

AGENDA

MEETING OPENED

ATTENDANCE: As per the Register

APOLOGIES

MINUTES OF THE PREVIOUS MEETING

BUSINESS ARISING

REPORTS:

- President's Report
- Captain's Reports
- Greens Report
- Ladies Report
- Auditors Report
- Financial Report

AGENDA ITEMS:

- Membership fees for 2010
- Election of Management Committee
- Appointment of an Auditor for the present financial year

GENERAL BUSINESS

MEETING CLOSURE

NEXT MEETING

PRESIDENTS REPORT

2009 has been a year of change for the Pine Rivers Golf Club. If you had walked into this club 12 months ago and again today you would barely recognize the place. The club house has been painted inside and out, new walls have been erected, the floor area around the bar has been stripped and polished and these are only a few of the refurbishments. All of this has helped create a good feel to the place. The golf shop has also had major renovations done which have included painting and a dedicated enclosed area for the club professionals to teach in. This teaching area will eventually be fitted out with cameras so the professionals can do swing analysis.

Other major changes include the updating of our constitution and the governance structure of the club which will allow the club to have a better succession plan for the committee positions. It will also allow the club manager to operate in a more professional way to deal with the complexities of day to day management of a golf club. These changes took effect on the 5th of July and we were told at that time by the Office of Fair Trading that we were to report to a financial year ending on the 30th of June. Although we requested the financial year change we did not realise that it would be backdated this year and consequently the financial reports will reflect this. The new constitution is available on our web site as a PDF file and as a hard copy for members to obtain at the club.

The agreement between Darryn Harmer, Frank Phillips and the club has also been signed off on recently, after a long and protracted battle with the Department of Gaming.

Membership has been a focus of the committee with a number of advertising strategies put in place throughout the year. At the time of writing this report we have increased our membership to 474 playing members and 238 house members giving us a total of 712 members which is a great effort considering the numbers we had this time last year of 385 golfing members and 71 house members. This has also increased the fields on a Saturday to average around 150, and the club championships had fields of nearly 200, numbers not seen here for a long time.

Social play has also increased dramatically during the year, you just have to be around the club on a Friday afternoon or a Sunday to notice the number of social players enjoying our course. Our job is to convert some of those players into members.

I'd like to thank all the committee members this year for their dedication and hard work. We started the year with a very young (on average) and inexperienced committee overall and there was a steep learning curve for most members. I do have to single out a couple of people on the committee for special mention. Renee Saunders (Vice

PRESIDENTS REPORT CONTINUED

President and House Director) has worked extremely hard setting up functions with the help of Kim Spark and Andrea Kendall. Eric Faulkner has been tireless with the number of hours he has put into handicapping and working on computers at the club. It was unfortunate that Doug Hardman had to resign his position as greens director because of ongoing trouble with his knees, I hope all goes well for his recovery. I would also like to thank the match committee for their work and especially Jay Taylor for taking on the captaincy at short notice.

To Colin and his greens staff, you have had a very strange year having to put extra drainage in to get rid of all the excess water at the beginning of the year and by September you were trying to pump water onto the course to keep it green, no mean feat given the wind we had around at the time. Col our greens are back to being the talk of the zone, as being the best around. On behalf of all the members (even the ones that found them too fast in the champs) I would like to congratulate you and your team for this.

Thank you to Frank Phillips and your team for all the hard work you have put in throughout the year, it has been very much appreciated. Frank has been the driving force and has kept pushing to get all the projects completed and overseen the day to day running and organisation of the club. To the bar and golf shop staff a big thank you goes to you also.

I'd also like to thank Darryn Harmer for all his support and business knowledge he has passed on through the year, it has been invaluable in many ways.

Financially we have spent a lot of money to upgrade the facilities so we could attract more people to use the club. This money has been raised through increased revenue which has come about by having ownership of the golf shop and the 24 golf carts, an increased number of functions and social golfers. The full details are in the financial report enclosed.

In Closing I would like to thank all the members, both new to the club this year and established members. I hope you have enjoyed your golf and the facilities at the club and I encourage all of you to continue to make full use of what the Pine Rivers Golf Club has to offer.

Regards

Glenn Kendall
President

CAPTAIN'S REPORT

Another year has passed and in many ways has been one of the most successful years the club has ever seen. Membership has increased dramatically, adding to the solid base of wonderful members we already had at the start of the year. The course is in great condition and the atmosphere in the Clubhouse is the most vibrant and exciting it has ever been.

The course has undergone a large number of improvements and renovations over the past 12 months. Earlier in the year we had an unusually wet period that emphasised the need for drainage improvements in certain areas on the course. After consultation with a plumbing and drainage expert a plan was devised to rectify these problems once and for all. Most of these works have now been completed and hopefully the course will recover and dry out a lot quicker after long periods of rain.

Bunkers on both the 2nd and 6th holes have been renovated and new drainage installed, the tee blocks on the 11th, 12th and 16th have been levelled and turfed and a number of amenities have been upgraded including ball washers and tanks for drinking water. All these renovations have come at a considerable cost but are essential to

improve the facilities on offer for both our members and visiting social players. A huge thank you must be extended to Col Caulfield and his staff for both their efforts with the renovations as well as their continual maintenance of the course which has seen it in the best possible playing condition all year round.

Our member's competitions have been well supported all year with some of the biggest fields we have ever seen, especially during the club championships where we averaged well over 150 players each day. I would like to thank all the members for their participation in these competitions as well as the support we received for the charity events that were held this year.

Pine Rivers was represented proudly by players in all divisions of Pennants this year and enjoyed mixed results. Congratulations to all the players for their efforts and conduct in these events and I'm sure that some of these teams will be a force to be reckoned with in next year's fixtures. The junior development program has been a huge success this year under the guidance of Tim Lynch and hopefully we will see a lot of these young golfers continue on at Pine Rivers and represent the club in the future.

CAPTAIN'S REPORT CONTINUED

Some notable achievements include:

Club Champion - Brendan Pearce

Ladies Champion - Laura Osborne

Seniors Champion - Bob Pedrycz

Junior Champion - Brad Russell Junior

Congratulations to all these players.

Thanks must go to all the committee members for their efforts throughout the year, especially Wade Stafford (Vice Captain) and Eric Faulkner (Handicapper). Also to the members and past committee members who have been actively involved and given valuable support and advice during the year, thank you. Without the support of our volunteers the Club would not enjoy the success it does, and with the same support from all our Members next year, I'm sure we can continue with our successes both on and off the golf course.

Jay Taylor

Men's Captain

LADIES CAPTAIN'S REPORT

Another year of golf is over; though at times our numbers were small I know everybody has enjoyed their golf.

I'd like to thank Faye Volter for all her valuable help during the year and thank you to the rest of the committee.

Congratulations to the winners for the year.

Club Champion - L Osborne

Runner Up - R Saunders

B Grade - J Kendall

Runner Up - A Filian

C Grade - K Spark

Runner Up - A Kendall

Ladies Foursomes - L Osborne &
A Stevenson

Thanks to all our male members who have come to our mixed days throughout the year. A special thanks to our sponsors in 2009 and all the ladies that have helped through the year.

Congratulations to Col & his staff that have done wonders with the course, considering the lack of rain during the last few months. Thanks to the Vets who help every Thursday.

Congratulations to the Weekend Pennants for their win this year & to the Bronze achieved for a third place.

Hope to see you all next year for more great golf. Have a great Christmas & a happy new year.

Roberta Weick

Ladies Captain

OPERATIONAL REPORT

From an Operational and Management point of view, I am happy to say that most of the projects and objectives that we had forecasted have been completed or are still a work in progress. I believe that every project that has been under taken has added value to operation of the Club and in turn will provide the much needed increase in income and bottom line profits.

During the year we have made staffing changes that I believe will continue to take the club forward; with the departure of Anissa Eels, Darrin Lipscombe was promoted from Club Chef to the Operations Managers. Darren Antoci was recruited as replacement in the kitchen with an objective to train and multi-skill him in all aspects of the club operation.

Throughout the year we have focussed on developing staff training initiatives to enable our staff to gain more skills and competencies in their current fields. We engaged external trainers to provide and execute packages for each of our key staff. Congratulations to Tracy Phillips (Certificate in Management) and Colin Caulfield (Certificate in Project Management) for completing their relevant Diplomas. Darrin Lipscombe is currently completing his Diploma.

All staff have been fully inducted with a number of front line staff competent in all current compliance certificates; RSA, RSG & RMLV. It should also be noted that all staff

have been trained in Fire Safety and the following staff members completing their First Aid Certificate; Colin Caulfield, Rodney Sharpe, Darrin Lipscombe and Tim Lynch.

Operational Projects Completed in October 2008—June 2009

Club House

- Installation of Point of Sale system (state-of-the-art touch screen interface for total ease of operation) into the bar, golf shop and kitchen. This produces end-of-day reports containing a full analysis of the receipts, summary or detailed sales reports, GL journal details, etc.
- November 2008—the installation of the new Maxgaming system to enable live updates and real reporting systems for the poker machines.
- Delivery of new and varied food services with the inclusion of the Sand Trap Café. With the introduction of the café we have been able to promote a much wider range of food items not previously provided by the club. This has enabled the club to start working with a new customer base, who have not previously been exposed to the Pine Rivers Golf Club venue.
- Up-grade of the kitchen facilities with the purchase of new Fridge/freezers, gas cooker and dish washing equipment.

OPERATIONAL REPORT CONTINUED

- The clubhouse had an extensive facelift with the engagement of one of members, Brad Russell to paint the interior and exterior of the club.
- The on going repairs and maintenance from Peter Hulbert, Ray Buckland, Mal Allen and Neil Herrigan of the electrical, plumbing and timber work (destroyed by white ants)
- Up-grade of the kitchen facilities with the purchase of new Fridge/freezers, gas cooker and dish washing equipment.
- February and March saw the introduction of Micropower—Golf software. This system provides everything from booking players, running competitions and group events, electronic scoring and publishing of results on the internet and leaderboard options.

Administration/Office

Golf Shop

- Installation of a new telephone system.
 - Purchase of three(3) new computers, new printers and photocopier.
 - The establishment of new email network and internal servers.
 - Documentation of all administration procedures, formatted work agreements, work procedures and operational forms.
 - The inclusion of a new Golf Membership account system which provides a detailed membership data base. Statistical information is for all members and used in the Golf Management system to check the player's eligibility to play in each competition.
 - To enable improved communication to all members and guests we installed the Multiscreen; an in-house advertising system that enables us to promote house and golf events. This has the flexibility to also produce external advertising for our Corporate sponsors.
- In January we purchased the Golf Shop with an objective to ensure that the club could provide a complete golfing package for our members and external customers. To complete the one stop approach we also knew that we would be required to provide improved golf buggies and therefore have taken out a lease on twenty four new electric golf buggies from Yamaha; these are leased under a fully maintained agreement with the supplier.
 - Tim Lynch was employed as Golf Shop Manager and given the task to develop Golf Shop employees with a strong focus on increasing members golfing rounds, junior skills programs and grow the social players numbers.

OPERATIONAL REPORT CONTINUED

Greens

2009 has been one of the most productive years in the history to date. The course has undergone a few cosmetic changes with positive feedback by the membership.

Bunkers on 2 and 6 were re-drained and faces turfed to eliminate the constant washouts from the great rainfall we were receiving.

Drainage works in the rough between 3, 6 and 7 helped in reducing the sodden areas.

We have had over 1100mm of rainfall between January and June making the course the greenest anybody has ever seen. However the honeymoon had to end with barely 75mm falling between July and October and the course resembling a landscape similar to Mars.

The addition of our new machinery has seen a marked improvement on the playing conditions and presentation of the golf course. This new machinery has increased the productivity of the greens staff without impacting the wages.

A welcome addition of Rodney Sharpe and Garen Caulfield to the Pine family and they have settled in nicely to the weekly routines.

A special thanks to Doug Hardman for his support and time given as Greens Director this year and wish him well as he recovers from his knee operations, also my competent greens staff of Rod, Brian and Garen for their effort day in, day out. The committee for being proactive and supportive of the decisions made and implemented by the greens staff.

I would like to thank all the staff, committee and members for their on-going support throughout this year of consolidation.

TREASURER'S REPORT

We have gone through a year of change with the introduction of our new management agreement and the changing of our constitution.

A change in our constitution means a change in our annual reporting structure. Moving forward we will be running on a normal financial year basis which is July to June. That means that this year is shortened to a nine month reporting period from October 2008 to June 2009.

The nine month result which was a loss of \$58k is disappointing, but it's not as bad as it appears. There was \$42k worth of costs that were one off items. The largest of these was the painting of the clubhouse inside and out.

The club also took on loans and leases to the value of \$370k. This was for course machinery and the new buggies. All of this was guaranteed by Darryn Harmer and Frank Phillips. The auditor made mention of the fact that both Darryn and Frank are taking on substantial risk in guaranteeing these loans, but was satisfied that these decisions are based on a financial plan and were business like decisions.

The total member base has grown from 440 members from Sept 08 to 770 this year. This is a 72% jump, but was skewed by a 358% jump in house membership.

Moving forward, we have a target profit of \$55k in 2010, which includes the management fee. This in old terms, is essentially a profit of \$155k. This result would be a significant achievement in only a short period of time.

The business plan is in place to achieve this result, it now just has to be executed.

Craig Heath
Treasurer

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2009

We Glenn Kendall and Craig Heath,
do hereby state in accordance with a
resolution of Directors of the Pine Rivers
Golf club Inc. made on 3rd December, 2009
that in the opinion of Directors;

- a/ The accompanying accounts as set
out on pages 12 to 16 are drawn
up so as to give a true and fair view
of the results of the club for the
year ended 30th June, 2009.

- b/ At the date of this statement there
are reasonable grounds to believe
that the club will be able to pay its
debts as and when they fall due.

The accompanying accounts of the club
are drawn up in accordance with the
accounting policies described in Note 1.

Signed at Brisbane on the 3rd December,
2009.

Glenn Kendall
President

Craig Heath
Treasurer

FINANCIAL STATEMENTS

Profit & Loss Statement for the period October 2008 to June 2009

Income

| | |
|---------------------|-------------------------|
| Bar Trading | 394,761 |
| House Income | 65,740 |
| Golf Shop Income | 234,661 |
| Gaming Income | 987,036 |
| Course Income | 6,388 |
| Match Income | 107,667 |
| Seniors Income | 25,410 |
| Ladies Income | 2,786 |
| Juniors Income | 0 |
| Admin Income | 5,593 |
| Subscriptions | 136,112 |
| Total Income | <u>1,966,155</u> |

Cost Of Sales

| | |
|----------------------------|-------------------------|
| Bar Purchases | 188,074 |
| Golf Shop Purchases | 41,126 |
| Gaming Costs | 866,768 |
| Total Cost Of Sales | <u>1,095,968</u> |

| | |
|--------------|---------|
| Gross Profit | 870,186 |
|--------------|---------|

Expenses

| | |
|-------------------------|---------|
| Golf Shop Expenses | 29,858 |
| House Expenses | 105,142 |
| Gaming Expenses | 46,465 |
| Course Expenses | 126,711 |
| Match Expenses | 56,674 |
| Administration Expenses | 170,840 |
| Wages & Salaries | 361,386 |
| Superannuation | 31,064 |

| | |
|-----------------------|-----------------------|
| Total Expenses | <u>928,139</u> |
|-----------------------|-----------------------|

| | |
|--------------------------|------------------------|
| Net Profit/(Loss) | <u>(57,952)</u> |
|--------------------------|------------------------|

FINANCIAL STATEMENTS

Balance Sheet of Pine Rivers Golf Club as at June 30th 2009.

ASSETS

CURRENT ASSETS

| | |
|---------------|--------|
| Bank Accounts | 6,067 |
| Floats | 25,895 |
| Stock on Hand | 59,343 |
| Trade Debtors | 9,609 |
| Prepayments | 7,741 |
| Deposits Paid | 917 |

TOTAL CURRENT ASSETS **109,571**

NON CURRENT ASSETS

| | |
|----------------------------|-----------|
| Clubhouse at Cost | 453,949 |
| Club Refurbishment | 46,395 |
| Buggy Shed #1 | 1,977 |
| Caretakers House | 12,327 |
| Machinery Shed | 15,077 |
| Buggy Shed #2 | 21,700 |
| Golf Shop | 135,643 |
| Provision for Depreciation | (166,285) |
| Course | 380,473 |
| Clubhouse/Office | 160,968 |
| Less Accum Deprec | (144,749) |
| Course Equipment | 306,770 |
| Less Accum Deprec | (300,998) |
| New Vehicles & Equipment | 153,958 |

TOTAL NON CURRENT ASSETS **1,077,205**

TOTAL ASSETS **1,186,776**

LIABILITIES

CURRENT LIABILITIES

| | |
|---------------------------------|---------|
| Trade Creditors | 142,666 |
| Net GST | (8,341) |
| PAYG Payable | 26,358 |
| Superannuation Payable | 10,511 |
| Prov Employee Entitlements | 11,433 |
| Members Subs Prepaid & Accounts | 65,841 |

TOTAL CURRENT LIABILITIES **248,469**

NON CURRENT LIABILITIES

| | |
|------------------------------|----------|
| Loan WBC Consolidation | 135,088 |
| Partners In Property Pty Ltd | 97,601 |
| Loan PRSC #3 | 15,000 |
| Loans - Equipment Finance | 180,994 |
| Less Unexpired Interest | (32,742) |

TOTAL NON CURRENT LIABILITIES **395,942**

TOTAL LIABILITIES **644,410**

NET ASSETS **542,366**

ACCUMULATED FUNDS

| | |
|-------------------------------------|----------|
| Asset Revaluation Reserve | 303,934 |
| Accumulated Funds b/f 1/10/08 | 295,355 |
| Adjusted Sept 08 Retained Earnings | 1,029 |
| Net Profit/(Loss) for Year | (57,952) |
| Accumulated Funds at end of 30/6/09 | 238,432 |

MEMBERS EQUITY 30 June 2009 **542,366**

CASHFLOW STATEMENT OF PINE RIVERS GOLF CLUB INC.

from the period 1st Oct 2008 to 30th Jun 2009

| | |
|-----------------------------|-----------------|
| | \$ |
| Net Profit | (57,952) |
| Depreciation | 43,937 |
| Working Capital | 30,750 |
| Total Operating Cash | 16,735 |
| Investing Activities | |
| Fixed Assets | (195,864) |
| Financing Activities | |
| Loan Movements | 110,476 |
| Movement In Cash | (68,653) |
| Opening Balance of Cash | 74,720 |
| Closing Balance of Cash | 6,067 |

NOTES TO FINANCIAL STATEMENTS

Note 1: Statement of Significant Accounting Policies

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the *Associations Incorporations Act*. The committee have determined that the club is not a reporting entity.

Basis of Preparation

The report has been prepared in accordance with the requirements of the *Associations Incorporations Act*, and the following applicable Australian Accounting Standards and Urgent Issues Group Interpretations:

AASB 101: Presentation of Financial Statements;

AASB 107: Cash Flow Statements;

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;

AASB 110: Events after the Balance Sheet Date;

AASB 117: Leases;

AASB 1031: Materiality.

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

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. No provision is made for income tax as the Club is exempt from Tax under S23(G) of the ITAA.

Fixed assets – Clubhouse, Pro-Shop, Course, Caretakers House and Machinery Shed, have all been re-valued in accordance with Herron Todd White valuation of 5th December, 1995. Subsequent improvements have been valued at cost and all buildings are being depreciated over a period of 40 years. All other Fixed Assets are capitalised at their historical cost and depreciated over their estimated useful lives.

Provision is made for employee entitlements in respect of Long Service Leave (irrespective of service) and Annual Leave as at Balance Sheet date utilising current wage rates.

The Westpac bank loan is secured by registered first mortgages of the Club's leases. The Pine Rivers Shire Council Loan is unsecured and interest free with the final repayment is due in 2015. Equipment finance agreements and hire purchase agreements are secured by charges over the equipment and in the case of new agreements a guarantee by the Manager. The Club has signed a Facility Agreement and an Agreement for the provision of Management Services.

All Committee positions are honorary and no remuneration was paid to any Committee member.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF PINE RIVERS GOLF CLUB INC.

Scope

I have audited the attached financial report, being a special purpose financial report of Pine Rivers Golf Club Inc. for the period ended 30 June 2009, as set out on the attached pages. The clubs committee is responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the *Associations Incorporations Act* and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Club. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committees' financial reporting requirements under the *Association Incorporations Act*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

The audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of Pine Rivers Golf Club is in accordance with:

- a. the *Associations Incorporations Act*, including:
 - i. giving a true and fair view of the Club's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - ii. complying with Accounting Standards in Australia to the extent described in Note 1; and
- b. other mandatory professional reporting requirements to the extent described in Note 1.

Name of Firm: Don Richards Chartered Accountant

Name of Partner: Don Richards

Date: 4th December 2009

Address: 6/327 Gympie Rd Strathpine Q'ld 4500