629)	(237,222)
Net Cash from operating activities	19	<u>136,080</u>	<u>121,825</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		<u>(32,599)</u>	<u>(173,633)</u>
Net cash from investing activities		<u>(32,599)</u>	<u>(173,633)</u>
Cash Flows from financing activities			
Proceeds from borrowings		-	84,187
Repayment of borrowings		(123,000)	(105,000)
Payment of finance lease liabilities		(45,174)	(49,744)
Net cash from financing activities		<u>(168,174)</u>	<u>(70,557)</u>
Net (decrease) in cash and cash equivalents		(64,693)	(122,365)
Cash and cash equivalents at 1 June 2010		340,000	462,365
Cash and cash equivalents at 31 May 2011		<u>275,307</u>	<u>340,000</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Notes to the Financial Statements

For the year ended 31st May, 2011

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Revenue Recognition

Sales Revenue

Sales Revenue comprises revenue earned from Bar, Catering, Competition Fees, Social Functions and Poker Machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

Asset Sales

The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Interest Income

Interest income is recognised as it accrues.

(b) Property, Plant and Equipment

- i. Land is stated at cost.
- ii. Building is depreciated on a fixed rate basis over 40 years.
- iii. Plant and equipment is being depreciated so as to write off the net cost of each asset over its expected useful life between 3 to 15 years.
- iv. Glassware, crockery and cutlery have not been depreciated as these items are continually being replaced during the year. The cost of replacements is written off as incurred.

Notes to the Financial Statements**For the year ended 31st May, 2011****(c) Inventories**

Stock on hand has been counted and valued by independent persons on the basis of cost price on a first in first out basis and amounted to \$34,849 (2010: \$32,388). Full provision has been made for depreciation and deterioration of damaged or obsolete stock where necessary.

(d) Income Tax

No provision has been made for Income Tax as the Company is exempt under Section 50-45 of the Income Tax Assessment Act (1997), provided it continues as a sporting club predominantly encouraging and promoting the sport of golf for recreation purposes. Accordingly, tax effect accounting has not been adopted by the Company.

(e) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Finance Position.

Cash flows are included in the cash flows statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(f) Employee Entitlements

Holiday pay, sick leave and long service leave have been provided on the basis of the relevant state legislation and awards including all amounts legally payable as at the date of Statement of Finance Position and any amounts payable under contingencies provided for in respect of employee termination.

(g) Financial Reporting by Segments

The Company is engaged only in the conduct and promotion of a registered golf club for members of the Company and only at the location of its registered office at 1939 Northern Road, Penrith, NSW, Australia.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances call and term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flows statement.

Notes to the Financial Statements

For the year ended 31st May, 2011

(i) **Trade and Other Payables**

Trade and other payables are stated at cost.

(j) **Expenses**

(i) **Operating lease payments**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

(ii) **Finance lease payments**

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) **Net financing costs**

Net financing costs comprise interest payable on borrowings calculated using the effective interest method.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

2 Segment Reporting

The Company operates predominantly in the hospitality and entertainment industry.

3 Going Concern

The financial statements have been prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the year ended 31st May 2011 the Company recorded a Loss of \$82,165 (2010: Loss \$134,521). In addition, the Company has current liabilities of \$708,469 as at 31st May 2011. The loan balance with the National Australia Bank is \$3,197,000.

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis as they are confident that the cash assets of \$275,307 as at 31st May 2011, and bank support will be sufficient to enable it to continue as a going concern.

In the event that the Company is unable to access sufficient cash referred to above, there is significant uncertainty as to whether it will be able to continue as a going concern and therefore whether the Company can realise its assets and extinguish its liabilities at the amounts stated on the balance sheet. In this situation, the going concern basis would not be appropriate.

	2011	2010
		\$
4 Auditor's remuneration		
Audit services	12,000	12,000
Other services	-	-
	<u>12,000</u>	<u>12,000</u>
5 Inventories		
Finished goods - at cost	<u>34,849</u>	<u>32,388</u>
6 Other Assets		
Current		
Prepayments	<u>15,161</u>	<u>30,892</u>

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

	2011	2010
		\$
7 Property, plant and equipment		
Land at valuation	14,105,000	14,105,000
Course improvements (at cost)	341,967	341,967
Less accumulated depreciation	(148,756)	(131,233)
	<u>14,298,211</u>	<u>14,315,734</u>
Building and improvements		
At cost	1,829,954	1,814,795
Accumulated depreciation	(822,824)	(780,943)
	<u>1,007,130</u>	<u>1,033,852</u>
Plant and equipment		
At cost	2,688,097	2,744,047
Accumulated depreciation	2,169,330	(2,119,856)
	<u>518,767</u>	<u>624,191</u>
Total property, plant and equipment	<u>15,824,108</u>	<u>15,973,777</u>
Core Assets		
The Land Buildings and Course are classified as Core Assets as defined under the Registered Clubs Act 1976 (NSW) and Regulations.		
Valuation of Property		
The latest valuation of the property was done on 16 March 2010. The Terms of Reference was for market value of the property for a 1st mortgage purpose for the National Australian Bank Limited. The Valuer, Robertson + Robertson, consulting valuers valued the said property at \$10,000,000 for security purposes.		
8 Trade and other payables		
Trade payables	144,236	88,644
Non-trade payables and accruals	102,247	73,530
	<u>246,483</u>	<u>162,174</u>

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

	Notes	2011	2010
			\$
9 Interest-bearing loans and borrowings			
Current			
Bank Loan - Secured		-	205,000
Finance lease liabilities	19	<u>25,175</u>	<u>45,175</u>
		<u>25,175</u>	<u>250,175</u>
Non-Current			
Bank loan - secured		3,197,000	3,115,000
Finance lease liabilities	19	<u>33,839</u>	<u>59,013</u>
		<u>3,230,839</u>	<u>3,174,013</u>
The Company has access to the following lines of credit:			
Facilities available:			
Loan - National Australia Bank		<u>3,197,000</u>	<u>3,320,000</u>
		<u>3,197,000</u>	<u>3,320,000</u>
Facilities utilised at reporting date:			
Loan - National Australia Bank		<u>3,197,000</u>	<u>3,320,000</u>

Security

The loan is secured by:

- (i) first registered mortgage over the golf course and improvements:
- (ii) a fixed and floating charge over the assets and undertakings of the club.

Interest is paid monthly on the outstanding balance on a commercial bill facility. The current flexible bill rate (yield rate) being paid is 7.321%.

The Bank Loan at the date of signing this report has not yet been finalised. The Directors are still in the stage of final negotiations, in respect to interest rates, terms and conditions and repayments.

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

	2011	2010
		\$
10 Provisions		
Current		
Poker Machine link payouts	304	252
Employee benefits	104,137	110,438
	<u>104,441</u>	<u>110,690</u>
Non-current		
Employee benefits	<u>88,378</u>	<u>79,824</u>

The present values of employee benefits not expected to be settled within twelve months of reporting date.

11 Directors' Benefits

No Director of the Company since the end of the previous financial year has received or has become entitled to receive any benefit by reason of a contract made by the Company with a Director or with a firm of which a Director is a member or with a Company in which the Director has a substantial interest.

12 Contingent Liabilities

The Directors are not aware of the existence of any contingent liabilities as at the date of this report.

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

	2011	2010
		\$
13 Other Liabilities		
Current		
Income received in advance	<u>332,368</u>	<u>396,275</u>
14 Accumulated losses		
Accumulated losses at beginning of year	861,206	(726,685)
Net Profit/(Loss)	<u>(82,165)</u>	<u>(134,521)</u>
Accumulated losses at end of year	<u>943,371</u>	<u>(861,206)</u>

15 Financial Instruments

Exposure to credit and interest risks arises in the normal course of the Company's business.

(a) Interest rate risk

The Company's financial assets and liabilities are subject to interest rate risk. The Company does not use derivatives to minimise this risk and these will fluctuate in accordance with movements in the market interest rates.

The Company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

(b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted recognised financial instruments.

The credit risk on financial assets of the Company which have been recognised on the Statement of Financial Position is the carrying amount, net of any provision for doubtful debts.

The Company has minimum concentrations of credit risk, undertaking transactions with a large number of members.

(c) Net fair values of financial assets and liabilities

For all financial assets and liabilities the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

16 Financial instruments (continued)

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the Statement of Financial Position date and the periods in which they reprice.

	Note	Effective Interest Rate	Total	6 Months or less	6 to 12 Months	1 to 2 Years	3 to 5 Years	More than 5 Years
		%	\$	\$	\$	\$	\$	\$

2010

Cash assets		1.75	340,000	340,000	-	-	-	-
Loans	9	7.22	(3,320,000)	(123,000)	(82,000)	(3,115,000)	-	-
Hire purchase liabilities	9	9.34	(104,188)	(22,587)	(22,587)	(59,013)	-	-

	Note	Effective Interest Rate	Total	6 Months or less	6 to 12 Months	1 to 2 Years	3 to 5 Years	More than 5 Years
		%	\$	\$	\$	\$	\$	\$

2011

Cash assets		2.06	275,307	275,307	-	-	-	-
Loans	9	7.32	(3,197,000)	-	-	-	-	-
Hire purchase liabilities	9	9.34	(59,014)	(12,587)	(12,587)	(33,840)	-	-

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

17 Fair Values

The fair values together with the carrying amounts shown in the Statement of Financial Position are as follows:

	Notes	Carrying Amount 2011 \$	Fair Value 2011 \$	Carrying Amount 2010 \$	Fair Value 2010 \$
Cash and cash equivalents		275,307	275,307	340,000	340,000
Trade and other payables	8	(578,851)	(578,851)	(588,450)	(588,450)
Interest bearing liabilities	9	(3,256,014)	(3,256,014)	(3,424,188)	(3,424,188)
		<u>3,559,558</u>	<u>3,559,558</u>	<u>(3,672,638)</u>	<u>(3,672,638)</u>

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Interest-bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Finance lease liabilities

Fair value is estimated as the present value of future cash flows, discounted at market interest rates for homogenous lease agreements. The estimated fair values reflect change in interest rates.

Trade and other receivables/payables

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

	2011	2010
		\$
18 Commitments and contingencies		
Finance lease payment commitments		
Finance lease rentals commitments are payable:		
Within one year	25,175	45,175
One year or later and no later than five years	33,839	59,013
	59,014	104,188
Less: Future lease finance charges	(11,848)	(17,227)
	<u>47,166</u>	<u>86,961</u>
Lease liabilities provided for in the financial statements:		
Current	25,175	45,175
Non-current	33,839	59,013
	<u>59,014</u>	<u>104,188</u>

The Company leases items of plant and equipment under finance leases expiring within one year. At the end of the lease term, the company has the option to purchase the plant and equipment at a price deemed to be a bargain purchase option. The lease facility is secured against the assets purchased under this facility as disclosed in Note 9.

Notes to the Financial Statements (cont.)
For the year ended 31st May 2011

	2011	2010
		\$
19 Reconciliation of cash flows from operating activities		
Profit/(Loss) for the period	(82,165)	(134,521)
Adjustment for financing activities:		
Finance and hire purchase charges	5,379	2,784
Loan interest expense	239,629	237,222
Add/(less) non-cash items:		
Depreciation & amortisation	<u>182,268</u>	<u>207,881</u>
Operating profit/(loss) before changes in working capital and provisions	345,111	313,366
(Increase)/decrease in inventories	(2,461)	(938)
(Increase)/decrease in other assets	15,731	(25,337)
Increase/(decrease) in accounts payable	84,309	2,851
Increase/(decrease) in other liabilities	(63,907)	108,407
Increase/(decrease) in provisions, employee benefits	<u>2,305</u>	<u>(36,518)</u>
Cash generated from operations	<u>381,088</u>	<u>361,831</u>
Interest paid	<u>(245,008)</u>	<u>(240,006)</u>
Net cash from operating activities	<u>136,080</u>	<u>121,825</u>

Notes to the Financial Statements (cont.)**For the year ended 31st May 2011****20 Related Party Transactions**

(a) Transactions between related parties are on normal commercial terms and conditions.

(b) The names of the Directors who have held office during the financial year are as listed in Note 21.

21 Key Management Personnel Compensation**a) Key Management Personnel**

Names and positions held of key management personnel in office at any time during the financial year are:

Greg Taylor	Director
Jonathan Llewelyn	Director
Clark Gibbons	Director
Ian Forrester	Director
Rodney Sutherland	Director
Stephen Critchley	Director
Michael Hatch	Director
Jamie Ford	Director
Andrew Murdoch	Director
John Stasiuk	Director
Robert Jensen	Director
Other Key Management Personnel	
Jeannette Kop	Secretary

Notes to the Financial Statements (cont.)

For the year ended 31st May 2011

b) Key Management Personnel compensation

	Short Term Benefits	Post Employment Benefits	
	Cash Salary & Commissions	Superan- nation	Total
	\$	\$	\$
Total Compensation - 2011	<u>59,176</u>	<u>5,326</u>	<u>64,502</u>
Total Compensation - 2010	<u>59,922</u>	<u>5,245</u>	<u>65,167</u>

22 Key Performance Indicators

	2011	2010
Bar	%	%
Gross Profit		
Gross Profit Percentage	58	56
Wages to Sales Percentage	38	36
Poker Machines		
Expenses to Takings	26	31
Wages to Sales Turnover	14	14

Directors' Declaration

For the year ended 31st May, 2011

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 21 to 38 are in accordance with the Corporations Act 2001:
 - (a) Comply with Accounting Standards and the Corporation Regulations 2001; and
 - (b) Give a true and fair view of the financial position as at 31st May 2011 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated at Penrith this 7th day of July 2011

in accordance with a resolution of the Directors



GREG TAYLOR - DIRECTOR



STEPHEN CRITCHLEY - DIRECTOR

Independent Auditor's Report to Members

For the year ended 31st May, 2011

Report on the Financial Report

We have audited the accompanying financial report of Penrith Golf and Recreation Club Limited ("the company") which comprises the Statement of Financial Position as at 31st May 2011 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the entity comprising the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the directors also state, in accordance with Accounting Standard ASSB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes complies with IFRS.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the Company would be in the same terms if provided to the directors as at the date of this auditor's report.

Independent Auditor's Report to Members

For the year ended 31st May, 2011

Auditor's Opinion

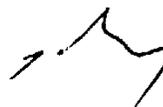
In our opinion:

- a. The financial report of Penrith Golf & Recreation Club Limited is in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the company's financial position as at 31st May 2011 and of the performance for the year ended on that date; and
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Inherent Uncertainty Regarding Continuation As A Going Concern:

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of the matter described in Note 3 there is significant uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

If the Company is unable to continue as a going concern, it may be required to make adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities in order to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.



HARLEY, RUSSELL & DAY

Chartered Accountants

GARRY WILLIAM DAY

Registered Company Auditor

DATED AT SYDNEY
THIS 10TH DAY OF
JULY, 2011

Disclaimer**For the year ended 31st May, 2011**

The additional financial data presented on pages 43 to 51 is in accordance with the books and records of the Penrith Golf and Recreation Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31st May, 2011. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

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

DATED AT SYDNEY
THIS 10TH DAY OF
JULY, 2011

HARLEY, RUSSELL & DAY
Chartered Accountants

Notes to the Financial Statements (cont.)**For the year ended 31st May 2011**

	Schedule	2011	2010
			\$
Income			
Net profit - bar trading	1	258,062	279,029
Net profit - poker machine trading	2	703,676	814,203
Net profit - Keno trading	4	(2,231)	8,411
Interest received		3,951	3,168
Other commissions		2,834	4,267
ATM revenue		22,730	13,454
Bingo revenue received		8,536	18,414
Kids Club revenue		3,399	3,608
Rent received		2,790	2,650
Rent - cellsite		32,249	28,645
Room hire		11,779	9,076
Social membership subscriptions		30,376	12,000
Sponsorships received		9,009	5,800
Subscriptions received		333,648	303,177
Sundry income		1,098	8,533
		<u>1,421,906</u>	<u>1,514,435</u>
Expenditure			
Net loss - course trading	3	56,226	143,171
Net loss - TAB trading	5	25,115	18,343
Operating expenditure	6	<u>1,422,730</u>	<u>1,487,442</u>
		<u>1,504,071</u>	<u>1,648,956</u>
Net Profit/(Loss)		<u>(82,165)</u>	<u>(134,521)</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Schedule 1
Detailed Statement of Bar Trading
 For the year ended 31st May 2011

	2011	2010
		\$
Bar sales	<u>882,279</u>	<u>959,411</u>
Less: Cost of goods sold		
Opening stock	20,103	23,372
Purchases	<u>361,971</u>	<u>416,700</u>
	382,074	440,072
Less: Closing stock	<u>14,274</u>	<u>20,103</u>
	<u>367,800</u>	<u>419,969</u>
Gross Profit	<u>514,479</u>	<u>539,442</u>
	58.31%	56.23%
Expenses		
Beer Gas	3,705	4,456
Bar promotions	2,493	4,013
Cleaning	40,487	43,404
General expenses	3,962	4,590
Repairs and maintenance	2,832	3,475
Stocktaker's fees	3,157	3,325
Wages	<u>199,781</u>	<u>197,150</u>
	<u>256,417</u>	<u>260,413</u>
Net Profit/(Loss)	<u>258,062</u>	<u>279,029</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Schedule 2
Detailed Poker Machine Trading Statement
For the year ended 31st May 2011

	2011	2010
		\$
Net taking before GST	1,042,533	1,295,912
GST on poker machine takings	<u>(86,877)</u>	<u>(107,992)</u>
Net poker machine takings	<u>955,656</u>	<u>1,187,920</u>
Expenses		
Cleaning	9,279	9,450
Data monitoring	17,806	17,316
Depreciation	45,653	55,072
Max Gaming	28,408	33,970
Poker Machine Duty	(3,422)	80,491
Repairs and maintenance	11,752	9,375
Wages	<u>142,504</u>	<u>168,043</u>
	<u>251,980</u>	<u>373,717</u>
Net Profit/(Loss)	<u>703,676</u>	<u>814,203</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Schedule 3
Detailed Statement of Course Trading
 For the year ended 31st May 2011

	2011	2010
		\$
Income		
Green fees	286,567	297,029
Competition fees	246,200	251,151
Sponsorship income	27,995	32,945
Other course income	3,850	2,900
	<u>564,612</u>	<u>584,025</u>
Expenses		
Advertising	8,404	-
Administration	3,468	5,550
Depreciation	46,669	55,759
Electricity	9,666	9,883
Fuel and oil	25,498	32,781
General expenses	24,477	2,096
Match committee expenses	-	593
Pennants expenses	8,550	7,831
Projects - major	-	9,964
Professional retainer	6,120	6,360
Repairs and maintenance:		
- Course	57,516	64,220
- Machinery	46,782	64,249
- Water Systems	3,015	-
Seed, soil and fertilisers	12,296	12,997
Sponsorship expenditure	1,429	(45)
Tree planting	878	8,092
Trophies and prizes	50,478	48,921
Uniforms	1,449	2,620
Wages	314,143	395,325
	<u>620,838</u>	<u>727,196</u>
Net Profit/(Loss)	<u>(56,226)</u>	<u>(143,171)</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

 PENRITH GOLF AND RECREATION CLUB LIMITED (a company limited by guarantee) ABN 54 000 377 499

Schedule 4
Detailed Statement of Keno Trading
 For the year ended 31st May 2011

	2011	2010
		\$
Commission	<u>17,047</u>	<u>21,982</u>
Expenses		
Maintenance	4,222	2,672
Promotions	2,203	2,114
Keno expenses	271	451
Wages	12,370	8,028
Printing and stationery	<u>212</u>	<u>306</u>
	<u>19,278</u>	<u>13,571</u>
Net Profit/(Loss)	<u>(2,231)</u>	<u>8,411</u>

Schedule 5
Detailed Statement of TAB Trading
 For the year ended 31st May 2011

	2011	2010
		\$
Commission	<u>16,198</u>	<u>13,135</u>
Expenses		
Printing and Stationery	5,167	5,824
Repairs and Maintenance	3,433	-
SKY Channel	20,343	17,626
Wages	<u>12,370</u>	<u>8,028</u>
	<u>41,313</u>	<u>31,478</u>
Net Profit/(Loss)	<u>(25,115)</u>	<u>(18,343)</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Schedule 6

Operating Expenditure

For the year ended 31st May 2011

	2011	2010
		\$
Advertising	7,042	8,091
Affiliation fees	19,852	14,318
Audit and accountancy fees	12,000	12,000
Bank charges	60,021	49,214
Bingo expenses	20,222	35,654
Computer expenses	20,028	15,344
Consultancy costs	-	-
Depreciation - Buildings and improvements	42,744	41,360
- Motor Vehicle	9,811	6,920
- Plant and furniture	37,391	48,770
Directors' expenditure	3,100	2,998
Donations	3,250	7,009
Electricity - club house	78,119	83,126
Entertainment expenses	6,639	3,531
Fringe Benefits Tax	3,901	-
Finance charges	5,379	2,784
Foxtel subscription	16,876	16,385
Insurance	83,848	74,676
Interest	239,629	237,222
Legal fees	132	5,584
Licenses	298	2,908
Manager's expenses	2,181	3,668
Members' amenities	4,640	5,508
Members' transport	10,872	10,400
Motor vehicle expenses	7,536	8,919
Occupational health and safety	15,797	12,504
Payroll tax	17,424	23,547
Poker	122,393	165,587
Printing, postage and stationery	33,718	33,122
Promotions	45,274	67,115
Provision for annual leave	(6,300)	(34,914)
Provision for long service leave	8,554	(1,587)
Rates	20,161	28,079
Carried forward	952,532	989,842

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

Schedule 6
Operating Expenditure
For the year ended 31st May 2011

	2011	2010
		\$
Brought forward	952,532	989,842
Raffles net	23,797	11,709
Repairs and maintenance	69,432	90,168
Security	33,977	42,663
Signage	-	1,158
Sponsorship	240	642
Staff amenities	3,533	5,830
Staff drinks and meals	4,902	4,038
Staff training	697	6,522
Staff uniforms	-	1,549
Subscriptions	4,232	4,509
Sundry administration expenses	8,022	5,309
Superannuation contributions	75,636	80,419
Telephone	22,024	20,904
Valuation	-	5,681
Wages - Administration	199,936	197,749
Waste haulage	23,770	18,750
Operating Expenditure	<u>1,422,730</u>	<u>1,487,442</u>

The attached notes on pages 25-38 form part of the accounts and should be read in conjunction with these accounts.

PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

FINANCIAL STATEMENTS 31ST MAY, 2011

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PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies.

In the opinion of the committee the financial report as set out on the attached pages:

1. Presents a true and fair view of the financial position of Penrith Golf Club Lady Members as at the 31st May, 2011 and its performance for the year ended on the date.
2. At the date of this statement, there are reasonable grounds to believe Penrith Golf Club Lady Members will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



PRESIDENT



TREASURER

Dated this 14th day of July 2011.

PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

DETAIL OF INCOME & EXPENSES FROM 1ST JUNE 2010 TO 31ST MAY 2011

Month	Net	Total Income	Total Expenses	INCOME						
				Annual Fees	Donations	Entertainment	Entry Fees	Thurs Comp	Pennants	Vets fees
June 2010	-77.40	1,685.00	1,762.40	-	-	-	-	1,094.00	25.00	
July 2010	-628.80	600.90	1,229.70					547.90		
August 2010	-631.05	589.00	1,220.05					504.00		
September 2010	451.75	956.20	504.45				90.00	405.00		
October 2010	-24.15	570.50	594.65				51.00	481.50		
November / December 2010	-3,247.10	1,329.65	4,576.75				657.50	121.00		
January 2011	-83.50	-	83.50	-	-	-	-	-	-	-
February 2011	975.30	1,736.75	761.45	740.00				816.75		
March 2011	1,158.10	2,008.50	850.40	180.00			160.00	1,250.50		
April 2011	153.15	933.00	779.85	40.00	25.00			722.00		
May 2011	118.00	1,665.50	1,547.50					1,261.50		
Total	-1,835.70	12,075.00	13,910.70	960.00	25.00	-	958.50	7,204.15	25.00	-

Month	INCOME (Cont.)		EXPENSES							
	Raffles	Sundries	Vouchers	Entry Fee	Pennants	Trophies & Balls	Admin	Refreshments	Bank Fee	Sundries
June 2010	206.00	360.00	970.00				101.90	189.30	8.00	493.20
July 2010		53.00	151.70	390.00	420.00		4.00	47.00	2.00	215.00
August 2010		85.00	420.00	120.00	128.50		48.50	40.00	9.50	453.55
September 2010	461.20			320.00	15.50			26.80	3.50	138.65
October 2010		38.00	250.00	149.00			85.05	12.80	2.00	95.80
November / December 2010	301.15	250.00	3,485.00	88.00		528.75	192.50	20.00	15.00	247.50
January 2011	-	-					82.00		1.50	
February 2011		180.00	290.00	-21.00		336.60	121.40		4.50	29.95
March 2011	215.00	203.00	550.00	83.00		64.00	144.00	3.40	6.00	
April 2011	70.00	76.00	535.00				14.85		6.00	224.00
May 2011	361.00	43.00			1,363.90		24.00	84.60		75.00
Total	1,614.35	1,288.00	6,651.70	1,129.00	1,927.90	929.35	818.20	423.90	58.00	1,972.65

PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

YEAR ENDED 31ST MAY 2010

DETAIL OF SUNDRIES INCOME

Month	Total	Top Gun	Golf Pro Clinic
June 2010	360.00	360.00	
July 2010	53.00	53.00	
August 2010	85.00	50.00	35.00
September 2010	-		
October 2010	38.00		38.00
November 2010 / December 2010	250.00		250.00
January 2011	-		
February 2011	180.00	145.00	35.00
March 2011	203.00	203.00	
April 2011	76.00	76.00	
May 2011	43.00	43.00	
Total	1,288.00	930.00	358.00

DETAIL OF SUNDRIES EXPENSES

Month	Total	Kilo Reimbursement	Top Gun Prizes	Golf Pro Clinic	Cards	Raffles
June 2010	493.20	73.20		420.00		
July 2010	215.00				13.00	202.00
August 2010	453.35	213.35		240.00		
September 2010	138.65		75.00	45.95	17.70	
October 2010	95.80			73.80	22.00	
November 2010 / December 2010	247.50		180.00	22.50	45.00	
January 2011	-					
February 2011	29.95				29.95	
March 2011	-					
April 2011	224.00				9.00	215.00
May 2011	75.00		25.00		15.00	35.00
Total	1,972.45	286.55	280.00	802.25	151.65	452.00

Sundry income received in 2011	=	1,288.00
Sundry expenses received in 2011	=	1,972.45
		-684.45

PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

INCOME STATEMENT FOR THE YEAR ENDED 31ST MAY 2011

	2011	2010
	\$	\$
INCOME		
Annual Fees	960	920
Donations	25	125
Entertainment	-	697
Entry Fees	959	4,197
Thursday Comp	7,204	4,985
Pennants	25	-
Raffles	1,614	1,691
Contours Sponsorship	-	1,871
Annual Levy	-	1,300
Sundries - Top Gun	930	1,788
Sundries - Golf Pro Clinic	358	-
	12,075	17,575
EXPENDITURE		
Vouchers	6,652	5,270
Entry Fee	1,129	2,703
Pennants	1,928	2,575
Trophies & Balls	929	1,250
Administration	818	729
Refreshments	424	646
Bank Fee	58	88
Entertainment	-	1,065
Donations	-	678
Sundries - Top Gun Prizes	280	480
Sundries - Clinic Payment Pro	802	480
Sundries - Cards	152	-
Sundries - Raffles	452	-
Sundries - Kilo Reimbursement	287	811
	13,911	16,773
Surplus/(Deficit)	(1,836)	801

PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

BALANCE SHEET AS AT 31ST MAY 2011

	\$	\$
CURRENT ASSETS		
CASH AT BANK		
Balance 1 June 2009	6,378	5,577
Less: Loss for the year	(1,836)	801
Balance at 31st May 2011	<u>4,542</u>	<u>6,378</u>

PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MAY, 2011

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1984 (NSW). The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Association Incorporation Act 1984 (NSW) and the following Australian Accounting Standards:

AASB 112	Income Taxes
AASB 1031	Materiality
AASB 110	Events after the Balance Sheet Date
AASB 117	Leases

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

PENRITH GOLF CLUB LADY MEMBERS

ABN: 39 020 422 319

INDEPENDENT AUDIT REPORT TO THE MEMBERS

Scope

We have audited the financial report, being a special purpose financial report, of Penrith Golf Club Lady Members for the Year ended 31st May, 2011. The Committee is responsible for the financial report and has determined that the accounting policies used and described in the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Incorporation Act 1984 (NSW) and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of Penrith Golf Club Lady Members. No opinion is expressed as to whether the accounting policies caused are appropriate to the needs of the members.

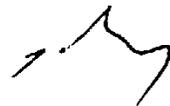
The financial report has been prepared for the purpose of fulfilling the requirements of the Association Incorporation Act 1984 (NSW). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies so as to present a view which is consistent with our understanding of Penrith Golf Club Lady Member's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Penrith Golf Club Lady Members presents a true and fair view of the financial position of Penrith Golf Club Lady Members as at 31st May, 2011 and the results of its operations and its cash flows for the year ended in accordance with the accounting policies described in the Balance Sheet.

29th June 2011



HARLEY, RUSSELL & DAY

Chartered Accountants

GARRY WILLIAM DAY

Registered Company Auditor

Appreciation and Acknowledgement of our Sponsors

We wish to extend our appreciation and acknowledgement of our Sponsors who have supported the Club throughout the year.

BING LEE

ANGOSTURA

SEI CARBIDE AUST. PTY LTD

CARLTON UNITED BREWERIES

BOB MOORE LIGHTING

SHEET FED OFFSET PRINTING

SIGNWAVE

SCREENCHECK AUSTRALIA

21ST CENTURY PROPERTY INVESTMENTS

STRAMIT & BLUESCOPE STEEL

BING LEE / LG ELECTRONICS

MILNSBRIDGE IT & VOICE DATA

TOOHEYS

EXPRESS PACKAGING

CARNET AUCTIONS – SMITHFIELD

FHP CONTRACT ENGINEERS

GLENBROOK LIQUOR