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**PENRITH GOLF & RECREATION CLUB LIMITED**

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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 26th August 2012 at 9.00am.

Business:

1. To adopt the Minutes of the Annual General Meeting held on 28th August, 2011.
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, 2012 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 appoint Auditors for the ensuing year.
5. To elect Patrons for the ensuing year.
- 5.1. Nomination for Life Membership - Mrs Pauline Tees. A vote will be conducted at the Annual General Meeting.
6. To deal with any General Meeting Business that may be properly brought before the Meeting.
7. To declare who will be Office Bearers for the ensuing years.

By Order of the Committee

Brendon Kop  
General Manager

July 25, 2012

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 10TH AUGUST, 2012 (PARAGRAPH 75(e)-CONSTITUTION).



The 2011/2012 has again presented us with many challenges. While our financial result remains at a loss, we have continued to trim costs and generate new sources of revenue to ensure our club remains a viable operation.

It is sad to see many clubs being forced to the wall or to merge with stronger clubs in the recent tough economic times.

While there has been much speculation as to what direction the club will pursue in the future, let me be perfectly clear about the following.

1. The NAB – has been very supportive of our endeavours to sort through the development and merger options currently under review. The information we have been providing the Bank has been well received and it is expected the Bank will continue to be supportive.
2. The Development – At the time of writing this report, the Development Committee and the Board have multiple development proposals under review, including the initial proposal which has been on display for 12 months.
3. Merger – To ensure we cover all our bases, the Board felt it was prudent to open discussions with interested clubs. While this may not be our most desirable option, it is an option which must be investigated and will continue to be investigated.

Moving forward, it must be said we have a club which is more than capable of generating strong profits as soon as we can relieve the burden of interest payable on our debt.

It is very clear from our results, the Bar income and golf course income have remained stable this year, as have our expenses.



The major contributing factor to our poor result is the decline in poker machine revenue. This can readily be attributed to the age condition and type of machines we still have on the floor. We have not been able to attract the big players, which is having an obvious impact on our results.

Special thanks to Brendon and his staff, Josh and his staff and Jonathan Green and staff for another excellent job maintaining

our facilities and servicing our needs. Thanks also to the members of the Board for the time and effort put in serving the club.

Lastly thank you to the members for your ongoing support. As always we need your continued support.

Yours sincerely,

**Greg Taylor**

PRESIDENT

This has been a difficult year, even though the loss for the year is reduced substantially from last year. It has necessitated keeping a constant watch on our cashflow. Spending has been reduced to a minimum. The committee has been constantly looking for ways to increase revenue and reduce costs. It has now got to the stage where a number of items used for upkeep of the course need constant repairs. Our green staff have excelled in keeping the course in the condition it is in despite lack of numbers and the aged equipment.



and update fittings within the clubhouse. The committee is of the view that this is a much more desirable road to travel down than the alternative option of amalgamation with another club.

I must thank Ian Forrester for his work in monitoring the cashflow of the club, the rest of the Committee and the staff for their support during this period.

**Stephen Critchley**

The bank has been reasonably supportive in its actions; however the costs associated with our loans are a major cause of our cashflow problems. The decline in our poker machine takings is also exacerbating this problem.

The Development Committee is working on a number of proposals with various developers. Provided we can achieve a suitable outcome from one of these proposals we should be able to eliminate our debt, replace outdated equipment

It seems like only yesterday I was presenting my 1st General Manager's report to the members, well after some very challenging years, this is my 7th report. It certainly has not been an easy ride and sometimes I feel jealous at my industry colleagues and the debt free environment they operate in. That said, nothing makes me prouder than being the General Manager of Penrith Golf Club. I absolutely love the Club, the staff and the members and I am truly grateful to be in the position that I am.



We have once again faced some very trying trading conditions and the frustration that we have not been able to get the Housing for Seniors development sign, sealed and delivered (although we have made some big progress and should have a result in the very near future).

Our financial result for the 2011/2012 trading year was a disappointment with a loss of \$28,378 although this was improved on last year's result (\$84,165 loss).

Our membership numbers overall increased from 3859 to 4055. The majority of the increase in membership was in our social membership category, with a slight decline in golf membership. The golf industry is facing declining memberships globally and concerted efforts are being made to retain and gain new golfing members. Jack Newton Junior Golf has been working hard in local schools, our Cadet program continues to flourish (thanks to the Pro Shop) and Golf Australia is working hard to drive membership. The Board of Directors and management of the Club are constantly trying to devise programs to attract new members and there is something in the pipeline to thank our longer term members for their loyalty. Golf just isn't what it used to be and we are desperately crying out for another Greg Norman.

Our bar trading was \$878,271 for the year which was down \$4,008 on the previous year. This figure should have been much higher except for the extensive periods of rain that affected our trading. I must thank the loyal members who patronised the Club during the rained out days,

especially the Saturdays. Our function room trading was again very good and we continue to have the room booked out most Fridays and Saturdays.

Last year our gaming revenue was down \$134,496, which is the major contributor to our trading result. It has been some time now since we have upgraded any of our gaming fleet and this has led to diminished player appeal for our machines. Anyone in the

industry will tell you, the gaming fleet must be continually upgraded to grow gaming revenue. Our antiquated payout system is also a problem with many Clubs now providing an automatic payout system. There is a great opportunity for the Club in gaming, however we need to spend some money to make more money in this area.

The Club industry despite being a very tough environment, managed to have a major win earlier in the year against the proposed Federal Government mandatory pre-commitment legislation for gaming machines. Had this legislation become a reality, it would have resulted in an expenditure of \$60-\$80K of which would never have been recoverable expenditure. It would also have resulted in an even greater downward trend in gaming revenue as patrons would not use the pre-commitment card to play gaming machines.

Our golf course trading was up this year in subscriptions, however our green fees and competition fees were slightly down. Our expenditure on the golf course was dramatically up last year as we fought against our old fleet of equipment constantly breaking down and the increases in chemicals to maintain the golf course (below is a breakdown).

Course R&M	\$75,120	up \$17,604
Machinery R&M	\$64,421	up \$17,639
Oil & Fuel	\$35,357	up \$9,859

To assist in reducing our machinery R&M we are looking into leasing new green keeping machinery rather than purchasing from our cash reserves. This will enable the Club to turn

over equipment every 3-5 years with very little to spend in R&M and we will constantly have a modern fleet grooming our golf course. I can only imagine how much better our golf course will present.

The Club participated in a NSW State Government WaterSmart Farms program over the past 2 years. This funding resulted in a site audit identifying turf improvement programs and water saving initiatives, as well as paying for new pumps in our irrigation dam and a new Vertidrain aerator for our compacted fairways. I think I was 16 or 17 years old the last time our fairways were cored properly. The site audit is a fantastic tool for the Club to focus on key areas of improvement for sustained turf growth and soil improvements.

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

- Andy's Army – Andrew Murdoch, Kevin Thomson, John Thurchly, Albert Sinclair, Colin Holmes, Ian Norman, Robert Proctor, Geoff Wilson, Ross Clissold and Gail Chabros (morning tea scones) for their weekly volunteer work on the golf course
- John Watkins for his voluntary assistance with golf competition management. John goes above and beyond every Wednesday and Saturday and is a huge asset for the Club
- Gavin Swift from Swifts Sweeping for providing the cleaning services to maintain our driveway and car park area

I would also once again like to thank the members who took advantage of the early bird membership renewals. 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 2012. The Club industry is all about the people who belong to it and I am so proud to have so many dedicated supportive members.

To Adrian Vanderwert, Adam Benson, Jade Swift and all the remainder of the bar staff thank you for an outstanding job. The bar staff are an asset to the business and enjoy a very good relationship with all of our members and are

the key reason why we have so many members frequenting the Club.

Our Administration Office has once again been very understaffed and in many cases this has led to some very stressful times. The systems we operate with are many and various, which lead to great frustration. The girls do a fabulous job despite the lack of resources and are a credit to themselves and the Club. They are a joy to work alongside and save me a great deal of time preparing reports and solving problems that arise.

To my maintenance / cellarman Charlie, thank you for all your duties. Charlie maintains the 'all important' beer lines, takes deliveries and more often than not is repairing broken gaming machines, furniture and equipment. Charlie is Captain versatile and is a great asset to have as he saves the Club plenty of money rather than paying trade's people.

Thank you to Jonathan Green and his staff as they continue to provide a first class environment 'down the Pro Shop'. The Pro Shop staff has been fantastic assisting with corporate and charity golf days, starting our fields, accommodating members requirements and teaching the youngsters how to play the game. There is no question that Jonathan Green has once again been the catalyst to the number of members we have and the number of golf days and social groups we get.

To our Course Superintendent Joshua Lockett and his staff, thank you for a job well done. The boys seem to suffer the 'Augusta Effect' from time to time with high expectations of what the golf course should look and perform like based on a very small budget, with very old machinery and a severe lack in staff numbers. The golf course is still amongst the best in the state and certainly in our local area. It is through their diligent efforts that we have the quality golf course that we can all be proud of.

Late last year I hosted a group of Golf Club managers from Golf Management Australia (GMA) and they were all suitably impressed with our golf course. They all manage top private golf clubs and the comments coming back were nothing but praise for the golf course. They

loved our pure couch fairways with two of them commenting they were amongst the best they have ever experienced (and they get to play some very good golf courses from NSW to Royal Sydney).

I would like to thank the Board of Directors and particularly the Development Committee for their time and commitment to the Club. There has been many, many hours spent in meetings trying to get the development over the line, whilst having to concentrate on everything else. I look forward to welcoming the new Directors who will hopefully bring some fresh, new ideas that can stimulate improved business performance.

To our Club Caterer Phil Scott of Citrus Café & Grill, thank you. Phil and his staff have done a great job delivering affordable, high quality food. The front kitchen is a nightmare to work efficiently and effectively in, but they manage to get the job done. We are looking forward to

improving our kitchen to assist improving the service, as well as increasing our dining room to cater for more patrons.

Finally, thank you once again for your support of our great Club. I look forward to the challenges that lie ahead and moving towards (finally) realising the potential of Penrith Golf Club.

Yours sincerely,

**Brendon Kop**

General Manager

Playing golf at Penrith continued to be a rewarding experience for both members and visitors throughout this very challenging year.

Prolonged wet weather led to new challenges for the Green's staff, Pro Shop team, Competition organisers and Club staff, but this great team of people raised their efforts to ensure everyone enjoyed their golf and Club facilities

A very special thanks to the Green's staff, ably led by Course Superintendent Josh Lockett to give us somewhere to play each week – this team was well supported by the Green's Committee, who (without the burden of day to day issues) were able to provide guidance and assistance. The volunteer Andy's Army team must also be congratulated for their continued contribution

Another tireless effort from our Handicapper John Watkins, ensured competitions ran smoothly, rules interpretations were consistent, and handicapping was managed seamlessly – a very special thanks is given yet again to John, for his efforts and successes in these areas

Vice Captain Jamie Ford and Rodney Sutherland were again instrumental in ensuring competitions ran smoothly, and together with Lady Captain Julie Preskett, Kerry Roelandts and John Stasiuk formed a very effective Match committee, ensuring members continued to enjoy their golf

Club Professional Jonathan Green and his Pro Shop staff are "face" of golf for visitors and members, and continued to provide their special brand of service and humour through a generally tough year – thanks guys

The Registered Club with General Manager Brendon Kop and his team continued to make available a wide range of member services for golfers, but player support for these efforts was down on expectations.

Wet weather resulted in the deferment of the Men's Club Championships until October, so many of our Major Trophies are still undecided.



The Top Gun champion this year was Jeremy Barnes, who played powerfully throughout the Final for an excellent win. This very popular event was again well supported by members, with special thanks to Greg Taylor for refereeing, and the Ladies Committee for marshalling the Final

Our Autumn and Masters Cup (4 person team stroke event) was won by Graeme Howland, David Limbach, Brian Parsonage,

and Terry Saunders, with Steven Wise, Clark Gibbons, Graeme Scott and Ryan O'Sullivan winning the Nett event

Pennant Golf was again popular with the Club fielding teams in the Metropolitan A, B and C Grade Pennant series, as well as Eric Apperly, Masters, and Senior Masters competitions

The Match committee continued to provide extra opportunities for player enjoyment by varying its week end and week day fixtures list.

Slow play continues to be a challenge for both players and your Club Management. The Match Committee will provide a greater focus on this aspect of play to ensure greater player enjoyment of our great game

I thank all members for their patience and perseverance during this unsettled year, and we will do all we can to ensure you continue to enjoy your golf at Penrith

Ian Forrester

Captain

	<b>2011</b>
<b>Foursomes Champions</b>	G. Howland
	D. Limbach
<b>Foursomes Champions Runners up</b>	A. Macklinshaw
	D. Hughes
<b>Mixed Foursomes Champions</b>	D. Montgomery
	B. Parsonage
<b>Mixed Foursomes Champions Runners up</b>	T. Warne
	P. Watts
<b>Spence Wood Knockout</b>	K. Kim
	I. Napier
<b>Captain's Knockout</b>	R. Jensen
<b>Captain's Knockout Runner up</b>	T. Newman
<b>Parent &amp; Child Cup Winners</b>	T. Morrison
	B. Morrison
<b>Vice Captain's Silver Putter</b>	C. Gibbons
<b>Medal of Medals</b>	B. Newman
	<b>2012 TO DATE</b>
<b>Top Gun</b>	J. Barnes
<b>Autumn Cup</b>	S. Wise
	R. O'Sullivan
	C. Gibbons
	G. Scott
<b>Masters Cup</b>	G. Howland
	D. Limbach
	B. Parsonage
	T. Saunders

*Championship events postponed to October 2012*

As you well know, the last 12 months have been horrendous. The record rainfall, that was continuous for much of the summer saturated the Course. The geography and geology make our Golf Course very difficult to maintain during prolonged wet periods. Combined with the old and deficient drainage, conditions have been very difficult for players and ground staff alike. Josh and his small crew have done an excellent job during the year.



various other jobs too numerous to mention. A big thank you on behalf of the Greens' Committee, the Board and the members to these volunteers. There is a members' day in the wind that should be a resounding success if lots of members turn up for an hour. If you would like to participate in Andy's Army please contact Kevin Thomson.

I would like to thank the Greens' Committee Clark Gibbons, Jamie

Ford, Rod Sutherland and Josh Lockett for their help during the year.

I would also like to thank Josh and his crew for their efforts in maintaining our Golf Course.

I have been on the Board for fifteen years, and this is my twelfth and final Greens' Report. Unfortunately, due to my physical condition I am unable to stand for re-election. If I can assist the incoming committee in any way I would be only too happy to do so.

**Jonathan Llewelyn**

Chairman

Unfortunately our machinery is old and dilapidated and some of it must be replaced urgently, if we are to expect our Course to be maintained to a standard of a quality Course. We have finally received our Vertidrain which will be used extensively on all fairways. It will aerate the ground, allowing the soil to dry and the grass roots to strengthen. Work will commence in mid August, as soon as we receive the counter-weight for the tractor. Hopefully, in the near future finances become available to replace the majority of our equipment, \$500,000 is needed urgently.

Andy's Army again has been an enormous help to Josh and his staff in carrying out numerous tasks including, collecting and emptying garbage cans, pruning, weeding and mulching gardens, painting seats and bridges, placing signs and boundary pegs, cleaning drains and

Members have been kept informed during the year of the position regarding a development on Penrith Golf Club land.

Unfortunately the Development the Committee had been expecting to progress at the end of 2011 did not come to fruition.

The Committee has been looking at other development options since January 2012 as well as researching any possible merger options should a development not be possible.

Three new developers have presented proposals to the Committee which would result in an over 55's development on our land and achieve the ultimate aim of repaying the clubs debt. In discussions with the developers the committee has been mindful that it would not be appropriate to subject the club to a high risk plan as the long term future of the club is paramount.

At this point there are two proposals that appear suitable for PGC and the committee expects to have a presentation ready for the Annual General Meeting in August showing the



preferred option/s.

At the time of printing the Annual Report, final discussions were being held with these developers.

The members of the committee, Jonathan Llewellyn, Clark Gibbons, Ian Forrester and Brendon Kop have spent many hours working for the clubs future and my appreciation goes to them. The advice given to the committee by Greg Taylor has also been very valuable.

### **Bob Jensen**

Chairman

The past 12 months saw Penrith Golf Club endure some of the most extreme weather events seen. The summer months alone (Dec-Feb) receiving a total of 455mm of rainfall along with flash flooding and severe thunderstorms. Along the way this saw major damage to the golf course with dam walls breaking, dam weed being strewn across greens and bunkers being totally stripped of sand back to the sub-base.



The working bee continue to do a great job on the course helping out with the odd jobs such as mulching, edging pathways, painting and any other allocated duties and repairs, and John Thurchly for his super efforts keeping our dam banks neat and tidy.

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

Budget restraints have seen minimal works and improvements to the course, the unsightly area between the 4th & 5th holes (rough) was made into a 'dry river bed' look which allows surface water to run through and into the existing drainage line.

Thanks to Government funding with the Water Smart Farms Project we saw 3 new irrigation pumps finally installed after having the old ones for 16+ years which were unreliable in times of need, along with the pumps we took delivery of a fairway verti-drain which will help relieve soil compaction and allow more water flow into the soil profile.

To all my staff, Andrew, Sean, Jim, Matty & Andy I can't thank you guys enough for your efforts throughout the year in what can be tough times with our limited numbers and resources. I would like to wish both Andrew & Matty all the best for the future in their chosen paths and thank you for your loyal services over the years.

To Brendon Kop and your staff thank you and well done.

Thankyou to Jonathan Green and the pro-shop staff Anthony & Ray for an outstanding job, the communication I receive about upcoming 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, thank you for your input and your monthly course requirements which are a big help to both me and my staff.

Yours On The Greens

**Joshua Lockett**

Another twelve months has flown by in the golfing world which provided many highlights and at the same time many challenges.

The retail trade is experiencing a major change with the rapid rise of online shopping and golfing products being a popular internet commodity. However, the consumer needs to be aware internet shopping has its pitfalls, especially non genuine product which we see on a daily basis. Obviously the modern consumer is much more technically aware, however that does not substitute for personalised club fittings which the Pro shop provides at no additional charge. Also I would urge all members to seek a quote from us on any golfing product before they purchase off course. I believe you will be pleasantly surprised.

I would like to take this opportunity to thank the Board of Directors for their vigilance throughout a particularly challenging year, especially in their endeavours to secure the course development which is nearing a positive conclusion.

Many thanks go to Brendon Kop and his clubhouse staff, from office to bar and beyond. Good communication between the Pro shop and clubhouse is vital and I thank them for it.



Josh Lockett and his staff continued to provide us with a very playable course every week, despite much inclement weather and a limited budget.

Of course I must thank my loyal staff members, Anthony, Ray and Alex who provide me with invaluable assistance and I believe are a real asset to Penrith Golf Club.

In closing I thank every member for their understanding, patronage and good cheer throughout the year and I wish them every success in the upcoming year both on and off the course.

Yours in Golf

**Jonathan Green**

The ladies first open day Penrith Cup for 2012 was held on 22nd March. Our raffle on the day raised \$217.00 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 of our lady members this year with the passing of Morag Penman in July last year. Morag was much loved and respected by her fellow golfers and will be sorely missed.



Charity Day for the Special Unit at Werrington School was held on 29th September 2011 and was again a great success raising \$13,500.00. 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 grand total of \$229,000.00 for the Special Unit. 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 4th October 2012. Please contact any one of the Ladies on the Committee if you can assist in any way on this day.

A big thank you to all the ladies who assisted with morning teas and lunches, raffles and donations on our Open Days as well as when we hosted Pennants at Penrith Golf Club.

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.

This will be my last report as I will be standing down from the Ladies President position, having done 5 years, which is the limit for holding a particular position on the committee.

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

**Leona Clissold**

Ladies President

It is a pleasure to give a Ladies Captain's Report for the first time in the Club's Annual Report.

The number of players in our fields each week is holding strong which is enabling us to maintain the three divisions and on occasions four divisions, unlike other clubs that are struggling to run two divisions. There is a definite loss of lady membership across the golf clubs in our district, so we have been lucky so far not to have been affected.

The modified version of Australia's New Handicapping System that came into effect last September has settled down and the feedback from Golf NSW has been positive.

The past year has been busy with the hosting of the Women's Golf Nepean District Tournament as well as their District Foursomes. Although this creates an enormous amount of extra work for the Committee these events helped our finances which were down from loss of competition due to the wet weather.

Well done to all who competed in our Club Championships this year and congratulations go to Club Champion Joanne Ogle, there seems to be no stopping our 2011 Top Gun Joanne. Division II Champion was Tracy Morrison and Division III Champion Christine Lord.

Our Foursomes Championship was taken out by Vicki Hall and Gail Chabros and Division II was won by Karen Black and Chris Lord.

Pennants this year have been well supported. Our Grade Team in Golf NSW Metropolitan made an excellent improvement on previous years, actually finishing equal second in Grade 6. In Women's Golf Nepean District, Pennant 1 is still competing and are sitting mid field. This year Pennant 2 fielded 2 new players in the team, so look out next year now that they know the courses and have experienced match play. Thank you to all those ladies that participated including the reserves and caddies.

We were successful in one of our Inter Club Events, Friendship Day held against Richmond.



Hopefully we can retain the Cup again this year and our hopes for Triangle Cup success are looking very good.

A special thanks to all the ladies who represent our Club in various events, Pewter Plate, Coronation Medal, Bronze Medallion, WGN Tournament, Finals Day Golf NSW and WGN, and Inter Club Events your effort is greatly appreciated. Don't forget to participate is an honor it does not matter how you

performed.

Thank you to the Men's Captain Ian Forrester and the members of the Match Committee, Rod Sutherland and Jamie Ford who show Kerrie Roelandts (Vice Captain) and myself respect and support for any Ladies issues that we raise and the involvement in other issues in running competitions and for the betterment of the club.

Thank you to Jonathan for all his support through the year as well as his team Anthony, Ray and Alex, they not only start the field each week but their help given behind the scene in other areas is much appreciated.

Josh Lockett, our Course Superintendent has kept our course in the best possible condition with the wet conditions and the shortfall of funds. I thank Josh and his team for their good work and for presenting us with a course that we can all still be proud of. Of course (Andy's Army) is still making a big difference on and around the course so thank you all for your hard work.

Thank you to all the Directors on the Board, Brendon, Jeannette and staff.

Last but not least a big thank you, to you the members for being patient when things don't quite work out as they are supposed to.

## Julie Preskett

Lady Captain 2012

**2011**

<b>Foursomes Champions Division 1</b>	Gail Chabros & Vicki Hall
<b>Foursomes Champions Division 2</b>	Karen Black & Christine Lord
<b>Medal Of Medals</b>	Karen Black
<b>Singles Knockout</b>	Tracey Warne
<b>Fourball Knockout</b>	Gail Chabros & Bronwyn Koppensteiner
<b>Presidents Bowl</b>	Christine Lord
<b>Ladies Top Gun</b>	Joanne Ogle

**2012**

<b>2012 Club Champion</b>	Joanne Ogle
<b>Nett</b>	Tracey Warne
<b>Division 2</b>	Tracy Morrison
<b>Nett</b>	Kerry Mcnaughton
<b>Division 3</b>	Christine Lord
<b>Nett</b>	Beatrice Corradin
<b>Patroness Trophy</b>	Tba
<b>Veteran Shield</b>	Tracy Morrison
<b>C.E.O. Trophy</b>	Joanne Ogle

**PENRITH GOLF AND RECREATION CLUB LIMITED**

*(A Company Limited by Guarantee)*

ABN 54 000 377 499

**FINANCIAL STATEMENTS – 31ST MAY, 2012**

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## Directors' Report

### For the year ended 31st May, 2012

The Directors present their report together with the accounts of Penrith Golf and Recreation Club Limited for the year ended 31st May, 2012.

### 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	JENSEN, Robert
CRITCHLEY, Stephen	FORD, Jamie	*STASIUK, John

\* Stood down 17th February 2012 (no replacement for position)

### Company Secretary

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

Brendon Mathew Kop was appointed company secretary on 16 June 2011 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:

	<b>2012</b>	<b>2011</b>
Social Members	3458	3185
Full Members	308	354
5 Year Term Members	7	5
3 Year Term Members	13	11
Lady Members	43	47
3 Year Term Lady Members	1	1
Five Day Members	63	62
Six Day Members	13	15
Young Male Adult Members	23	21
Young Lady Adult Members	1	2
Student Members	1	3
Senior Members	49	49
Junior Members – Male	21	34
Junior Members – Female	3	3
Lady Senior Members	8	11
Sponsorship Members	13	23
Ordinary Senior Male Members	12	15
Ordinary Senior Lady Members	13	12
Absentee Members	0	1
Concessional Members	4	4
Term Life Members	1	1
<b>Total</b>	<b>4055</b>	<b>3859</b>

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

## Directors' Report (cont.)

### For the year ended 31st May, 2012

#### Result

The operating (Loss) for the year amounted to \$28,378 (2011: Loss \$82,165) after charging \$169,707 for depreciation (2011: \$182,268).

#### 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:

	2012	2011	Increase/ (Decrease) \$	Movement %
Poker Machine Net Revenue	861,160	995,656	(134,496)	(13.51)
Bar Sales	878,271	882,279	(4,008)	(0.46)
Subscriptions/Entrance Fees	420,879	333,648	87,231	26.15

#### State of Affairs

The Club's total equity of the Members decreased by \$28,378 for the year while the working capital of the Club decreased from \$382,850 in 2011 to a deficiency of \$426,070. In addition, the cash on hand and at the Bank increased from \$275,307 in 2011 to \$298,514.

#### 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, 2012 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, 2012.

## Directors' Report (cont.)

For the year ended 31st May, 2012

### 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	Captain	July 2009
SUTHERLAND, Rodney	Title Searcher	Director	August 2001
CRITCHLEY, Stephen	Accountant	Treasurer	January 2001
FORD, Jamie	Company Director	Vice Captain	August 2008
STASIUK, John*	Builder	Director	August 2010
JENSEN, Robert	Retired	Director	August 2010

\* Stood down 17th February 2012 (no replacement for position)

### 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	11	11	15	16
LLEWELYN, Jonathan	10	11	23	26
GIBBONS, Clark	10	11	18	27
CRITCHELY, Stephen	9	11	16	16
FORRESTER, Ian	10	11	21	23
FORD Jamie	9	11	16	21
JENSEN, Robert	11	11	14	17
SUTHERLAND, Rodney	11	11	21	21
STASIUK, John	8	9	17	18

A – Number of meetings attended

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

\* The April Board meeting unable to establish a quorum. May Board meeting was a joint April/May Board meeting.

## **Directors' Report (cont.)**

**For the year ended 31st May, 2012**

### **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 \$2,241.25 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 2012 has been received and can be found on page 5 of this report.

Dated at Penrith this 7th day July 2012.

Signed in accordance with a resolution of Directors



GREG TAYLOR - DIRECTOR

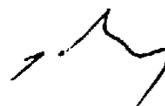


STEPHEN CRITCHLEY - DIRECTOR

**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, 2012 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, 2012

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 2012

	Notes	2012	2011
			\$
<b>Revenue from Continuing Operations</b>			
Sale of goods		878,271	882,279
Rendering of services		2,084,191	2,047,529
Financial Income		4,537	3,951
		<u>2,966,999</u>	<u>2,933,759</u>
<b>Total Revenue from Continuing Operations</b>			
Course expenses		(574,383)	(574,169)
Poker Machine expenses		(203,210)	(206,327)
Bar expenses		(612,969)	(624,217)
Administration expenses		<u>(1,199,115)</u>	<u>(1,183,935)</u>
Earnings before borrowing costs, tax depreciation and amortisation		377,322	345,111
Depreciation and amortisation expense		(169,707)	(182,268)
Financial expenses		<u>(235,993)</u>	<u>(245,008)</u>
Profit/(Loss) before income tax		(28,378)	(82,165)
<b>Income tax expense relating to ordinary activities</b>	(d)	-	-
Total Comprehensive (Loss) for the year		<u>(28,378)</u>	<u>(82,165)</u>

The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.

## Statement of Financial Position

As at 31st May 2012

	Notes	2012	2011
			\$
<b>Current Assets:</b>			
Cash and cash equivalents		298,514	275,307
Inventories	3	33,882	34,849
Other	4	17,892	15,161
Total Current Assets		<u>350,288</u>	<u>325,317</u>
<b>Non-current Assets:</b>			
Property, plant and equipment	5	15,829,225	15,824,108
Total Non-current Assets		<u>15,829,225</u>	<u>15,824,108</u>
Total Assets		<u>16,179,513</u>	<u>16,149,425</u>
<b>Liabilities:</b>			
Trade and other payables	6	192,834	246,483
Interest-bearing loans and borrowings	7	19,748	25,175
Provision & Employee benefits	8	102,586	104,441
Other	11	461,190	332,368
Total current liabilities		<u>776,358</u>	<u>708,467</u>
<b>Non-current liabilities:</b>			
Interest-bearing loans and borrowings	7	3,211,092	3,230,839
Employee benefits	8	98,700	88,378
Total Non-current liabilities		<u>3,309,792</u>	<u>3,319,217</u>
Total liabilities		<u>4,086,150</u>	<u>4,027,684</u>
Net Assets		<u>12,093,363</u>	<u>12,121,741</u>
<b>Members' Equity:</b>			
Reserves		13,065,112	13,065,112
Accumulated Losses	12	(971,749)	(943,371)
Total members' Equity		<u>12,093,363</u>	<u>12,121,741</u>

The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.

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

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## Statement of Changes in Equity

For the year ended 31st May 2012

	Notes	2012	2011 \$
Opening Balance 1 June 2011		12,121,741	12,203,906
Profit/(Loss) for the period		<u>(28,378)</u>	<u>(82,165)</u>
Closing Balance 31 May 2012		<u>12,093,363</u>	<u>12,121,741</u>

*The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.*

## Cash Flow Statement

For the year ended 31st May 2012

	Notes	2012	2011 \$
<b>Cash Flow From Operating Activities</b>			
Receipts from Member & Guests		3,219,354	3,157,353
Cash payments to Suppliers and Employees		<u>(2,769,340)</u>	<u>(2,785,595)</u>
<b>Cash generated from operations</b>		450,014	371,758
Interest received		4,537	3,951
Interest paid		(231,346)	(239,629)
<b>Net Cash from operating activities</b>	14	<u>223,205</u>	<u>136,080</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(174,824)	(32,599)
<b>Net cash from investing activities</b>		<u>(174,824)</u>	<u>(32,599)</u>
<b>Cash Flows from financing activities</b>			
Repayment of borrowings		-	(123,000)
Payment of finance lease liabilities		(25,174)	(45,174)
<b>Net cash from financing activities</b>		<u>(25,174)</u>	<u>(168,174)</u>
Net (decrease) in cash and cash equivalents		23,207	(64,693)
Cash and cash equivalents at 1 June 2011		275,307	340,000
Cash and cash equivalents at 31 May 2012		<u>298,514</u>	<u>275,307</u>

*The attached notes on pages 27 - 37 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, 2012

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure requirements and interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARDS

The Club has elected to apply the following pronouncements to the annual reporting period beginning 1 April 2011:

- AASB 1053 application of Tiers of Australian Accounting Standards and AASB 2010 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*

The early adoption of AASB 1053 enables the Club to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements. The Club is eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements and has adopted the requirements of the standard effective for the financial year ended 31 May 2012.

#### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis<sup>2</sup> 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.

**Notes to the Financial Statements (cont.)****For the year ended 31st May, 2012**

- 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.

**(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 \$33,882 (2011: \$34,849). 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 balance sheet.

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 balance sheet 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.

**(i) Trade and Other Payables**

**Notes to the Financial Statements (cont.)****For the year ended 31st May, 2012**

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 2012**

**2 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 2012 the Company recorded a (Loss) of ( \$28,378 ) (2011: Loss \$82,165). In addition, the Company has current liabilities of \$776,358 as at 31st May 2012. 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 \$298,514 as at 31st May 2012 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.

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
			<b>\$</b>
<b>3 Inventories</b>			
Finished goods - at cost		<u>33,882</u>	<u>34,849</u>
<b>4 Other Assets</b>			
Current			
Prepayments		<u>17,892</u>	<u>15,161</u>

**Notes to the Financial Statements (cont.)****For the year ended 31st May 2012**

	<b>Notes</b>	<b>2012</b>	<b>2011</b>
			<b>\$</b>
<b>5 Property, plant and equipment</b>			
Land at valuation		14,105,000	14,105,000
Development costs - re land sale		87,755	-
Course improvements (at cost)		341,967	341,967
Less accumulated depreciation		<u>(165,995)</u>	<u>(148,756)</u>
		<u>14,368,727</u>	<u>14,298,211</u>
 <b>Building and improvements</b>			
At cost		1,832,046	1,829,954
Accumulated depreciation		<u>(865,872)</u>	<u>(822,824)</u>
		<u>966,174</u>	<u>1,007,130</u>
 <b>Plant and equipment</b>			
At cost		2,773,074	2,688,097
Accumulated depreciation		<u>(2,278,750)</u>	<u>2,169,330</u>
		<u>494,324</u>	<u>518,767</u>
 <b>Total property, plant and equipment</b>		<u>15,829,225</u>	<u>15,824,108</u>
 <b>Core Assets</b>			
The Land Buildings and Course are classified as Core Assets as defined under the Registered Clubs Act 1976 (NSW) and Regulations.			
 <b>Valuation of Property</b>			
The last 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.			
 <b>6 Trade and other payables</b>			
Trade payables		107,374	144,236
Non-trade payables and accruals		<u>85,460</u>	<u>102,247</u>
		<u>192,834</u>	<u>246,483</u>

**Notes to Financial Statements (cont.)**
**For the year ended 31st May 2012**

	Notes	2012	2011 \$
<b>7 Interest-bearing loans and borrowings</b>			
<b>Current</b>			
Bank Loan - Secured			-
Finance lease liabilities	13	<u>19,748</u>	<u>25,175</u>
		<u>19,748</u>	<u>25,175</u>
<b>Non-Current</b>			
Bank loan - secured		3,197,000	3,197,000
Finance lease liabilities	13	<u>14,092</u>	<u>33,839</u>
		<u>3,211,092</u>	<u>3,230,839</u>

**The Company has access to the following lines of credit:**

Facilities available:

Loan - National Australia Bank	<u>3,197,000</u>	<u>3,197,000</u>
	<u>3,197,000</u>	<u>3,197,000</u>

Facilities utilised at reporting date:

Loan - National Australia Bank	<u>3,197,000</u>	<u>3,197,000</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 7.273%.

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 Financial Statements (cont.)**

For the year ended 31st May 2012

	2012	2011
		\$
<b>8 Provisions &amp; Employee benefits</b>		
<b>Current</b>		
Poker Machine link payouts	259	304
Employee benefits	<u>102,327</u>	<u>104,137</u>
	<u>102,586</u>	<u>104,441</u>
<b>Non-current</b>		
Employee benefits	<u>98,700</u>	<u>88,378</u>
<p>The present values of employee benefits not expected to be settled within twelve months of the reporting date.</p>		
<b>9 Directors' Benefits</b>		
<p>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.</p>		
<b>10 Contingent Liabilities</b>		
<p>The Directors are not aware of the existence of any contingent liabilities as at the date of this report.</p>		
	2012	2011
		\$
<b>11 Other Liabilities</b>		
<b>Current</b>		
Income received in advance	<u>461,190</u>	<u>332,368</u>
<b>12 Accumulated losses</b>		
Accumulated losses at beginning of year	(943,371)	(861,206)
Net Profit/(Loss)	<u>(28,378)</u>	<u>(82,165)</u>
Accumulated losses at end of year	<u>(971,749)</u>	<u>(943,371)</u>

**Notes to Financial Statements (cont.)**

**For the year ended 31st May 2012**

	<b>2012</b>	<b>2011</b>
		<b>\$</b>
<b>13 Commitments and contingencies</b>		
Finance lease payment commitments		
 <b>Finance lease rentals commitments are payable:</b>		
Within one year	19,748	25,175
One year or later and no later than five years	14,092	33,839
	<u>33,840</u>	<u>59,014</u>
Less: Future lease finance charges	(7,201)	(11,848)
	<u>26,639</u>	<u>47,166</u>
 <b>Lease liabilities provided for in the financial statements:</b>		
Current	19,748	25,175
Non-current	14,092	33,839
	<u>33,840</u>	<u>59,014</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 7.

**Notes to Financial Statements (cont.)****For the year ended 31st May 2012**

	<b>2012</b>	<b>2011</b>
		<b>\$</b>
<b>14 Reconciliation of cash flows from operating activities</b>		
Profit/(Loss) for the period	(28,378)	(82,165)
<i>Adjustment for financing activities:</i>		
Finance and hire purchase charges	4,647	5,379
Loan interest expense	231,346	239,629
Add/(less) non-cash items:		
Depreciation & amortisation	169,707	182,268
<b>Operating profit/(loss) before changes in working capital and provisions</b>	<b>377,322</b>	<b>345,111</b>
(Increase)/decrease in inventories	967	(2,461)
(Increase)/decrease in other assets	(2,731)	15,731
Increase/(decrease) in accounts payable	(53,649)	84,309
Increase/(decrease) in other liabilities	128,822	(63,907)
Increase/(decrease) in provisions, employee benefits	8,467	2,305
Cash generated from operations	459,198	381,088
Interest paid	(235,993)	(245,008)
<b>Net cash from operating activities</b>	<b>223,205</b>	<b>136,080</b>

**Notes to Financial Statements (cont.)**

**For the year ended 31st May 2012**

**15 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:

**16 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
Jamie Ford	Director
John Stasiuk	Director
Robert Jensen	Director

**Other Key Management Personnel**

Brenden Kop	Secretary/Manager
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**b) Key Management Personnel compensation**

	Short Term Benefits	Post Employment Benefits	Total
	<b>Cash Salary &amp; Commissions</b>	<b>Superann- uation</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Total Compensation - 2012</b>	76,772	6,811	83,583
<b>Total Compensation - 2011</b>	76,575	6,811	83,386

**Notes to Financial Statements (cont.)****For the year ended 31st May 2012****17 Key Performance Indicators**

	<b>2012</b>	<b>2011</b>
<b>Bar</b>	<b>%</b>	<b>%</b>
Gross Profit Percentage	57	58
Wages to Sales Percentage	20	38
<b>Poker Machines</b>		
Expenses to Turnover	28	26
Wages to Turnover	17	14
<b>EBITDA</b>	0.91	0.64

**Directors' Declaration**

**For the year ended 31st May, 2012**

1. The directors of the Company declare that:  
The financial statements and notes, as set out on pages 6 to 22 are in accordance with the Corporations Act 2001:
  - (a) Comply with Accounting Standards - Reduced Disclosure Requirements and the Corporation Regulations 2001; and
  - (b) Give a true and fair view of the financial position as at 31st May 2012 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 2012**

in accordance with a resolution of the Directors



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GREG TAYLOR - DIRECTOR



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STEPHEN CRITCHLEY - DIRECTOR

## Independent Auditor's Report to Members

For the year ended 31st May, 2012

### Report on the Financial Report

We have audited the accompanying financial report of Penrith Golf and Recreation Club Limited ("the company") which comprises the balance sheet as at 31st May 2012 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 - Reduced Disclosure Requirements 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 (cont.)****For the year ended 31st May, 2012****Auditor's Opinion**

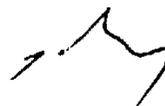
In our opinion:

- a. The financial report of 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 2012 and of the performance for the year ended on that date;and
  - ii. Complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 2 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.



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**HARLEY, RUSSELL & DAY**

Chartered Accountants

**GARRY WILLIAM DAY**

Registered Company Auditor

DATED AT SYDNEY  
THIS 10TH DAY OF  
JULY, 2012

## Disclaimer

### For the year ended 31st May, 2012

The additional financial data presented on pages 24 to 30 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, 2012. 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, 2012

**HARLEY, RUSSELL & DAY**  
Chartered Accountants

**Detailed Income and Expenditure Statement**
**For the year ended 31st May 2012**

	Schedule	2012	2011 \$
<b>Income</b>			
Net profit - bar trading	1	265,302	258,062
Net profit - poker machine trading	2	618,175	703,676
Grants Received		82,200	-
Interest received		4,537	3,951
Other commissions		2,502	2,834
ATM revenue		21,767	22,730
Bingo revenue received		-	8,536
Kids Club revenue		3,967	3,399
Rent received		3,712	2,790
Rent - cellsite		38,391	32,249
Room hire		11,056	11,779
Social membership subscriptions		12,000	30,376
Sponsorships received		7,254	9,009
Subscriptions received		420,879	333,648
Sundry income		7,646	1,098
		<u>1,499,388</u>	<u>1,424,137</u>
<b>Expenditure</b>			
Net loss - course trading	3	76,789	56,226
Net loss - TAB trading	5	31,077	25,115
Net Loss - Keno trading	4	7,194	2,231
Operating expenditure	6	<u>1,412,706</u>	<u>1,422,730</u>
		<u>1,527,766</u>	<u>1,506,302</u>
<b>Net Loss</b>		<u>(28,378)</u>	<u>(82,165)</u>

*The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.*

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

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**Schedule 1****Detailed Statement of Bar Trading****For the year ended 31st May 2012**

	<b>2012</b>	<b>2011</b>
		<b>\$</b>
<b>Bar sales</b>	878,271	882,279
Less: Cost of goods sold		
Opening stock	14,274	20,103
Purchases	384,774	361,971
	<u>399,048</u>	<u>382,074</u>
Less: Closing stock	<u>(23,106)</u>	<u>(14,274)</u>
	<u>375,942</u>	<u>367,800</u>
<b>Gross Profit</b>	<u>502,329</u>	<u>514,479</u>
	57.20%	58.31%
<b>Expenses</b>		
Beer Gas	3,735	3,705
Bar promotions	3,642	2,493
Cleaning	44,194	40,487
General expenses	3,772	3,962
Repairs and maintenance	3,265	2,832
Stocktaker's fees	3,494	3,157
Wages	174,925	199,781
	<u>237,027</u>	<u>256,417</u>
<b>Net Profit</b>	<u>265,302</u>	<u>258,062</u>

*The attached notes on pages 27 - 37 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 2012**

	<b>2012</b>	<b>2011</b>
		<b>\$</b>
Net taking before GST	939,447	1,042,533
GST on poker machine takings	<u>(78,287)</u>	<u>(86,877)</u>
Net poker machine takings	<u>861,160</u>	<u>955,656</u>
<b>Expenses</b>		
Cleaning	9,063	9,279
Data monitoring	18,315	17,806
Depreciation	39,775	45,653
Max Gaming	20,808	28,408
Poker Machine Duty	(15,768)	(3,422)
Repairs and maintenance	9,600	11,752
Wages	<u>161,192</u>	<u>142,504</u>
	<u>242,985</u>	<u>251,980</u>
<b>Net Profit</b>	<u>618,175</u>	<u>703,676</u>

*The attached notes on pages 27 - 37 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 2012**

	<b>2012</b>	<b>2011</b>
		<b>\$</b>
<b>Income</b>		
Green fees	287,934	286,567
Competition fees	221,657	246,200
Sponsorship income	30,837	27,995
Other course income	2,691	3,850
	<u>543,119</u>	<u>564,612</u>
<b>Expenses</b>		
Advertising	3,300	8,404
Administration	1,489	3,468
Depreciation	45,525	46,669
Electricity	11,902	9,666
Fuel and oil	35,357	25,498
General expenses	956	24,477
Pennants expenses	12,073	8,550
Professional retainer	6,360	6,120
Repairs and maintenance:		
- Course	75,120	57,516
- Machinery	64,421	46,782
- Water Systems	3,553	3,015
Seed, soil and fertilisers	14,655	12,296
Sponsorship expenditure	1,285	1,429
Tree planting	1,845	878
Trophies and prizes	47,383	50,478
Uniforms	1,154	1,449
Wages	293,530	314,143
	<u>619,908</u>	<u>620,838</u>
<b>Net Loss</b>	<u>(76,789)</u>	<u>(56,226)</u>

*The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.*

## Schedule 4

### Detailed Statement of Keno Trading

For the year ended 31st May 2012

	2012	2011 \$
<b>Commission</b>	<u>15,630</u>	<u>17,047</u>
<b>Expenses</b>		
Maintenance	6,313	4,222
Promotions	700	2,203
Keno expenses	-	271
Wages	15,369	12,370
Printing and stationery	<u>442</u>	<u>212</u>
	<u>22,824</u>	<u>19,278</u>
<b>Net Loss</b>	<u>(7,194)</u>	<u>(2,231)</u>

## Schedule 5

### Detailed Statement of TAB Trading

For the year ended 31st May 2012

	2012	2011 \$
<b>Commission</b>	<u>17,132</u>	<u>16,198</u>
<b>Expenses</b>		
Printing and Stationery	5,270	5,167
Repairs and Maintenance	6,347	3,433
SKY Channel	21,223	20,343
Wages	<u>15,369</u>	<u>12,370</u>
	<u>48,209</u>	<u>41,313</u>
<b>Net Loss</b>	<u>(31,077)</u>	<u>(25,115)</u>

The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.

**Schedule 6****Operating Expenditure****For the year ended 31st May 2012**

	<b>2012</b>	<b>2011</b>
		<b>\$</b>
Advertising	15,714	7,042
Affiliation fees	21,556	19,852
Audit	12,600	12,000
Bank charges	64,021	60,021
Bingo expenses	-	20,222
Computer expenses	21,021	20,028
Depreciation - Buildings and improvements	43,048	42,744
- Motor Vehicle	7,603	9,811
- Plant and furniture	33,756	37,391
Directors' expenditure	563	3,100
Donations	2,914	3,250
Electricity - club house	85,076	78,119
Entertainment expenses	18,201	6,639
Fringe Benefits Tax	3,901	3,901
Finance charges	4,647	5,379
Foxtel subscription	19,130	16,876
Insurance	83,246	83,848
Interest	231,346	239,629
Legal fees	-	132
Licenses	3,228	298
Manager's expenses	543	2,181
Members' amenities	5,750	4,640
Members' transport	8,710	10,872
Motor vehicle expenses	7,722	7,536
Occupational health and safety	17,267	15,797
Payroll tax	17,229	17,424
Poker	96,362	122,393
Printing, postage and stationery	31,993	33,718
Promotions	33,016	45,274
Provision for annual leave	(1,809)	(6,300)
Provision for long service leave	10,322	8,554
Rates	22,656	20,161
Carried forward	921,332	952,532

*The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.*

## Schedule 6 (cont.)

### Operating Expenditure

For the year ended 31st May 2012

	2012	2011 \$
<b>Brought forward</b>	921,332	952,532
Raffles net	19,841	23,797
Repairs and maintenance	70,189	69,432
Security	36,380	33,977
Sponsorship	7,970	240
Staff amenities	1,904	3,533
Staff drinks and meals	4,915	4,902
Staff training	3,544	697
Staff uniforms	2,689	-
Subscriptions	4,634	4,232
Sundry administration expenses	13,387	8,022
Superannuation contributions	75,824	75,636
Telephone	18,596	22,024
Wages - Administration	205,112	199,936
Waste haulage	26,389	23,770
Operating Expenditure	1,412,706	1,422,730

*The attached notes on pages 27 - 37 form part of the accounts and should be read in conjunction with these accounts.*