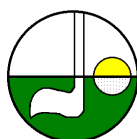


NAMBUCCA HEADS ISLAND GOLF CLUB LTD

ABN: 79 002 470 582

STUART ISLAND, PO BOX 89
NAMBUCCA HEADS NSW 2448



FINANCIAL REPORT

Year ended 30th June 2011

Notice is hereby given that the Annual General Meeting of the Nambucca Heads Island Golf Club Ltd, will be held at the clubhouse, Stuart Island, Nambucca Heads on Sunday, 30 October 2011 at 9:00am.

OFFICE BEARERS 2010-2011

President:	Mr Chris Thorndike
Vice President:	Mr Malcolm McGoldrick
Treasurer:	Mr Geoffrey McCann
Captain:	Mr Kerry McCoy
Vice-Captain:	Mr John Hopkins
Directors:	Mrs Coral McCann
	Mrs Rhonda Rowe
	Mrs Kay McGoldrick
	Mrs Lyn Grose

We wish to thank our Sponsors for their support

**Beatties Carpets Home Centre
Bellwood Fine Foods
Bowraville IGA
Caltex Highway Restaurant - Macksville
Captain & President – C Thorndike & K
McCoy
Cal's Butchery
Constantly Styled
Coelli Floor Sanding
Coffs Harbour Business Machines
Eyecare Plus
Davis Sea Foods
Destiny Motor Inn
Foodworks Macksville
Foreshore Caravan Park
Foleys Mini Excavators
Geoff King Coffs Harbour
Golden Sands Hotel
Guardian Pharmacy
Hibiscus Plumbing & Gas
Harvey World Travel
Hooykaas Lawry Valjan
In Touch Boutique
L'Oréal
Lion Nathan
McGoldrick Electrical
Mirramar Motel
MT Clothing – M Townsend & D McNally
Mr Nips - Peter Fredericks
Nambucca Heads RSL & Ex Services Club
Ltd
Nambucca Sports and Leagues
Nambucca Liquor Supplies (Geoff and
Peter Bush)**

**Nambucca Leagues Club
Nambucca Newsagency
Nambucca Plumbing Supplies
Nambucca Glass – Craig Marsay
Nambucca River Caravan Park

Nambucca Valley Computers
Nambucca Liberty Auto
Nelson Street Workers
Pacific Bay Resort Coffs Harbour
Prestige Body Works
Pizza This Pizza That
Peter Jackman
Peter Hutchinson
Peck Family
Ray Shelly Trident Paints
Reece Plumbing Supplies
Ray White Real Estate
Rovert Lighting
Sports First Nambucca
Star Hotel Macksville
Steve Barnes Golf Professional
Saxsby's
Switched On Lighting
TLE Electrical
Telstra Coffs Shop Harbour
Toohey's
Travelscene Macksville
3D Paint N Paper Coffs harbour
V Wall Tavern

White Albatross Holiday Centre**

***** Plus the many members who support
our golf by sponsoring individual
days Thank you***



AGENDA - ANNUAL GENERAL MEETING SUNDAY 30 October 2011 at 9:00 am.

1. Receive and confirm minutes of previous Annual General Meeting.
2. Receive and adopt reports of Directors and Office Bearers.
3. Receive and adopt the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow, Notes to the Financial Statements, Directors Report, Directors Declaration and the Independent Audit Report.
4. Notify result of Ballot and Declaration of Office Bearers for 2011-2012.
5. To elect Office Bearers to any vacant position following the declaration of Office Bearers.
6. Auditor: The Auditors, Hooykaas Lawry Valjan Chartered Accountants will continue in office in accordance with the provisions of the Corporations Law.
7. To consider any Notice of Motion received by the NHIGC Ltd.
8. General Business.

NOTICE OF MOTION ANNUAL GENERAL MEETING 2011

Notice of Motion: 1

Preamble: The motion passed at the 2010 Annual General Meeting for reimbursement of out of pocket expenses up to \$50 per month for Club Directors is due for review. The board of 2010/11 is of the opinion that an amount of \$50 per month would continue to be an adequate level of reimbursement.

Motion: That the Board of Directors be authorised to reimburse out of pocket expenses not exceeding \$50 per month to Club Directors. Further, that these out of pocket expenses so paid be reviewed each year during the Annual General Meeting.

Notice of Motion: 2

Preamble: It is moved by Kerry McCoy, seconded by Chris Thorndike, that consideration be given to reducing the total number of Board Members from 9 to 7. The reduction would result in only two (2) Directors rather than the current four (4) Directors being appointed.

Motion: It is proposed that Article 60, under the heading of "Committee" on page 17 of your Constitution be amended to read:

60. The Board shall consist of a President, Vice President, Captain, Vice Captain, Treasurer and two (2) Directors.

PRESIDENT'S REPORT – 2011

Mother Nature has again dealt us a harsh blow with many lost golfing days throughout the year. This of course hurts us both ways ... loss of both on and off course revenue as players stay away.

I'm sure you are aware of the poor state of the economy in non-resource rich states, particularly NSW and Victoria. All major retailers are suffering from a downturn in consumer spending, and this has certainly been the case with our Club, as members and guests are very careful with their discretionary dollar. Our Treasurer has detailed where we have been and where we are going and I encourage you to read his report.

The Board is very happy with the internal renovations to the Clubhouse and the feedback to date has been quite positive. My thanks go to Kell McGoldrick, his House Committee and Secretary-Manager David Mitchell for their input, and to Ray Shelly and his team of painters for a very professional job. There is still much to be done, particularly the Men's and Ladies' toilet facilities and work will commence when funding is in place.

Our Captain will detail the golf and non-golf happenings, but it's fair to say this has been a year to forget, with many events either transferred or abandoned. My congratulations to all this year's winners for their efforts, and also those of you who competed but didn't quite make it to the inner circle. The "Week of Golf" in August was also disrupted by the inclement weather but our many visitors seemed to still enjoy themselves. Some great work by our Greens staff saw that the course was playable. I played with five different visitors and all were complimentary of the condition of the course and the Clubhouse renovations.

A special thank you to all our staff who did a wonderful job in difficult circumstances. Secretary-Manager David Mitchell has proved to be very "hands on" and has led his people well. Our Greens Superintendent Luke Crawford and his small team have done a superlative job getting the course playable after the appalling weather, particularly the June flood.

Last, but by no means least, a huge tribute must go to the many volunteers who shoveled, raked and laid turf after that flood. It was hard to believe that days after the devastation we were playing, albeit over only nine holes. To those ladies who helped in the Clubhouse decorating for functions, organizing raffles and many other things, I thank you sincerely.

I also commend our Board of Directors for their work over the year, having to make some tough and sometimes unpopular decisions. I also thank those members of the various sub-committees who provide much of the advice on which decisions are made.

I sincerely thank our Sponsors, both members and corporations, for their support in a difficult business environment. I trust you recognize them and reciprocate whenever possible.

My condolences and those of the Board go to all who lost loved ones over the year. I wish everyone a happy and healthy year ahead.

Chris Thorndike

TREASURER'S REPORT

The Club incurred a book loss of \$113,703 for the year ended 30th June 2011. This includes non cash depreciation of \$145,255. Despite extremely adverse trading conditions, the Club still achieved a net cash trading result of \$51,121 from operating activities – refer Statement of Cash Flows, page 25.

After one of the wettest years on record, we did not need the Flood that occurred between 13th and 15th June – the last straw, if you like. I will elaborate on the financial results shortly, but a few words on where we are going ...

The Board realizes that the Club cannot continue to be simply a “Golf Club” and rely upon good weather, with a mediocre Bistro, a million dollar river view, but in old and dingy premises. A long term Financial Business Plan has been approved by the Board, outlining the Club's future business strategies for the next five years.

Beginning with the recruitment of a dynamic Secretary Manager with a proven record in resurrecting battling clubs - to examine the Club's systems and processes, eliminate waste and inefficiency, and improve customer service. It was obvious that our premises were working against us in attracting and retaining new business and functions, so the decision was made to undertake an interim renovation and furnishing upgrade, now largely completed. These have been well received by members and visitors. With assistance from Lion Nathan, we now have a new beer delivery system, which will not only solve our beer cooling problems, but will reduce gas consumption and wastage. A 10kw grid feed Solar System was installed last December, and this will help to insulate us against rising Electricity costs – the tariff received is financing the cost of the system.

Plans are well in place to attract large numbers of Social Golfers to the Island later this year for two inaugural Annual Challenges, and for return of these groups on a regular basis, through a loyalty program. Other social events involving the community and local business are also planned to attract new and return business. Live Bands to attract a younger audience will be a feature on a regular basis. Our marketing approach to specific segments is now formalised, with a detailed advertising budget set. There is already a steady monthly increase in new social members joining the Club, and in our function business.

Following the flood, we took the opportunity to undertake some major golf course improvements in conjunction with the damage repairs, notably, the construction of a network of golf cart pathways. As well as assisting with traffic flow around the greens and tees, these will allow the continued use of golf carts in periods of prolonged wet weather, with a resultant increase in income. This initiative has already proved its worth during two extremely wet days during Golfest in August, and continues to draw congratulatory comments from players.

The Golf Course Development loan has now been repaid. Consequently we are negotiating with our Bankers to refinance the cost of the renovations, course improvements and planned future projects - a new Term Loan / drawdown facility of \$300,000 repayable over 10 years is being sought. This will allow the Club to complete numerous key projects over the next two years, without continually deferring until sufficient trading cash-flow has been accumulated.

Immediate projects include gaming area upgrade, renovation of the men's rest room, replacement / upgrade of air conditioning, new refrigeration compressor, dining and deck furnishings & blinds, and cart shed contribution. In the longer term, we need to repair car park bitumen, improve front of Clubhouse presentation, and continue course improvements, including drainage and bridge replacements, a wash-down and storage facility, and

alternative water supply research. The Loan will also allow the Club to retain our future earnings to rebuild our working capital.

Early indications are that the work already undertaken during the last year is having the expected result, with improved turnover in all areas of the Club's operations.

More detail on the accounts ... refer to Statement of Comprehensive Income, page 22.

Golf Course Income, including Golf Membership Fees, declined by \$19,642 from \$425,967 to \$406,325 (down 4.6%).

We had 66 rain affected golf days compared with 29 last year, including the last two weeks of June following the flood, when only social play was available on the front 9 holes. As a result, our Tee Time Occupancy Rate (games played) dropped by around 20% from the average of the previous 5 years.

Golf Course Expenses decreased by \$4,823 from \$428,885 to \$424,062 (decrease 1.12 %). This was due to slightly lower costs in wages, seed & fertilizer, and depreciation on Plant & Equipment.

Bar Trading – Sales increased by \$439 from \$516,301 to \$516,740 (up 0.08%).

Whilst assisted by some small price increases during the year, it is a pleasing result given the golf patronage downturn due to the amount of bad weather experienced during the year.

Bar Expenses – decreased by \$7,886 from \$196,249 to \$188,363 (decrease 4.02%). Some savings in wages and on-costs from changes to staff rosters.

Poker Machine Revenue – decreased by \$27,577 from \$370,148 to \$342,571 (down 6.91%). Whilst the continuing downward trend is a club wide problem, our result is better than the industry average. Since refurbishment, takings have been maintained at last year's levels.

Poker Machine Expenses – Increased by \$9,371 from \$85,073 to \$94,444 (up 11.01%). This reflects the rental/depreciation on 3 new machines purchased halfway through last financial year.

Keno – Nett Trading improved by \$410 from 12,814 to \$13,224 (up 0.03%). This is due to a reduction in Keno's running expenses.

Squash – Nett Trading decreased by \$1,937 from \$8,149 to \$6,212 (down 23.77%)

Fees from squash and equipment hire are down \$817 (10.03%) and new lighting installed in Squash Courts costing \$1,120.

Administration Expenses – Increased by \$52,559 from \$479,861 to \$532,420 (up 10.95%).

The major movements are: Electricity + \$12,206 (similar usage, but increased charges and a changed billing method from previous year), Entertainment + \$7,791 (DJ Bisho, Jazz, Live Bands), Repairs Clubhouse + \$20,295 (refurbishment, internal re-painting, repairs).

The year ahead ...

Following the June 2011 flood, the much publicised Disaster Relief Assistance is only available to small business and primary producers. As the Golf Club is a registered Public Company, we are specifically excluded from any potential assistance up to \$15,000. We have been unsuccessful in obtaining any assistance whatsoever from Nambucca Shire Council or from the Land and Property Management Authority, from whom we lease the Golf Course. We have now written to both our State and Federal politicians seeking their help in pressuring for a relaxation of the exclusion – the matter is now before the NSW Minister for Primary Industries, Katrina Hodgkinson, M.P.

In the meantime, we are taking advantage of any other flood assistance options that may be available, such as interest free time payment of BAS/GST through the Taxation Office (ATO).

We still await confirmation that the renewal of our Lease over Stuart Island will be approved. Whilst we have no reason to doubt that the approval will eventually be forthcoming, what we do know is that any such approval will incur a fresh valuation, and a revised annual rental. We previously paid an annual rental of \$7,500 as a three year phase-in to the current year rental of \$15,000 – hopefully, the Lands and Property Management Authority will not seek to increase the rental further.

It was necessary to increase our Golfing Membership Fee this year to meet the increased cost of the Island rental, and bring us into line with other comparable Clubs in the district. While we have lost some valued members to nearby and cheaper 9-hole Clubs, there is a steady stream of new golfers joining, and we will be happy to welcome old friends back to the Island when they re-evaluate what the Island Golf Club has to offer.

Work has finally started on the site preparation for the Golf Cart Storage Shed – lease uncertainty, flood recovery work and Golfest have taken priority, and we hope to have the grand opening before Santa arrives.

Dave is working with Nathan in the Restaurant to revitalize the menu selection and customer service, and improve the ambience in the Dining Room. The Stone Grill is proving popular, and we receive many complimentary letters from function organizers – so do come along, bring some friends, and enjoy an excellent meal in fine surroundings.

I hope that you are pleased with the work that is being done around the Club to make it a place that you would be proud to bring your family and friends – if you like what you see and the service you get, please tell all your friends! If not, please tell us, so we can fix it.

Despite the current economic climate, I am confident that the business strategies approved by your Board will broaden our customer base, assist in insulating us from the effects of prolonged bad weather, with return to a small trading surplus in 2011-2012.

Our staff have embraced the new changes and the challenges they entail - some with modified rosters and duties, others giving unselfishly of their own time to help your Club work through this difficult time – my sincere thanks to everyone, including those members who volunteered to assist with flood restoration work and the renovations.

Every member needs to do their bit also – it's YOUR Club – please support us!

Geoffrey McCann.

CAPTAIN'S REPORT – 2011

Weather has been a major factor this past 12 months. We are all well aware of the quantity of rain that has fallen in the Valley over the past year. As a result disruptions have been the order of the day, having to re schedule a lot of games, in particular our championships, which normally would be completed by now.

Events completed to date are: the Men's Singles Knockout, which has been won by Mark McFaul; Mixed Foursome, for which the champions this year are Maxine Townsend and Greg McCoy; Men's Foursome, with winners and champions Nathan Smith and Brian Burns for the fourth year in a row. Both players have won this contest umpteen times. Congratulations are in order for all of the above players.

Changes are in the wind, as some of our board members are standing down. Since my time on the board Chris Thorndike has always been involved. His input to the committee has always been incisive and insightful, contributing broadly and impartiality at all times.

Others opting out are Kay and Kell McGoldrick, along with Rhonda Rowe. All have been great contributors, especially where events are concerned. Golfest and Legacy along with the Island Sundays are just a few of the events they have been passionate about and I am sure they will be in the future. Thanks for your help and understanding over the past few years, and enjoy your golf in future times.

As all can see we will have some places to fill on the board in the coming year. It can be rewarding, frustrating, and a bit of fun, so if you consider you have something to offer please put up your hand.

Many people make up the smaller teams that run the golf club, our match committee, and greens committees. Thank you for your time, effort and input over the past twelve months. Thank you to all scorers who give up their time to assist, especially Lesley Buxton, who always helps and goes the extra mile to sort out problems.

This has been the club's "Year of the Volunteer," as we have asked for and received plenty of help over a difficult time. I believe that all members are appreciative of the effort and are most grateful.

Greens staff can always be judged by what we as golfers encounter every time we go out to play. Today we have one of the better presented golf courses on the coast. One only has to cast their minds back to the fairways one, six and seventeen to realize the improvements made over a relatively short time, and on a shoestring budget. Drainage improvements are ongoing as are bunker remodels. Thanks to the forward thinking of Luke Crawford and his leadership of Dave, Bruce and Brad. Each week the greens staff get a great help from Jeff Carlson, Geoff Wainwright, and Ashley Weaver, thanks guys for your contributions.

On any given week, I rely on office staff for different tasks that arise, thankfully help is always available as it is with our bar staff, appreciated guys, thanks.

In finalizing my report I am in no doubt that, Lyn my soul mate and wife, wears the brunt of all that happens during a day's play. Without her help and understanding I would find the task a very lonely one at times. Thanks mate.

May you all hit long and far and score no worse than par.

Kerry McCoy

WOMEN'S GOLF REPORT – 2011

We have experienced many disruptions to our golf calendar this year due to rain and flooding, making course playing conditions and maintenance very difficult. Luke, the green staff and volunteers must be congratulated for their dedication to preparing the course for scheduled events.

Our membership remains stable thanks to some regular new players. It is pleasing to see many of our mature ladies still playing competition on Wednesdays.

The structure of the C.N.C. pennant competition changed this year to include teams of seven players across a range of handicaps. We managed to field two teams; however the selection of players was a "lottery" as each club was not aware of other club members' handicaps. Our M.N.C. has not experienced the same success as in 2010. Thank you to the club for financially supporting all our pennant teams.

Our club championships have been postponed until October due to severe flooding of our course in mid-year. The Foursome championships were once again won by Maxine Townsend and Denise Paluch.

We would like to acknowledge Sheila le Franc for her dedication to Vet membership, Judy Boyle for tournament co-ordination and Henny Oldenhove for publicity. Steve, our Pro, always encourages and supports all players. The "Lotto" club is operated very efficiently by Gwen and Leah and a great time was had by all at our end of year celebrations.

Our "Top Gun Shootout" has been keenly contested for the second year. Congratulations to Sue O'Donnell who narrowly defeated Gwen Maxwell in last year's event. This year's finals will be played in October.

Captain Coral's dedication and organisation is greatly appreciated by all members. The committee especially thanks her for her leadership. All committee members have had some "time out" this year. The support we give each other allows us to battle on.

Our finances are in the black. These have been boosted by our weekly raffles and the money raised enables us to subsidise our breakup celebrations. Sponsorship of weekly and major events by our members and local businesses is vital for our ongoing success. Thank you to all those who have contributed financially to women's golf events.

It was great to see the arrival of our new Sec/Manager. Thank you David for your friendship and co-operation.

We can all look forward to a successful, happy year of golf and friendship in 2012.

Janet Yager

GREENS REPORT – 2011

Much has been achieved in the past year – one only has to cast their mind back to the bridge into the car park. Without any help from council we have hopefully been able to get a few more years out of the repairs.

Starting the eighth tee last November, we had in mind it would all be finished in no time. Sorry for the delay but the wait has been well worthwhile. Cart paths will be beneficial to all, as we found out over the Week of Golf. This has been a huge task with a big thank you to Tommy Pinkstone, who made it all possible. In turn this put pressure onto the greens staff and with the help of a few volunteers we were able to finish the job in time for Golfest.

As golfers, we do not see all the changes above ground and to that end drainage has become a vital part of keeping the course open. Throughout the year we have repaired a lot of drainage in bunkers and around fairways. There is much more to be tackled in this area and the 14th and 12th fairways are becoming a priority.

Slowly but surely we are getting rid of the eyesores that have been here for many years. Thankfully, Luke has an eye for detail, and in turn has passed this onto his staff. Trouble is we do not take too much notice and once seen fixed, it is forgotten. But looking at all with a critical eye, our course is gradually building into a great place to play golf.

We acquired a tees mower during the year as our old Jacobsons had just about given up the ghost. We do have an order in for a replacement for one of our Cushmans, small trucks that we use around the course. Our old ones have run their race with the bodies breaking in half, and being welded a couple of times, they are well past time of replacement. Within the coming year I would expect that our bunker rake machine may give up, but while it keeps on keeping on, we will stick with it.

We all should be thankful to Luke for his quick actions after the floods. Had he not been as conscientious I have no doubt we would not be playing on the course as we are today. Many man hours have gone into cleaning up the mess. Again we owe a thank you to greens staff, Tommy Pinkstone and a lot of volunteers who in the main don't wait to be asked, they get in and do the job while others sit on the sidelines but reap the benefits of their labour. Thanks to the guys of action.

During the clean up we have had to lop a lot of trees just to get sunlight in to dry out areas that still suffer from dampness, and we will have others that need to be looked at over the coming months, when the areas dry enough for us to get into. We are very conscious of our duty in this area and will only lop where needed.

Every week three volunteers give of their time and energy. Jeff Carlson has been with us for quite some time and still turns up 3 or 4 times a week to empty bins, replace sand and buckets plus help around the place where Luke may want some extra help, a well earned thank you is in order. Geoff Wainright has also been onboard for 3 or so years, and likewise Ashley Weaver. You would normally find them on a rough mower, and by their deeds we save the club quite a sum of money – thanks guys.

As we move ahead there is still a lot to be done, please give a hand when you can. Thanks to the members of the greens committee for your time and efforts, with the same thought going to our dedicated greens staff.

Kerry McCoy

HOUSE & SOCIAL REPORT – 2011

The only way I can describe this year is that it went very fast. Maybe this was caused by our new turbo charged Secretary Manager David Mitchell. It does not seem that long ago that we decided to say goodbye to our old red chairs. David sourced the new chairs then drove down to Sydney to pick them up and bring them back. With help from members they were cleaned and placed in the club. As you can see the club has had new ceiling tiles, painting, refurbishment around the bar, new carpet, removal of old internal doors and windows, and a new loading dock, all this with David's help and hard work. Our next project is to improve the Gaming Room.

During last summer we had a few nights on the deck for HOWL OF THE MOON which proved to be very successful. If you have not been to one do yourself a favour and come to watch the moon rise over the ocean & river while listening to Moon Music.

We held a Xmas in July this year which was also a great night. Once again the Melbourne Cup was a great day which will be held again including a Fashion Parade as well as the Calcutta & Golf. New Years Eve was also a great night and Solitaire has been engaged again for this year so please keep this in mind. If you don't feel like dancing we now have relaxing lounges where you can sit and listen to the music.

I would like to thank once again our dynamic duo Leslie Buxton & Kerry Naylor for their decorations at our functions. I would also like to thank my committee Kay McGoldrick, Rhonda Rowe & Lyn Grose for their support during the year.

As you can see there are things happening in the club, your support at the club and these functions will help enable more improvements in the club.

Kell McGoldrick

SECRETARY/MANAGER'S REPORT – 2011

To say I am bitterly disappointed with the years financial result is a massive understatement, however I would also like to think that from all the hard work from volunteers and staff that there are some positives to be highlighted from the year.

Financially, the Club has fared poorly from the terrible weather experienced over the past 12 months and beyond ending with the June flood and eventual exhausting clean up. I also believe that past neglect of the Club house infrastructure has impacted on Club trading and leaving us with a sixth rate establishment here in Nambucca Heads.

When I was interviewed for the position, I saw a challenge and an opportunity to create something for members to be proud of and to attract new customers. To that end, I believe that many positives have come from this past financial year with Club house refurbishment, a new Glycol Beer Chilling System installed at Lion Nathan's expense, new cart paths to weather-proof the course, and a marketing strategy to attract new golf social groups, promoting new tournaments and attracting wedding/birthday functions.

Our new social membership fee structure has proved a winner and we have signed up almost 100 new members since the beginning of July bringing new faces to the Club

I would like to thank the Board of Directors for their faith and the latitude to change the Club they have granted me.

Significant restructuring in the way we run our operation has required restructuring of hours worked and from who and how we purchase stock and I thank those who have assisted in the transition. In achieving the changes so far, I would especially like to thank Kell McGoldrick, Geoff McCann, Kerry McCoy and Wendy Robey for their tireless efforts.

I look forward to 2012 with much optimism.

David Mitchell

COURSE SUPERINTENDENT'S REPORT – 2011

Well, yet another year has come and gone and we are back to the monsoonal downpours each month the same as my first few years in Nambucca Heads.

Our total rainfall for the year was a staggering 2,333mm over 119 days which is 1/3 of the year and 1m over the average annual rainfall.

Unfortunately again there were many stressful days and sleepless nights over the last summer with yet another very bad year for extremely bad greens disease pressure and as a result we again struggled to get the worst effected greens back following the Autumn reno again this year; however the significant difference was this year it wasn't a fertilizer burn – it was a very bad infection of three of the most daunting diseases we endure throughout the season, which I had overlooked due to the time of the year. A disease test result confirmed that we had dangerous amounts of Pythium, Brown Patch and Anthracnose all together, which you normally only have troubles with in summer; however it now makes me realise that in the climate up here anything is possible and has been a huge lesson learned.

Overcoming the devastation of the June floods this year was an experience to say the least and not something I wish to see again anytime soon. It was a huge effort by all removing the mud that covered more than half of the course, with mud up to a foot thick in the worst affected areas.

I would like to take this opportunity to again thank all of our hard working volunteers, who really stepped up again for the club this year with numerous working bees, and the efforts towards the flood recovery in what was most certainly a time of need.

The work hours you guys saved my staff and the financial savings for the club by having the course opened much sooner is a credit to you all and for this I really can't thank you enough.

A special mention and a huge thankyou to Tom Pinkstone for all the work he did around the course with his posi-track bobcat – he cleaned up all the piled up mud after the floods and cut out all the cart paths for a fraction of the going rate cost. As Tom is setting up his business again after working in forestry for the past few years, I would hope that if any of our members were requiring any such earthmoving works to be done that you would all keep him in mind after he has helped us out to such a huge extent.

On a brighter note, despite the appalling weather we experienced most months and the very tight financial restraints, we were still able to improve some of our poorly draining areas, thin out the trees in poorly shaded areas, and have continued to improve some of our finer playing surfaces with the removal of the weeds and not-so-desired grass species in many of the tees and fairways.

I would like to again thank all the people involved with the fundraising efforts through out the year and during the Golfest week.

And last but not least, I would like to thank my greens committee for been a pleasure to work with again, the directors for their support, and most of all I'd like to thank my team of greens staff for their efforts over the last year, along with the two Jeffs and Ash Weaver.

I hope we can look forward to another productive year ahead, and hopefully the weather may be a little kinder this year. Happy golfing, and catch you all on the course.

Luke Crawford

GOLF PROFESSIONAL REPORT – 2011

Not a great 12 month period to report on. Rain all along the east coast of Australia has put a strain on the golfing industry. From Golf Clubs to wholesalers and retailers we are all feeling the pinch. Having said that, when the weather is good, numbers haven't been too bad.

Having been through a number of floods when I was living in the Hawkesbury area I can appreciate the fantastic job Luke and the boys did in cleaning the silt up on the back 9. The speed in which they cleaned up the mess saved the club countless hours of extra work and thousands of dollars in expenses and revenue.

One good thing to come out of the flood was vision to see that cart paths are necessary to maintain field sizes and will prove to be a great asset to the club.

Over the next twelve months the club will run a couple of tournaments which involves local groups playing a tournament organized and run by us. The event has the potential to have the largest fields seen on the mid north coast using local golfers. Geoff McCann, Dave Mitchell and myself will be organizing the tournament, but we will be looking for volunteers to help on the tournament days. We also have incentives for social group bookings over the next 12 months and hope to improve numbers playing on Sundays as Sundays can be the slowest day of the week.

On the junior front I have about twelve new juniors playing on Sunday afternoons. Of these only 6 are regular participant the others come and go. Later this year I'm doing junior clinic run through Sport and Recreation at local clubs and I hope to get the inter club challenge going again as it didn't happen last year due to the rain.

In closing I feel positive about the next 12 months. I think the club has a direction in which it wants to go and more importantly a plan on how to get there.

Stephen Barnes

SQUASH REPORT – 2011

Over the last 12 months player numbers have been reasonably steady in the Wednesday Competition. The competition offers a good mix of youth and experience, which provides variety in the style of squash offered to players.

The Thursday Night Social Squash has been a huge success with quite a number of aspiring squash players 'having a go'. A few of these new players have found their way into the Wednesday Competition and have blended in well with the more experienced players. At the present time we have a number of social players who seem content with the social atmosphere provided by the informal Thursday night frivolity. We are expecting that this new crop of players will find their way into the Wednesday Competition early in the new year.

We have a number of juniors regularly competing at tournament level and achieving promising results. However, we have been disappointed by our inability to attract sufficient new juniors to run a stand-alone Junior Competition. We have a small group of enthusiastic beginners who have just commenced learning the game, but not enough players to run a competition as yet. We will be spending more time in this area.

Our recently commenced competition saw a small drop in numbers. While this is never pleasing, it is nonetheless a common feature in the colder winter months. It has been suggested that the recent increase in Membership Fees is a factor in the small fall in numbers and this may well be the case. It is very difficult to introduce new blood to squash when Membership Fees rise by 73%. Indeed it is difficult to hold current members under those circumstances. The Squash Members certainly understand the need for the Golf Club to remain financially viable but our task of increasing player numbers has been made more difficult.

We have a Squash sub-Committee that is keen to make the squash court area a little more appealing and we have started a clean-up program. Removing old carpet, polishing the floor of the viewing area, repairing cupboards and perhaps a coat of paint are all under consideration.

Finally, the social atmosphere in the squash courts is just fantastic. It is a fun place to be.

Bruce Graham

Nambucca Heads Island Golf Club Limited ABN 79 002 470 582

Financial Report for the Year Ended 30 June 2011

DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2011.

Information on Directors

The names and particulars together with information relating to the number of Directors meeting held and the number of meetings attended by each Director during and since the financial year are set out in the table below:

Name	Qualifications/ Experience	Responsibilities	Directors Meetings Attended
Chris Thorndike	Retired Managing Director	President	12/12
Malcom (Kell) McGoldrick	Company Director	Vice President/ House Committee/ Chairman	10/12
Geoffrey McCann	Retired Banker/ Previous Company Director	Treasurer	12/12
Kerry McCoy	Retired/Previous Company Director	Captain	10/12
John Hopkins		Vice Captain	11/12
Coral McCann	Retired/ Previous Company Director	Lady Captain/ Director	12/12
Rhonda Rowe	Previous Company Director	Director	12/12
Kay McGoldrick	Previous Company Director	Director	10/12
Lyn Grose	Previous Company Director	Director	11/12

Sub-Committees

The following table sets out the number of other meetings the directors attended during the financial year in their capacity as members of various committees:

Name	Finance	Match	House	Greens
Chris Thorndike	11/12	10/12		5/5
Malcom (Kell) McGoldrick			11/12	
Geoffrey McCann	12/12			
Kerry McCoy		9/12		5/12
John Hopkins		7/12		9/12
Coral McCann		11/12		4/12
Rhonda Rowe			9/12	
Kay McGoldrick			12/12	
Lyn Grose			12/12	

Liability of Members

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$1,147 (2010: \$1,156).

Principal Activities

The principal activities of the entity during the financial year were the provision of a first class golf course and other recreational facilities and services at an affordable price to its members and visitors.

Objectives

The entity's short-term objectives are to:

- Offer first class golf course and other recreational facilities and services at an affordable price to its members and visitors, with hospitality service to best standards;
- Achieve a trading surplus, so that there is sufficient funding for on-going development and improvements to the course and clubhouse facilities;
- Seeking to diversify the Club's operations to increase revenue and reduce dependence upon golf patronage and good weather;
- Promote the game of golf to people of all ages and abilities.

The entity's long term objectives are to:

- Increase golf and social membership of the Club and attract more local patronage;
- Be recognized as a leader in the provision of Golfing events and function services;
- Establish and maintain relationships with local businesses that will foster reciprocal support;
- Be sustainable and strive for continuous improvement so as to offer the best possible outcomes for all activities undertaken.

To achieve these objectives, the entity has adopted the following strategies:

- Development of a Golf Course MasterPlan, and a five year Financial Business MasterPlan which includes a detailed analysis of the Club's strengths, weaknesses, opportunities and threats, and annual budgeting with detailed economic, environmental and other trading assumptions;
- Appointment of a new manager with a proven record in marketing, operation efficiency, process automation, and achievement of financial objectives;
- Modernization of the Clubhouse interior to attract new business, and construction of golf cart pathways on the course to allow increased wet weather patronage;
- Attract and retain quality staff and Restaurant contractors that are committed to working with management and the board to implement new strategies, and to achieve the highest standards of service and efficiency;
- Implementation of product specific marketing, supported by a focused advertising plan;

The Club measures its performance by:

- Monthly meetings of various sub-committees and management team with a full review of trading results by the Finance Committee to the Board of Directors;
- Using a variety of statistics, financial ratios and Key Performance Indicators to monitor golf and club patronage levels, and control expenses against income.

Property Classification

In accordance with the Registered Club's Amendment Regulations 2007, the Board has determined the following Club Property Classifications:

Core Property: Stuart Island, Nambucca Heads

Lot 512 in DP 41534 – on 2023 square metres where the Clubhouse is situated.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 19 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Chris Thorndike
DIRECTOR



Geoffrey McCann
DIRECTOR

Dated this 4th day of October, 2011



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF NAMBUCCA HEADS ISLAND GOLF CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 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.



Aart Hooykaas, Partner
HLV Chartered Accountants
7 Mann Street, Nambucca Heads, NSW

4th October, 2011

HOOYKAAS LAWRY VALJAN
ABN 56 764 761 064

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Chartered Accountants
NUMBER ONE IN NUMBERS
Liability limited by a Scheme approved under Professional Standards Legislation.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NAMBUCCA HEADS ISLAND GOLF CLUB LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Nambucca Heads Island Golf Club Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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* was provided to the directors of Nambucca Heads Island Golf Club Limited on the same date as this report.

Auditor's Opinion

In our opinion, the financial report of Nambucca Heads Island Golf Club Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



Aart Hooykaas, Partner
HLV Chartered Accountants
7 Mann Street, Nambucca Heads, NSW

4th October, 2011

HOOYKAAS LAWRY VALJAN

ABN 56 764 761 064

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NUMBER ONE IN NUMBERS

Liability limited by a Scheme approved under Professional Standards Legislation.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Income			
Bar Revenue		516,740	516,301
Poker Machine Revenue		342,571	370,148
Course Revenue		292,068	306,122
Sub-Club Revenue		18,328	8,520
Commission		23,982	25,197
Member Subscriptions		139,337	146,152
Raffles & Bingo		73,224	84,237
Interest		1,122	3,030
Profit on Disposal of Asset		0	796
Other Income		33,408	48,565
Total Income		1,440,780	1,509,068
Expenses			
Cost of Sales		224,088	229,570
Employee Benefits Expense		543,928	554,909
Depreciation & Amortisation Expense		145,255	141,251
Finance Costs		20,402	13,064
Repairs & Maintenance		84,091	58,676
Entertainment & Promotions		110,915	109,756
Audit, Legal and Consultancy Expense		18,195	16,510
Other Expenses		407,609	404,707
Total Expenses		1,554,483	1,528,443
Profit /(Loss) before income tax		(113,703)	(19,375)
Income Tax Expense		0	0
Profit / (Loss) for the year		(113,703)	(19,375)
Other Comprehensive Income		0	0
Total Comprehensive Income for the year		(113,703)	(19,375)

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	85,282	112,754
Trade and other receivables	3	8,828	7,998
Inventories	4	32,186	38,458
Other assets	5	4,425	7,649
TOTAL CURRENT ASSETS		<u>130,721</u>	<u>166,859</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	674,201	741,899
TOTAL NON-CURRENT ASSETS		<u>674,201</u>	<u>741,899</u>
TOTAL ASSETS		<u>804,922</u>	<u>908,758</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	265,044	277,845
Borrowings	8	164,326	124,488
Provisions	11	32,845	32,000
TOTAL CURRENT LIABILITIES		<u>462,215</u>	<u>434,333</u>
NON-CURRENT LIABILITIES			
Borrowings	8	106,962	127,765
Provisions	11	2,788	0
TOTAL NON-CURRENT LIABILITIES		<u>109,750</u>	<u>127,765</u>
TOTAL LIABILITIES		<u>571,695</u>	<u>562,098</u>
NET ASSETS		<u>232,957</u>	<u>346,660</u>
EQUITY			
Retained earnings		232,957	346,660
Reserves		0	0
TOTAL EQUITY		<u>232,957</u>	<u>346,660</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2011**

	Retained Earnings	Financial Assets Reserve	Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2009	366,035	0	0	366,035
Total comprehensive income for the year	(19,375)	0	0	(19,375)
Balance at 30 June 2010	346,660	0	0	346,660
Balance at 1 July 2010	346,660	0	0	346,660
Total comprehensive income for the year	(113,703)	0	0	(113,703)
Balance at 30 June 2011	232,957	0	0	232,957

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011	2010
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and visitors		1,525,930	1,442,687
Payments to suppliers and employees		(1,455,525)	(1,361,003)
Interest received		1,122	3,030
Finance costs		(20,406)	(13,060)
Net cash generated from operating activities	18	51,121	71,654
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		0	16,818
Payment for property, plant and equipment		(97,628)	(223,139)
Net cash used in investing activities		(97,628)	(206,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		108,922	217,987
Repayment of borrowings		(172,735)	(90,260)
Net cash used in financing activities		(63,813)	127,727
Net increase (decrease) in cash held		(110,320)	(6,940)
Cash and cash equivalents at beginning of financial year		91,753	98,693
Cash and cash equivalents at end of financial year	18	(18,567)	91,753

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

The financial statements are for Nambucca Heads Island Golf Club Limited as an individual entity, incorporated and domiciled in Australia. Nambucca Heads Island Golf Club Limited is a company limited by guarantee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Nambucca Heads Island Golf Club Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements 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 financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

a. Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

b. Inventories

Inventories are measured at the lower of cost and current replacement cost.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Freehold Property

Freehold land and buildings are shown at their cost, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to

ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Depreciation

The depreciable amount of plant and equipment is depreciated on a straight line or a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Buildings are shown at cost and depreciation is calculated using the straight line method over 5 -40 years.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% - 20%
Plant and equipment	5% - 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Each asset class's carrying amount is written down immediately to its recoverable amount if the class's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. **Amortisation**

All Leasehold Improvements on Leasehold Land including Golf Course Reconstruction are amortised over the term of the lease remaining. The existing Lease is due to expire on the 1st July 2017, having been renewed on 1st July 1997 for 20 years.

e. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets that have been capitalised are depreciated on a diminishing basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

f. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses, if any, are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Contributions are made by the entity to employees' superannuation funds and are charged as expenses when incurred.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of

acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

k. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

l. **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. **Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

n. **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

The financial statements were authorised for issue on 4th October, 2011 by the directors of the company.

NOTE 2: CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
CURRENT		
Cash on Hand	21,099	21,088
Cash at Bank	16,107	21,766
Term Deposits	48,076	69,900
	16 85,282	112,754

NOTE 3: TRADE AND OTHER RECEIVABLES

	Note	2011	2010
		\$	\$
CURRENT			
Trade receivables and deposits	16	8,828	7,998

NOTE 4: INVENTORIES

	2011	2010
	\$	\$
CURRENT		
Inventory at cost:	32,186	38,458

NOTE 5: OTHER ASSETS

	2011	2010
	\$	\$
CURRENT		
Prepayments	4,425	7,649
	4,425	7,649

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2011	2010
	\$	\$
LAND AND BUILDINGS		
Freehold land at cost:	42,594	42,594
Total land	42,594	42,594
Buildings at cost:	511,436	506,272
Less accumulated depreciation	(242,829)	(226,738)
Total buildings	268,607	279,534
Total land and buildings	311,201	322,128

	2011	2010
	\$	\$
LEASEHOLD IMPROVEMENTS		
Leasehold improvements at cost:	589,530	589,530
Less accumulated amortisation	(469,819)	(449,771)
Total plant leasehold improvements	<u>119,711</u>	<u>139,759</u>
PLANT AND EQUIPMENT		
Plant and equipment at cost:	1,262,100	1,189,706
Less accumulated depreciation	(1,141,361)	(1,081,264)
Total plant and equipment	<u>120,739</u>	<u>108,442</u>
EQUIPMENT UNDER FINANCE LEASE		
Plant and equipment at cost:	192,606	192,606
Less accumulated depreciation	(70,056)	(21,036)
Total plant and equipment	<u>122,550</u>	<u>171,570</u>
Total property, plant and equipment	<u><u>674,201</u></u>	<u><u>741,899</u></u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Leasehold Improvements	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$
2011					
Balance at the beginning of the year	322,128	139,759	108,442	171,570	741,899
Additions at cost	5,164	0	72,393	0	77,557
Disposals	0	0	0	0	0
Depreciation expense	(16,091)	(20,048)	(60,096)	(49,020)	(145,255)
Carrying amount at the end of the year	<u><u>311,201</u></u>	<u><u>119,711</u></u>	<u><u>120,739</u></u>	<u><u>122,550</u></u>	<u><u>674,201</u></u>

NOTE 7: TRADE AND OTHER PAYABLES

	Note	2011 \$	2010 \$
CURRENT			
Trade payables		114,913	75,601
Deferred income		87,688	119,737
Other current payables		20,430	1,827
Employee benefits		42,013	80,680
Total Current Trade and Other Payables	7a	265,044	277,845

a. Financial liabilities at amortised cost classified as trade and other payables

		2011 \$	2010 \$
Trade and other payables:			
– total current		265,044	277,845
– total non-current		0	0
<hr/>			
Less deferred income		(87,688)	(119,737)
Less annual leave entitlements		(42,013)	(80,680)
Financial liabilities as trade and other payables	16	135,343	77,428

NOTE 8: BORROWINGS

	Note	2011 \$	2010 \$
CURRENT			
Bank Overdraft	(ii)	103,849	21,001
Bank Term Loan	(i),(iii)	14,125	52,476
Department of Lands Loan		0	3,419
Lease and Hire Purchase		46,352	47,592
Total Current Borrowings		164,326	124,488
NON-CURRENT			
Bank Term Loan		32,456	6,907
Lease and Hire Purchase		74,506	120,858
Total Non-Current Borrowings		106,962	127,765
Total borrowings	16	271,288	252,253

Summary of Borrowing Arrangements:

COMMONWEALTH BANK OF AUSTRALIA:

- (i) A fixed rate BetterBusiness Loan for \$54,000 entered into in July 2010 for a period of 1 year at an interest rate of 7.40%. The final payment of principal and interest of \$4,511 was made in July 2011.
- (ii) An overdraft facility with a limit of \$150,000.

The security for the Commonwealth Bank facilities consists of a registered first mortgage over the Land and Buildings owned by the Club, as well as a Registered Equitable Mortgage and Floating Charge over the assets and undertakings of the Company.

BANANACOAST CREDIT UNION:

- (iii) A commercial variable rate loan with the Bananacoast Credit Union (BCU) for \$45,000 for a term of 6 years commencing in December 2010.
- The loan is secured by a fixed term deposit equal to or exceeding the balance outstanding on the loan at any point in time, until repaid in full.

NOTE 9: FINANCE LEASE COMMITMENTS

	Minimum Lease Payments	
	2011	2010
	\$	\$
Payable – minimum lease payments:		
– not later than 12 months	54,109	57,514
– later than 12 months but not later than five years	83,135	137,244
– greater than five years	0	0
	137,244	194,758

The finance leases are secured by the underlying assets and relate to the following hire purchase and leasing arrangements:

- (i) The purchase of a Greens Mower with a lease term of 5 years commencing in November 2009 and an effective interest rate of 9.4%.
- (ii) The purchase of a Fairway Mower with a lease term of 5 years commencing on November 2009 and an effective interest rate of 12.05%.
- (iii) Poker Machine equipment with lease terms of 3 years.

NOTE 10: OPERATING LEASE COMMITMENTS

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	2011	2010
	\$	\$
Payable – minimum lease payments:		
– not later than 12 months	19,484	7,500
– later than 12 months but not later than five years	74,573	60,000
– greater than five years	0	15,000
	94,057	82,500

The operating leases relate to:

- (i) The lease of the golf course on Stuart Island land for a term of 20 years from 1 July 1997. The annual rent payable is based on 5% of the market value of the land. A revaluation of the land was performed in January 2011 and the Nambucca Shire Council has advised that the payment for the year ended June 2012, the base rent will be \$15,000 plus GST.
- (ii) The rental of multi-screen equipment for a period of 5 years commencing in October 2010.

NOTE 11: PROVISIONS

Long Service Leave Employee Benefits

	\$
Opening balance at 1 July 2010	32,000
Additional provisions raised during year	3,633
Amounts used	0
Balance at 30 June 2011	35,633

	2011	2010
	\$	\$
Analysis of total provisions		
Current	32,845	32,000
Non-current	2,788	0
Total Provision for Long Service Leave	35,633	32,000

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities existing at the date of this report.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2011	2010
	\$	\$
Key management personnel compensation	221,217	183,394

NOTE 15: RELATED PARTY TRANSACTIONS

During the financial year no Director has received benefits by reason of a contract between the Club and a Director, or business entity in which a Director had a financial interest.

NOTE 16: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and leases.

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

	Note	2011	2010
		\$	\$
Financial assets			
Cash and cash equivalents	2	85,282	112,754
Loans and receivables	3	8,828	7,998
Total financial assets		<u>94,110</u>	<u>120,752</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	7a	135,343	77,428
– Borrowings	8	271,288	252,253
Total financial liabilities		<u>406,631</u>	<u>329,681</u>

NOTE 17: CAPITAL EXPENDITURE COMMITMENTS

Between the end of the financial year and the date of these financial statements, the entity has committed to the following capital expenditure:

- Golf Cart Pathways	\$15,000
- Golf Cart Shed	\$42,000
- Air Conditioning Unit	\$7,000
- Lounges	\$2,500

NOTE 18: STATEMENT OF CASH FLOWS

For the purpose of the statement of cash flows, cash includes cash on hand and in banks, bank overdrafts and investments in other financial institutions. Cash at the end/beginning of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

a) Cash at Bank and On Hand	2011	2010
	\$	\$
Cash on Hand	21,099	21,088
Cash at Bank	16,107	21,766
Term Deposits	48,076	69,900
Trading Account Overdraft	(103,849)	(21,001)
	<u>(18,567)</u>	<u>91,753</u>

(b) Reconciliation of net cash provided by operating activities to operating profit/(loss) after income tax:

	2011	2010
	\$	\$
Operating profit/(loss) after taxation	(113,703)	(19,375)
Depreciation of non-current assets	125,207	120,393
Amortisation of non-current assets	20,048	20,062
Changes in net current assets and liabilities:		
Decrease/(Increase) Current Assets	7,823	(20,758)
Increase/(Decrease) Current Liabilities	8,113	(33,047)
Increase/(Decrease) In Employee Entitlements	3,633	4,379
Net Cash Provided by Operating Activities	<u>51,121</u>	<u>71,654</u>

Please Note – It is not mandatory under the provisions of the Corporations Act to provide members with detailed department trading statements. However such reports are available upon written request to the Secretary Manager.

**NAMBUCCA ISLAND GOLF CLUB LIMITED 79 002 470 582
DIRECTORS' DECLARATION**

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 22 to 37, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity 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.



Chris Thorndike
DIRECTOR



Geoffrey McCann
DIRECTOR

Dated this 4th day of October, 2011

**MEMBER DISSECTION
BY CATEGORY AT 7/10/2011**

<i>Category</i>	<i>Total</i>
Full Members	288
Non Resident Members	70
Social Members	750
Golf Junior Members	3
Life Members	3
Squash Members	28
Youth Members	7
Junior Sporting Members	26
	<hr/>
<i>Total</i>	<i>1,175</i>

**THE FOLLOWING ORGANISATIONS ARE
PROUDLY SUPPORTED BY
NAMBUCCA HEADS ISLAND GOLF CLUB LTD**

Cancer Research

Care Flight Helicopter Service

Elly Stig Charity Golf Day

Frank Partridge VC Primary School

Legacy – Torch Bearers

Nambucca Heads High School

Nambucca Heads Primary School

Nambucca Heads Surf Lifesaving Club

St Patrick's Macksville

Red Cross

Bowraville Central School

Beaches Netball

Strikers Football Club

Parkinsons Support Group

AGM NOTES ...

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