



Annual Report
2010

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HOWLONG

COUNTRY GOLF CLUB & MOTEL

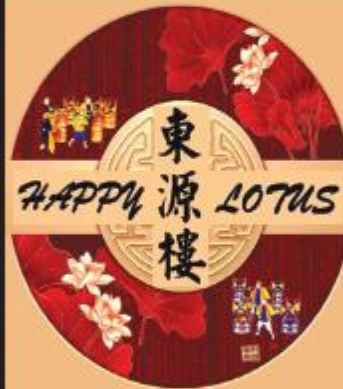


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A.C.N. 001 023 516

BOARD OF DIRECTORS 2010

President:	K Walton	
Vice Presidents:	G Gould	S Donaghey
Captain:	N Clarkson	
Bowls Manager:	J Brundell	
Directors:	W Delaney	M Nicholas
	L McCarthy	G McDonald
	D Smith	S Van de Ven
Secretary/Manager:	C M Rebbechi	

ELECTION OF OFFICE BEARERS AND DIRECTORS 2011

NOMINATIONS ARE CALLED FOR THE FOLLOWING POSITIONS:

CAPTAIN – 12 month term
BOWLS MANAGER - 12 month term
3 x DIRECTORS – Three (3) year term
1 x DIRECTOR – 12 month term (casual vacancy)
PRESIDENT* – 12 month term
2 x VICE PRESIDENT * – 12 month term

Nomination forms may be obtained from the Secretary or at the Clubhouse.

Nominations must be in writing, signed by two Full members who are eligible to vote at the meeting and must also be signed by the nominee. Nominations must be lodged with the Secretary not later than 5:00pm on the day that is seven (7) days prior to the date set down for the Annual Meeting of the Club.

Retiring Office Bearers and Directors seeking re-election must nominate.

Pursuant to Rule 35.3, the Board will consist of eleven (11) Directors in all. Of these, nine (9) Directors will be subject to the Triennial Rule, and the Captain and Bowls Manager will both be elected to hold office until the 2012 Annual General Meeting.

Directors G Gould , L McCarthy and K Walton's terms under the Triennial Rule expire at the 2011 Annual General Meeting.

Director M Nicholas was appointed to fill a casual vacancy and in the terms of the schedule contained in rule 37.1 (4.1) holds office until the 2011 Annual General Meeting. Rule 37.1 (4.2) requires that this position be filled by election at the 2011 Annual General Meeting, and the Director so elected will hold office for the remainder of the term of the Director whose resignation caused the casual vacancy (in this case, 12 months, expiring at the 2012 Annual General Meeting).

* After the election of the Board, the members will elect to office a President and two (2) Vice Presidents from the nine (9) Directors elected under the Triennial Rule.



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Howlong

Howlong Country Golf Club Limited
A.C.N. 001 023 516
NOTICE OF ANNUAL GENERAL MEETING
to be held at Clubhouse
Monday, 18th April 2011 at 7.30 pm.

BUSINESS

- 1) Reading and confirmation of the minutes of the previous Annual General Meeting held on Thursday 15th April 2010.
- 2) Submission and adoption of Annual Accounts, Directors Report, Presidents Report and Auditors Report.
- 3) Election of Directors and Office Bearers for 2011.
- 4) Appointment of Auditor. The Board of Directors recommends the appointment of Johnsons MME as auditors.
- 5) Special Business of which due notice has been given:
 - a) The annual golf playing subscription for the 2011/12 financial year be \$197 (Incl GST and affiliation fees).
 - b) The annual rate for social membership for the 2011/12 financial year be \$20 (Inc GST).
 - c) That the annual bowling members playing fee remain unchanged for 2011/12 excluding affiliation fees which will increase by the equivalent amount of the affiliation charge from the relevant bowling bodies.
 - d) That rule 27.3 of the Constitution of Howlong Country Golf Club be revoked.
 - e) That rule 27.4 of the Constitution of Howlong Country Golf Club be renumbered as 27.4(a) and a new provision 27.4(b) be added as follows:
“Notwithstanding the provisions of Rule 27.4(a) a Playing member or Junior Playing member shall not be entitled to the use of any of the sporting facilities of the Club whilst the member’s annual subscription or any part thereof that has fallen due for payment, or any other amount payable by the member, is outstanding.”
 - f) That rule 35.5(b)(i) of the Constitution of Howlong Country Golf Club be amended to read:
“the Members shall elect to office the number of Directors required to fill vacancies on the Board and;”
 - g) That the Board be empowered to sell the land on titles lots 1, 11 and 12 of crown plan DP803212 and use the resultant net proceeds in its discretion to defray the cost differential on Stage 1 of the Irrigation replacement project, purchase additional gaming assets or invest appropriately.

It is requested that members who wish to raise queries or seek information at the Annual General Meeting about any matters appearing in the Annual Report, give notice in writing of their queries or requests with the Secretary/ Manager by Monday 4st April 2011. This will enable properly researched replies to be prepared for the benefit of all members.

C M. Rebbechi
Secretary/ Manager



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Dinner: 5.30pm - 9pm (7 days)
Dine In or take away
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PRESIDENTS REPORT 2010

The 2010 year was the first budget in the three year recovery program targeted by the Board. Unfortunately, it contained a flaw in that it was based on a golf membership loss of 10% predicted by the previous Board. The club's new financial system came on line in December 2009 and by the end of January 2010 the Board became aware that the real loss of golf members was 41%. This loss was due to the unfortunate introduction of a \$50 water levy that has now been abolished.

The Board reconsidered the budget in the light of this change to the base line position but decided to continue with the initial budget. It considered that the expense and business drivers that were being introduced would still deliver the budget number. The budget tracked on target until September when the wet weather intervened and seriously disrupted golf operations. The three months from the start of September to the end of November is usually one of the Club's best trading periods and traditionally produces profitable trading results with healthy surpluses.

However, in 2010 this period traded at a significant loss which blew out the budget and produced a year end position of -\$298,935.

The month of November produced a trading loss of around \$100,000 due directly to golf course and motel cancellations. There were no actions that the Board could initiate that could restore the position when golf playing numbers halved due to wet weather and motel cancellations followed suit. The fact that every club on the River was in the same boat was little comfort and the problem was compounded by the flooding of the Murray forcing the closure of most of the Corowa district's camping grounds.

This action was heavily publicised in the Melbourne media and ensured that the annual tourists did not arrive in their usual numbers. This has affected the December trading numbers and the Board has reviewed the 2011 budget expectations. We cannot effectively budget for the impacts of Mother Nature and we can only hope that the prolonged rainy season will produce an improvement in district wealth. The locust invasion that plagued the club in December provided some notoriety in the media but did little to help the tourist or trading position.

At the 2010 Annual General Meeting a new fee structure was introduced that effectively gave reductions in subscriptions or increased access or value to all members. These new fees are based on the Board's policy of keeping fees low with every endeavour being made to hold remote membership below \$100 p.a. and locking in the prime golf membership at a point some \$200 p.a. below our nearest competitor (the Corowa Golf Club). Bowling membership fees will be kept aligned with the district average. The Board considers that this low fees policy is the Club's best membership retention and return visit strategy.

In conjunction with the membership drive, the golf course operations have been switched to two tee working which increases the number of playing slots to cater for the expected increase in member numbers and course playing demand. This recruitment strategy is

working and at the end of November the club had increased its membership by 800 including 200 full golf and 100 remote golf members. Although we are still short of the 1400 golf members lost through the water levy the trend is positive and we will continue the recruitment process through the 2011 year.

This change in golf operations was supported by the employment of a new golf professional and a new look to the pro shop. Travis and Jo Merritt are well known in the community with Travis being one of the outstanding junior golfers from the region and this pro shop team gives the club a fresh approach to golf at Howlong.

The Board has continued its policy of transparency and there have been four (4) information meetings throughout the year where members are kept across the trading position and relevant matters affecting the business. This information process is supported by the fortnightly member's bulletin, monthly E news and the web site.

The 2010 year saw the club hold two (2) strategic meetings where a cross section of members attended and commenced the forward planning process. Further meetings will be held in 2011 and the outcomes will be notified through the bulletin or by special notice. The most significant issue to come from the first meetings was the decision to endorse the sale of the club's General Security Water Allocation to the Water for Rivers Commission. The Club had not used this allocation for some years (as the river has been dry) and the club's prime water source is our bore on aquifer 015. This sale was agreed to by the Commission after the Club's Water Resources Committee submitted a detailed water sustainability program that will, over the next decade, secure the club's future water supplies.

This sale has allowed the club to program the first stage of the course irrigation replacement without the need for further borrowings or debt. This irrigation replacement will generate annual savings of approximately \$60,000 in labour, \$30,000 in power and parts as well as 30 megalitres of water. It is a significant construction with long-term benefits for the club's business and the membership.

Water security will remain high on the club's agenda as the NSW Government is preparing a Water Saving Plan for our aquifer that could see the introduction of restrictions on our use of in ground water. Like most of the district we await the outcome of the Murray / Darling Basin Plan which threatens the traditional access to water from the river and threatens many country communities. We can only hope that common sense prevails and that the sustainability of country communities receives a much higher priority than it is apparently receiving at the moment.

Trading conditions in 2011 remain tough and the weather has affected the first 2 months of the current financial year demanding that the Board keep a very close eye on the budget tracking and make adjustments according to need. At the time of writing the budgeted year end position is (\$50,000) with profitability achieved in the 2011/12 budget which will be the final budget of the three year recovery program. The final year end will vary with trading conditions but the finance committee is meeting monthly and will adjust budgeting numbers to reflect trading circumstances.

The Christmas period saw an unprecedented act of vandalism on the course when greens 2, 3, 4 and 11 were poisoned. This action necessitated the exercise of our insurance cover and the replacement of the green surfaces at considerable cost. This resurfacing work was undertaken by our ground staff. Unfortunately a further attack on the newly re-sown greens was perpetrated late in February. The condition of the greens is an essential element of the golf business and any prolonged outage time would have been reflected in the overall business performance. The matter has been referred to the police for investigation.

I take this opportunity to thank Sara Hagy, Brett Skinner and the boys in the shed for a magnificent effort over the year. Their performance to get the course ready and keep it playable during the Murray Masters Pro Am with its plague of locusts is testimony to their pride in the course and their work. They were ably assisted by all the members who volunteered their services to blow the locusts off each green to allow the professionals to complete the tournament. A special thanks to Alan Chappell and his boys for their help on the morning of the event.

To Janet Rogers thanks for the great gardens and the work with our junior golfers. I promise to play better bowls for you next year.

The bar, reception and gaming staff were again well led by Duty Managers Karen Young, Ellen Lions and Paul Banbury. I thank you all for your contributions. Thanks also to the cleaning staff that do a great job all year round in keeping the club spic and span.

A special thanks to John and Margaret Cunningham at the motel which has been a major contributor during the year. The management of their committed group of workers has been greatly appreciated.

As a club we are lucky to have such a fine Management Team led by General Manager Chris Rebbechi who continues to grow into the job. His calm, professional approach to all issues, including an intrusive President, sets the scene for the successful operation of all sections of the business. Shane, Michelle and Judy are the heart of our managerial capability.

The Men's and Ladies Bowls sub clubs have continued to serve the club well under the leadership of Bowls Manager Jeff Brundell. The highlight of the year was the win by Margaret Bourne and Margaret O'Donnell at the Zone pair's championship and their unlucky exit from the State final. On a lower level the Club's three men's pennant teams made the final but all three lost. Let us hope for better bowls and better luck in the coming pennant season.

The Lady Golfers sub club had another fine year and this is the subject of later report. The male golf subcommittee is handling most of the men's golf operational load. The Greens and Rules committees provide specialist support for all golfers. A special mention for the Club's Water Resources Committee which has completed an enormous amount of

research and representation on behalf of the club and was instrumental in obtaining the financing that will underpin the course irrigation replacement.

A special thanks to my colleagues on the Board. It is your support and contribution to the best interests of the membership that will ensure that the club will continue into the future. The year has seen some changes to the complement of the Board with Ron Newman retiring due to health problems and Steve Donaghey taking his place as Vice President. Marjorie Nicholas has filled the Board position vacated by Ron and she brings to the Board a wealth of legal and business acumen. When Travis Merritt was selected for the professional's role Norm Clarkson was elected to the Captain's position and I am sure that he will bring membership accessibility and sensitivity to this pivotal operational role.

A special General Meeting held in August made a number of changes to the club's constitution the most notable being the reduction of the Board size from 11 to 9 positions over the next three years. The 2011 election will be the last time that the members will vote for 11 Board positions.

This year Directors McCarthy, Gould and Walton will be up for election under the triennial rule. Director Nicholas will be standing for re election for the last 12 months of the Ron Newman triennial term and Bowls Manager Jeff Brundell and Captain Norm Clarkson will be standing for their positions which are elected on an annual basis.

I will be nominating for a Board position and the President's position. Vice President Graham Gould will be nominating for a Board position and a Vice President's position. Vice President Donaghey will be nominating for the second Vice President's position and Director Lee McCarthy will nominate for a Board position.

All Board Members have contributed during the year and I believe should be supported so that we can ensure that the club returns to profitability in 2012.

Vale

Jack Finlay
Paul Packer
Maureen Evans
Daniel Salmon
Barry Evans
Gwen Ronald
John Equid
Enid Jelbart
Terence Bartel
Wall Chambers
Thelma O'Halloran
Carrie Athanitis

Robert Cornish
Elwin Mann
Gladys Casey
Alma Lahn
Keith Scott-Robertson
David Dury
Doug Gordon
Nancy Fisher
Robert Read
Geoff Jervois
Peter Urpis
Richard Scragg

In concluding I have noted the concerns expressed at the number of changes implemented by the Board over the last 18 months. I appreciate that change represents a threat or a promise depending upon its direct effect on the individual. Members are assured that the changes that have been implemented are a necessary part of the business model that the Board has developed for the financial recovery of the club. I am of the view that most of the necessary structural changes are now in place and the club will now enter a refinement and maintenance phase. Our information meetings will continue to allow members the opportunity to hear the reasoning behind the moves and express their opinions.

The Board is confident that it has made the best business decisions in the circumstances it faced and the fact that we were able to produce a revenue result the same as the previous year, from a membership base some 1400 lower in number, is positive encouragement that we will be successful with the recovery plan.

The Board has met on 16 occasions since its election in April 2010 and I am satisfied that it has met all Corporate Governance requirements.

Ken Walton
President



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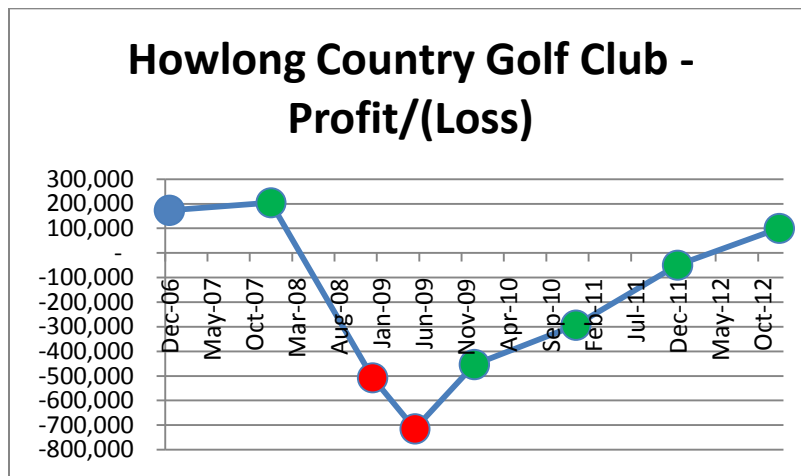
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GENERAL MANAGERS REPORT 2010

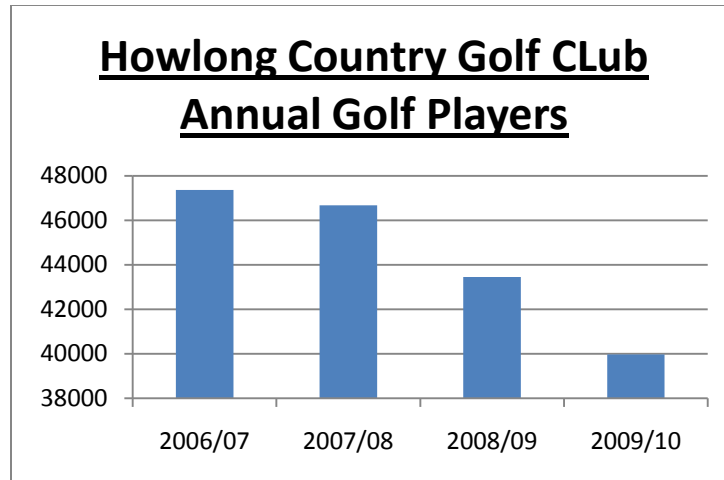
Despite successful changes to a number of the Clubs operational activities the financial results were disappointing with a loss of \$298,935 being recorded. This result when adjusted for depreciation represented a profit of \$168,586. Whilst the performance was disappointing it is important to note that it represents an improvement on last year of \$155,150. Given that last year's results included the sales of Poker Machine Licenses which netted a profit of \$90,000, in real terms the result is an improvement of \$245,150.

Whilst I am disappointed that the results did not meet our budget projections, the results still represent a significant improvement in our trading position as highlighted in the graph below.



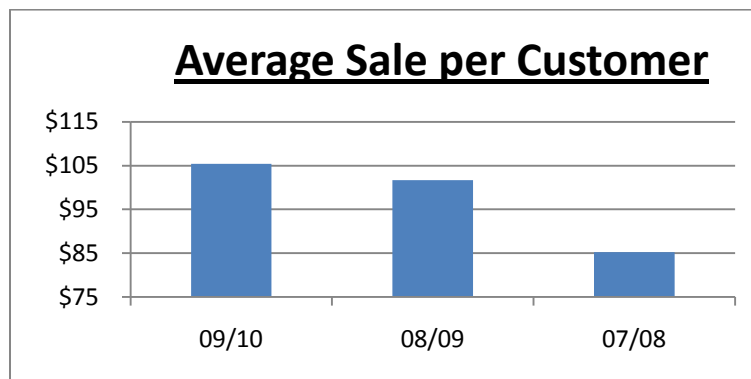
This graph includes our projected results for 2011 and 2012 which are reliant on a return to favourable trading conditions.

During the first three quarters of the year the Club traded well buoyed by the return of Bus Group Visitors and an investment in new Poker Machines. This resulted in increased revenue in the Gaming Room with revenue up \$68,432 (4%). The final quarter saw trading drop substantially due to the influences of adverse weather conditions. The golf player numbers in the winter quarter (June, July, August) represented more players last year than the Spring quarter this year. Effectively we had two winters in a row. These statistics and the graph below highlight the massive impact these adverse weather conditions have had on the golf operations.



This drop in playing numbers due to the adverse weather conditions was exacerbated by the drop in membership of 41% which was primarily as a result of the impost of the water levy. Since the water levy was abolished and a pro rata membership arrangement offered with new membership categories, golf memberships have increased by 391 members or 23%.

The challenges presented by the drop in visitation, golf players and members has meant that to achieve sales results it was necessary to target new business and to make the most of the visitors that we do have. The results of the average sales as highlighted in the graph below indicate the success in making the most of the existing visitors.



The introduction of the Happy Lotus restaurant has been hugely successful for the Club with diners well up on last year despite the drop in golfer numbers. The restaurant has been a key driver in the growth in social members with membership increasing by 589 members or 36% over the year.

The occupancy in the Motel for the spring quarter which is traditionally our busiest time was 48%, even the Autumn quarter was busier than this with an occupancy of 50%. This is the lowest occupancy rate for the spring quarter in 15 years. Despite this poor result in occupancy the financial result has been outstanding with profit for the Motel of \$190,149 compared to \$86,991 last year. This result reflects the hard work of our Management

Couple John and Margaret Cunningham and their team in reducing overhead costs, particularly labour and repairs and maintenance costs.

The Club set a goal of ensuring cash reserves were kept in excess of \$500,000 and it is pleasing to have achieved this result with a cash balance at year-end of \$507,866.

The year has been one of constant change with every aspect of the business subject to review. The support that I have received from the staff has been fantastic; I would like to recognise the efforts of the staff for their cooperation in making continuous improvements to the clubs operations in such a positive and cheerful manner.

During the year I have continued to receive tremendous support and guidance from the President and the Board of Directors. The Board is a group of extremely hard working individuals with expertise in a number of important and relevant business disciplines. Dealing with such a professional group of Directors has made a difficult year a rewarding year.

The Committees have worked extremely hard for the members with these committee members volunteering their valuable time to assist the governance of the Club. Thank you to the committees who represent; Golf (Men's and Ladies), Greens, Bowls (Men's and Women's), Finance, House, Sponsorship, Rules, Strategic, Juniors and Water. To the volunteers who have helped at working bees, offering their time, goods and services, we appreciate your ongoing support.

Our Sponsors have dug deep for the Club in 2010 and support the club in so many ways;

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Despite an extremely difficult trading period the club continues to improve and with the continued support from the members, a sound strategic direction provided by the Board and a group of enthusiastic and competent staff the club will continue to improve.

Chris Rebbechi
General Manager

Captain's Report 2010

Since taking over the Captain's position from Travis Merritt the club's golfing operations have seen a number of important changes. The 2 tee start has been fully implemented and this change was carried out in conjunction with the move to a 2 week booking sheet. The combination of these two changes provides more golfing spots and more time options for members. The previous permanent bookings process was unfair, unconstitutional and provided a significant access advantage to a few members. All members now have the ability to place their name on the time sheet at a time convenient to them.

The Sunday Summer Pennant has been a success and plans are now underway to make it bigger and better next year. Clubs, businesses and individuals will be canvassed to enter teams. The more players participating the bigger the rewards to golfers and the better the match play competition.

On the down side the poisoning of the 4 greens caused major disruption to all our golfing members. On the positive side our golf course has never looked better except for the 4 poisoned greens and this is all due to the hard work of Sara and her team and they should be congratulated.

I extend a special thanks to all the volunteers we had for the Murray Masters without their help in using blowers, to make a pathway for all golfers to putt through the locusts on the greens, the event may not have gone ahead. I know the professional golfers really appreciated what the volunteers achieved and management extends a hearty well done to all concerned.

Special thanks to all the members of the Golf Committee for their support and the hard work that they have put in to help us achieve our objective of doing what the majority want in the way of events and times, their work helps the club house become a place where all golfers get along without the persistent division that appears from time to time in sporting clubs.

Congratulations to all trophy winners throughout the year, with a special mention to our Club Champion for 2010 Bruce Bengough.

Norm Clarkson
Captain

LADIES GOLF PRESIDENT'S REPORT 2010

2010 has been a busy and challenging year, with change being very much the order of the day.

Already we have seen the introduction of major changes in handicapping procedures and most members have felt the impact of these. Further radical changes were to have come into effect in January 2011, but in the face of widespread concern, Golf Australia has now indefinitely suspended the introduction of this second package pending further consultation and review (and in my opinion, prudently so).

On 1 July of this year the long-mooted merger between Women's Golf NSW and NSW Golf Association was implemented under the banner of "Golf NSW", which will speak with one voice for amateur golf in this State. The objectives of Golf NSW include the streamlining of administration and communication, whilst the potential for more effective utilization of combined assets and recourses, along with the advantages created by economy of scale, will facilitate promotion and marketing. We congratulate all concerned for what they have achieved to this point, and wish Golf NSW success as it works to advance the interests of all amateur golfers.

On the home front, Howlong Ladies Golf continues to work effectively with Howlong Country Golf Club and other sub-clubs as we all move forward in what has been, and continues to be, a difficult economic climate. At each month's meeting of the Board our Ladies report is presented in person, and this has afforded the opportunity for us to raise a number of issues which the Board has been most supportive in addressing. I am pleased to report too, that the Board has formally ratified the Rules of Howlong Ladies Golf, incorporating the amendments passed at the Extraordinary General Meeting held on 24th March 2010.

Howlong Ladies Golf has made a significant contribution to golf course improvements again this year in funding 100 metre markers and pin placement signs. These were installed early in the year and have proved to be valuable enhancements to the amenity of the course.

In March we hosted two excellent Open Days. The first was the Riverina Ladies Golf Association Open Day on 10th March, in which 120 players took place. This was followed on 31st March by Howlong Ladies Open Day, when a full field teed off. Our thanks and congratulations go to all who contributed to the outstanding success of both days.

The Enzed Ladies 27 Hole Championship event was conducted on 1st September as part of the Howlong Annual Tournament and we would like especially to thank Enzed for their generous sponsorship. The Maree Prendergast Memorial Bowl (in Perpetuity) was also contested on this day, and we express our appreciation to the Prendergast family for their ongoing support. Although playing numbers were somewhat down due to adverse

weather in the lead up period, visitors and members alike enjoyed an excellent day's golfing complemented by our renowned Howlong hospitality.

October saw us conduct a very well supported and highly successful Charity Day, with our chosen beneficiary, the Albury CareVan Foundation, receiving a donation of \$2,500 after all expenses had been met.

In all of this, particular mention must be made of our Course Superintendent, Sara Hagy, and her team who, notwithstanding significant difficulties experienced from time to time, have consistently presented the golf course in amazing condition. The course, and the Club amenities in general, continue to draw considerable admiration from our visitors and represent a source of pride to our members.

Of fundamental importance is the contribution made by Sue Eisenhower in the extremely demanding and time-consuming role of Lady Captain. With the support of her Match Committee, Sue provides the attention to detail that lays the foundation for the success of our special events and underpins our regular golf operations, and she has managed to retain her sense of humour throughout the process.

The special quality that sets Howlong hospitality apart is due in no small measure to the skills and dedication of Janet Rogers and Bev Parmenter, together with their enthusiastic band of volunteer members. We are much indebted to them, and our many generous members, for ensuring that our guests enjoy the best of country cooking complemented by a warm and welcoming atmosphere on every occasion for which we cater.

Speaking of Janet Rogers, it was the privilege of Howlong Ladies Golf to propose Janet for Life Membership of the Howlong Country Golf Club, and in electing her to this honour at the Club's 2010 Annual General Meeting the general membership has fittingly recognised her long and outstanding service to the Club.

Throughout the year we have been represented with distinction by our pennant players, and by our many members who have taken the time and trouble to visit other clubs to participate in tournaments and events and "fly the Howlong flag". We thank and congratulate them.

And of course, special recognition goes to our loyal members who turn up week in/week out to play in our competitions here at home.

I want personally to acknowledge the invaluable and unfailing support I have received throughout the year from all Committee members:

- Vice President Pam Boswell
- Captain Sue Eisenhower
- Vice-Captain Anne Weiss
- Secretary Lorraine Walton
- Treasurer Judy Delaney
- Handicap Manager Jan Carter and

- Committee members Mary Dixon, Denise Makeham, Jenny Thomas and Sue van de Ven.

In addressing a wide range of issues over the course of the year they have collectively brought to the task a wealth of knowledge, experience, wisdom and skills, matched by an abundance of enthusiasm. They have been forthright in expressing their views and unwavering in their commitment to Howlong Ladies Golf.

Thanks, too, to Clare Meade who so willingly assisted with handicapping duties during Jan Carter's leave of absence.

Committee member Denise Makeham has indicated that she will not be standing for re-election for the 2011-2012 year. On behalf of all members, I thank Denise for her strong contribution and wish her, and any others who may be unwell, a speedy return to full health.

In conclusion, I acknowledge with gratitude the contributions made in so many diverse ways by the members of Howlong Ladies Golf Club – it is this sense of involvement and generosity of spirit that is the lifeblood of our club.

Marjorie Nicholas
President

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MEN'S BOWLS CLUB PRESIDENT'S REPORT 2010

2010 has been a successful year for Men's Bowls overall with all three pennant sides reaching the grand finals and one of the teams reaching the Odewahn Shield final. Unfortunately, none of the major prizes were taken out leaving us with unfinished business for the New Year. A lot of the credit for our successes in 2010 goes to Arthur Prosser who was the outgoing Bowls Manager. Luckily for Howlong, Arthur has continued on as a Match Committee member and he is also the Match Committee Chairman for the Albury & District Bowling Association.

Our successful year is also a testament to the sterling work done by the Match Committee and the Pennant Selection Committee headed by Wally Bourne. Everyone contributes a lot of their personal time to assist in Howlong being one of the friendliest venues to play Bowls. One who deserves special mention, is Duncan Chappell who not only is the Treasurer, but also co-ordinates the Easter Tournament and the Howlong Invitation Classic. Your untiring work is greatly appreciated. Bob Schneider runs our highly appreciated Wednesday Night Charity Bowls which is one of the social events of Howlong, quite apart from the fact that it contributes tens of thousands of dollars to worthy charities.

Club Champions for 2010 were:

Men's Singles: Adrian Pantling
Runner-up: Phil Slater

Men's Pairs: Wally Bourne & Steve Kirk
Runners-up: Adrian Pantling & Allan James

Men's Minor Singles: Terry Fletcher
Runner-up: Steven Goodear

Mixed Pairs: Terry & Dianne Fletcher
Runners-up: Duncan Chappell & Jenny Bourne

Sara Hagy and all of the support staff were great for the whole year. It is immensely gratifying to be congratulated by visiting Bowlers for having the best grass greens in the District. Thanks Sara.

2011 is shaping up as a really busy year and it is hoped that the locusts who gave us so many problems in late 2010 will not affect us in the New Year. We expect to perform better in the 2011 Pennant Season with new bowlers joining us. The new Bowlers are Chris & Troy Kennedy, Ken Buchanan, Jay Wilson, Keith Mills, Chris Rebbechi, Ronald Harmer and Noel Nugent. We say farewell to those who wish to progress their game elsewhere. You are always welcome back.

The Howlong Ladies Bowling Club also assists us greatly in the catering and their support in the many social games and activities throughout the year. We have a very good working relationship and appreciate their help.

Being only a small part of the overall Howlong Country Golf Club, we really appreciate the support of the Directors and staff of the Club. We would not have a Bowling Club without your ongoing support. Mere words are not sufficient for the help and support of Ken Walton, our Club President. How he manages to play Pennant Bowls and attend to all other issues is beyond us. The Men's Match Committee thanks Ken for not only everything he has done for the Men's Bowling Club, but for the overall benefit for all of the members of the Howlong Country Golf Club. A true gentleman and a friend of the Bowls Club.

Jeff Brundell
Bowls Manager



WOMEN'S BOWLS CLUB PRESIDENT'S REPORT 2010

The past year was an exciting one for our club with Margaret O'Donnell and Margaret Bourne winning not only the District Pairs but also the Group Pairs. They then went on to play the State Finals at Tuncurry – great work ladies. Margaret Bourne also won the District Singles but was unsuccessful at Group Level – well done Margaret winning both events. Thanks to the Club Ltd for sponsoring our ladies in both these events.

We were able to have three sides in pennant this year and one of the sides won their section in Division 4 but lost to Commercial Albury in the playoff. Great effort ladies and also thanks to all the pennant players who commit their time and energy to play for our club over the ten weeks of pennant.

Our club stepped in at short notice to host the Riverina Veterans Day when North Albury's greens were unplayable. It was a wonderful day with 90 ladies attending. There were 18 new super veterans who were presented with their badges including our own Margaret Crichton, Dorothy Schilg and Margaret Williams.

Thanks go to Doreen Kindred, Jeanette Cameron and all the other ladies who help cater for the many events held at our club. They do a marvellous job each and every time.

In September we joined with the men bowlers for a joint Presentation Night. It was a very enjoyable evening with about 70 attending and one which will become an annual event in our programme.

The Club Championship winners were: -

Singles

Winner – Margaret Bourne Runner-up – Eileen Wiersma

Pairs

Winners – Barbara Patterson and Francis Cartwright

Runners-up - Edna Eaton and Mary Prosser

Minor Singles

Winner - Francis Cartwright Runner-up – Ruth Kirk

Consistency

Winner – Margaret O'Donnell Runner-up – Jennie Bourne

Singles Sets

Winner – Margaret Bourne Runner-up – Margaret O'Donnell

Thank you to President Ken, General Manager Chris and office staff for their help during the year. Thanks also to Shane and the bar staff, Eugene and Raymond and their staff, and also to Sara and her ground staff for assisting us at all times.

Thanks to Jeff Brundell and the men bowlers who support us on our playing days and offer support when needed. It is great to have a good rapport between both bowling clubs.

Last, but by no means least, a great big thank you to Secretary, Margaret Crichton, Treasurer and Publicity Officer, Margaret O'Donnell, Vice-Presidents, Mary Prosser and Margaret Williams, and Match Chairwoman, Margaret Bourne and her committee, Jenny Bourne, Dianne Fletcher, Ruth Kirk and Lorna Lean. All these ladies give of their time freely and every President knows that they cannot survive without the help and support of their executive members.

Thank you to all members for your support.

Eileen Wiersma
President



Howlong Country Golf Club Limited

ACN 001023516

Financial Statements

For the year ended 30 November 2010

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Directors' Report

For the year ended 30 November 2010

Your directors present the financial statements of the Howlong Country Golf Club Limited (the Company) for the year ended 30 November 2010.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

S van de Ven		A Prosser	- resigned 15 April 2010
G Gould		R Newman	- resigned 7 June 2010
K Walton		L McCarthy	
W Delaney		D Smith	
G McDonald		S Donaghey	
P Opitz	- resigned 15 April 2010	J Brundell	- appointed 15 April 2010
M Nicholas	- appointed 21 June 2010	N Clarkson	- appointed 25 October 2010
T Merritt	- appointed 15 April 2010		
	- resigned 6 September 2010		

Company secretary

The Company's secretary is Mr Chris Rebbechi, who was appointed on 10 August 2009.

Principal activities

The principal activities of the Company during the year were promotion and conduct of golf, bowls and a motel for the purpose of promoting these sports and club amenities.

Dividends

The Company is a public Company limited by guarantee and therefore prohibited from paying a dividend.

Review of operations

A review of operations for the financial year discloses the following:

	2010	2009
	\$	\$
Operating profit/(loss) after income tax	(298,935)	(454,085)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect:

- (a) the Company's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

Environmental regulation

The Company's operations were not subject to any particular or significant environmental regulations during the year.

Directors' Report

For the year ended 30 November 2010

Information on directors

S van de Ven Director since March 2008 Occupation – Company Director	M Nicholas Director since June 2010 Occupation – Primary Producer	G Gould Director since May 2009 Occupation – Managing Law Clerk
K Walton Director since May 2009 Occupation – Retired	J Brundell Director since April 2010 Occupation – Consultant	W Delaney Director since May 2009 Occupation – Retired
L McCarthy Director since May 2009 Occupation – Police Officer	G McDonald Director since May 2009 Occupation- Company Director	D Smith Director since May 2009 Occupation - Newsagency Proprietor
N Clarkson Director since October 2010 Occupation – Retired	S Donaghey Director since December 2009 Occupation – Business Executive	

Meetings of directors

The number of meetings of the Company's directors held during the year ended 30 November 2010, and the numbers of meetings attended by each director were:

	No. of Meetings Attended	No. of Meetings Held*
S Van de Ven	15	16
A Prosser	6	6
G Gould	15	16
K Walton	16	16
R Newman	6	8
W Delaney	16	16
L McCarthy	8	16
G McDonald	14	16
D Smith	15	16
S Donaghey	13	16
P Opitz	6	6
T Merritt	5	6
J Brundell	9	10
M Nicholas	6	7

* reflects the number of meetings held during the time the director held office during the year.

Howlong Country Golf Club Limited

Directors' Report

For the year ended 30 November 2010

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Insurance of officers

During the financial year the Company paid a premium of \$1,152 (2009: \$1,600) to insure its directors and officers in respect to liabilities that may arise from their position as directors and officers of the Company.

Auditors

Johnsons MME continues in office in accordance with section 327 of the *Corporations Act 2001*.

Auditor's independence

A copy of the auditors' independence declaration as required by section 307C of the *Corporations Act 2001* has been received and can be found following this director's report.

Signed in accordance with a resolution of the directors.



Director
Ken Walton



Director
Graham Gould

Howlong
21 February 2011

Directors' Report

For the year ended 30 November 2010



Auditors' Independence Declaration

As lead auditor for the audit of Howlong Country Golf Club Limited for the year ended 30 November 2010, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Stephen Clarke', written over a faint circular stamp or watermark.

Stephen Clarke
Partner
Johnson's MME

Albury
25 February 2011

Directors' Declaration

For the year ended 30 November 2010

The directors declare that the financial statements and notes set out on pages 7 to 21:

- a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Company's financial position as at 30 November 2010 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the director's opinion:

- a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director
Ken Walton



Director
Graham Gould

Howlong
21 February 2011

Statement of Comprehensive Income

For the year ended 30 November 2010

	Note	2010 \$	2009 \$
Revenue	2	3,763,717	3,672,338
Cost of goods sold	3	321,312	310,016
Employee related expense		1,385,513	1,457,991
Depreciation	3	467,521	520,674
Repairs and maintenance expense		339,041	429,547
Advertising and promotion expense		234,291	214,783
Members expense		138,176	152,704
Poker machines taxes & monitoring fees		240,485	243,183
Electricity expense		171,921	135,347
Asset disposal		-	45,303
Finance costs		9,036	2,191
Other expenses		755,356	614,664
Profit/(Loss) before income tax		<u>(298,935)</u>	<u>(454,085)</u>
Income tax expense	1(b)	-	-
Net Profit/(Loss) for the year		(298,935)	(454,085)
Other Comprehensive Income			<u>-</u>
Total Comprehensive Income / (Result) for the year		<u><u>(298,935)</u></u>	<u><u>(454,085)</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 November 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	507,886	599,539
Trade and other receivables	5	17,693	103,228
Inventories	6	108,345	76,521
Other	7	35,719	10,986
Total Current Assets		<u>669,643</u>	<u>790,274</u>
Non-Current Assets			
Property, plant and equipment	8	4,287,213	4,407,057
Intangible assets	9	180,369	180,369
Total Non-Current Assets		<u>4,467,582</u>	<u>4,587,426</u>
Total Assets		<u>5,137,225</u>	<u>5,377,700</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	292,451	356,423
Borrowings	11	55,678	12,003
Employee provisions	12	100,656	84,453
Other	13	123,667	121,899
Total Current Liabilities		<u>572,452</u>	<u>574,778</u>
Non-current liabilities			
Borrowings	14	112,678	25,133
Employee provisions	15	18,670	45,429
Total Non-Current Liabilities		<u>131,348</u>	<u>70,562</u>
Total Liabilities		<u>703,800</u>	<u>645,340</u>
Net Assets		<u>4,433,425</u>	<u>4,732,360</u>
EQUITY			
Retained profits		<u>4,433,425</u>	<u>4,732,360</u>
Total Equity		<u>4,433,425</u>	<u>4,732,360</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Howlong Country Golf Club Limited

Statement of Changes in Equity

For the year ended 30 November 2010

	2010	2009
	\$	\$
Retained profits at the beginning of the financial year	4,732,360	5,186,445
Net profit/(loss) for the year	(298,935)	(454,085)
Retained profits at the end of the financial year	<u>4,433,425</u>	<u>4,732,360</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 November 2010

	Note	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from members & customers (inclusive of GST)		3,836,508	3,806,486
Payments to suppliers and employees (inclusive of GST)		(3,717,680)	(3,861,353)
		<u>118,828</u>	<u>(54,867)</u>
Interest paid		(9,036)	(2,191)
Interest received		10,039	27,761
Net cash inflow/(outflow) from operating activities	16	<u>119,831</u>	<u>(29,297)</u>
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(348,155)	(325,279)
Proceeds from the sale of poker machine licenses		-	90,000
Proceeds from the sale of property, plant and equipment		5,451	34,637
Net cash inflow/(outflow) from investing activities		<u>(342,704)</u>	<u>(200,642)</u>
Cash flows from Financing Activities			
Proceeds from borrowings		174,747	27,025
Repayment of borrowings		(43,427)	(33,097)
Net cash inflow/(outflow) from financing activities		<u>131,220</u>	<u>(6,072)</u>
Net Increase/(Decrease) in Cash Held		(91,653)	(236,011)
Cash at the beginning of the financial year		599,539	835,550
Cash at the End of the Financial Year	4	<u>507,886</u>	<u>599,539</u>
Non-cash financing and investing activities	17		

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 1. Summary of significant accounting policies

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Basis of preparation

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

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Reporting Standards (IFRS) requirements. The company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Company has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities.

Comparative information has been reclassified where appropriate to enhance comparability.

(a) Revenue

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

(i) *Sale of goods and services*

Revenue from the sale of goods is recognised upon delivery of goods to customers.

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

(ii) *Subscription revenue*

Subscriptions revenue is brought to account on a progressive basis over the period in which members are able to enjoy the use of the Company's facilities. Any subscriptions received in advance are brought to account as a liability (refer note 13).

(iii) *Interest*

Interest revenue is recognised on an accrual basis taking into account applicable interest rates.

(b) Income Tax

The Company has received advice from the Australian Taxation Office that it is exempt from income tax and will remain so whilst its activities remain the same as at present and the income tax legislation does not change in relation to the exemption provisions.

(c) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

(d) Maintenance & Repairs

Maintenance, repair costs and minor renewals are charged as expenses as incurred.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 1. Summary of significant accounting policies (continued)

(f) Trade and Other Receivables

All trade receivables are carried at their nominal amount. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is raised when some doubt as to collection of the debt exists.

(g) Inventories

Inventory is stated at the lower of cost and net realisable value.

(h) Property, Plant & Equipment

All property, plant and equipment is stated at cost less depreciation and impairment losses. Cost is measured as the fair value of the assets given up, liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

The purchase method of accounting is used for all acquisitions of assets.

All depreciation is calculated using straight line or diminishing value methods, depending on when the financial benefits of an asset will be derived, to write off the net cost of each item of property, plant and equipment (excluding freehold land) over its expected useful life to the Company. The expected useful lives are as follows:

Buildings	10-40 years
Plant and equipment	4-10 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(i) Intangible Assets

Goodwill

Goodwill is initially recorded at the amount at which the purchase price for a business exceeds the fair value attributed to its net assets at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Water License

The water license is recognised at cost. The license has an indefinite life but is tested annually for impairment in accordance with note 1 (j).

(j) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less cost to sell and value in use.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. These amounts are unsecured and usually paid within 30 days of recognition.

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 1. Summary of significant accounting policies (continued)

(l) 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 Tax Office. 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. Receivables and payables in the statement of financial position are shown inclusive of GST.

(m) Employee Entitlements

(i) Wages and salaries

Liabilities for wages and salaries are recognised and measured as the amount unpaid at the reporting date at current wage rates in respect of employees' service up to that date.

(ii) Annual leave

Liabilities for annual leave are recognised and are measured as the amount unpaid at the reporting date at pay rates expected to apply when the obligation is settled in respect of employees' services up to that date, including on-costs. All annual leave balances are classified as a current liability.

(iii) Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. All long service leave which the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date is disclosed as a current liability and is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash outflows.

(n) Borrowings

Borrowings are carried at their principal amounts, which is not materially different to the present value of future cash flows associated with servicing the debt. Any interest payable on borrowings is accrued over the period it becomes due and is recorded as part of other creditors.

(o) Statutory Status

The Company is incorporated as a Company limited by guarantee. In accordance with the Memorandum of Association of the Company, every member of the Company undertakes to contribute an amount limited to \$20 per member in the event of winding up the Company during the time he or she is a member or within one year thereafter.

(p) Critical Accounting Estimates

The directors evaluate estimates and judgements 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 internally and externally.

Key Estimates

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment. Where evidence of impairment exists, the recoverable amount of the asset is determined. The value-in-use calculations performed in assessing recoverable amounts incorporate a number of estimates. No impairment has been recognised in respect of goodwill relating to the motel for the year ended 30 November 2010.

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 1. Summary of significant accounting policies (continued)**(q) New Accounting Standards and interpretations**

A number of Australian Accounting Standards have been issued or amended since the last reporting date and are applicable to the entity but are not yet effective. The Board has assessed the impact of these amendments and they are immaterial to the entity. They have not been adopted in the preparation of the Financial Statements at balance date.

Note 2. Revenue

	2010	2009
Revenue from operating activities	\$	\$
Poker Machines	1,601,895	1,533,463
Bar	687,218	657,043
Motel	479,795	468,677
Members subscriptions, entrance and affiliation fees	244,347	175,261
Competitions and green fees – golf & bowls	339,187	374,210
Raffle proceeds	45,757	63,721
Bistro sales	86,723	-
Bingo	13,106	11,702
TAB Proceeds	19,783	12,920
Commission	52,482	75,249
	<u>3,570,293</u>	<u>3,372,246</u>
Revenue from outside the operating activities		
Interest	10,039	27,788
Insurance Received	1,552	37,620
Sundry	3,629	4,092
Sale of poker machine licenses	-	90,000
Sponsorship and donations	50,609	2,152
Conferences and Functions	38,799	29,695
Profit from sale of PP&E	4,973	-
Water Levy	83,823	80,124
Other Income	-	28,621
	<u>193,424</u>	<u>300,092</u>
	<u>3,763,717</u>	<u>3,672,338</u>

Note 3. Profit**Net gains and expenses**

Profit before income tax expense includes the following expenses:

Expenses

Cost of sales of goods	321,312	310,016
Depreciation		
Buildings	211,228	207,972
Plant and equipment	256,293	312,702
	<u>467,521</u>	<u>520,674</u>
Asset disposals		
Loss on sale of PPE	-	10,200
Write off of assets	-	35,103
	<u>-</u>	<u>45,303</u>
Provisions for employee leave entitlements	(10,556)	(25,232)

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 4. Current assets – Cash and Cash Equivalents	2010	2009
	\$	\$
Bank accounts of associated sporting clubs	38,268	23,103
Hume Business cheque account	265,072	257,296
Hume Keno account	26,830	6,768
National Australia Bank general account	43,816	-
Hume Investment account	47	45
Hume Tab account	7,308	10,579
Hume Isave account	56,601	151,256
Hume Business account	4,160	7,970
Hume Fixed Term Investment account	-	80,569
Cash on hand	65,784	61,953
	<u>507,886</u>	<u>599,539</u>

Note 5. Current assets – Trade and Other Receivables

Trade debtors	5,954	100,250
Less: Provision for doubtful debts	-	(500)
	<u>5,954</u>	<u>99,750</u>
Sundry debtors	5,066	3,086
Accrued income	6,673	392
	<u>17,693</u>	<u>103,228</u>

Note 6. Current assets – Inventories

Bar stocks	41,265	34,010
Golf course, bowling green supplies and sundries	34,686	40,238
Motel	32,394	2,273
	<u>108,345</u>	<u>76,521</u>

Note 7. Current assets – Other

Prepayments	29,512	5,986
Deposits	6,207	5,000
	<u>35,719</u>	<u>10,986</u>

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 8. Non-current assets – Property, Plant and Equipment	2010	2009
	\$	\$
Land and buildings		
Freehold Land – at cost	598,747	598,747
Club House – at cost	1,852,208	1,803,364
Less: Accumulated depreciation	(1,259,860)	(1,220,015)
	592,348	583,349
Golf course and green improvements – at cost	1,014,739	1,010,679
Less: Accumulated depreciation	(578,330)	(526,820)
	436,409	483,859
Improvements – at cost	755,939	755,938
Less: Accumulated depreciation	(547,058)	(508,490)
	208,881	247,448
Bowling Complex – at cost	182,018	182,018
Less: Accumulated depreciation	(168,393)	(159,292)
	13,625	22,726
Water Supply – at cost	940,773	919,258
Less: Accumulated depreciation	(506,467)	(465,477)
	434,306	453,781
Motel Buildings – at cost	1,002,020	1,002,020
Less: Accumulated depreciation	(425,142)	(400,091)
	576,878	601,929
Improvements – Motel – at cost	167,420	167,420
Less: Accumulated depreciation	(109,333)	(103,170)
	58,087	64,250
Total Land and Buildings	2,919,281	3,056,089
Plant and equipment		
Plant, Furniture and Equipment – at cost	4,727,102	4,500,405
Less: Accumulated Depreciation	(3,532,048)	(3,326,452)
	1,195,054	1,173,953
Plant and Machinery – Motel – at cost	87,675	73,891
Less: Accumulated depreciation	(61,517)	(56,804)
	26,158	17,087
Furniture, Fixtures and Fittings – Motel – at cost	344,866	344,569
Less: Accumulated depreciation	(216,207)	(200,829)
	128,659	143,740
Motor vehicle – at cost	17,091	17,091
Less: Accumulated depreciation	(4,322)	(903)
	12,769	16,188

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 8. Non-current assets – Property, Plant and Equipment (continued)

	2010	2009
	\$	\$
Software – at cost	5,918	-
Less: Accumulated depreciation	(626)	-
	<u>5,292</u>	<u>-</u>
 Total Plant and Equipment	 <u>1,367,932</u>	 <u>1,350,968</u>
	<u>4,287,213</u>	<u>4,407,057</u>

	Freehold Land	Buildings	Plant and equipment	Total
	\$	\$	\$	\$
WDV 1 December 2009	598,747	2,457,342	1,350,968	4,407,057
Additions	-	74,419	273,735	348,154
Disposals	-	-	(478)	(478)
Depreciation	-	(211,228)	(256,292)	(467,520)
WDV 30 November 2010	<u>598,747</u>	<u>2,320,533</u>	<u>1,367,933</u>	<u>4,287,213</u>

Note 9. Non-current assets – Intangible Assets

	2010	2009
	\$	\$
Goodwill – Motel	96,369	96,369
Water license – at cost	84,000	84,000
	<u>180,369</u>	<u>180,369</u>

Note 10. Current liabilities – Trade and Other Payables

Trade creditors	244,912	233,510
Accrued expenses	13,481	74,567
GST payable	34,058	48,346
	<u>292,451</u>	<u>356,423</u>

Note 11. Current liabilities – Borrowings

Finance Leases	35,618	6,221
St George Loan – Motor Vehicle	6,409	5,782
Equipment Loan – National Australia Bank	13,651	-
	<u>55,678</u>	<u>12,003</u>

Note 12. Current liabilities – Employee Provisions

	2010	2009
	\$	\$
Employee Entitlements - Annual Leave	66,825	63,044
Employee Entitlements - Long Service Leave	33,831	21,409
	<u>100,656</u>	<u>84,453</u>

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 13. Current liabilities – Other

	2010	2009
	\$	\$
Members subscriptions received in advance	84,847	74,932
Motel deposits in advance	2,450	28,124
Affiliation fees in advance	34,604	18,843
Other	1,766	-
	<u>123,667</u>	<u>121,899</u>

Note 14. Non-current liabilities – Borrowings

Finance Leases	60,955	5,496
St George Loan – Motor Vehicle	12,644	19,637
Equipment Loan – National Australia Bank	39,079	-
	<u>112,678</u>	<u>25,133</u>

Note 15. Non-current liabilities – Employee Provisions

Employee Entitlements – Long Service Leave	<u>18,670</u>	<u>45,429</u>
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Note 16. Reconciliation of profit to net cash outflow from operating activities

Profit after income tax	(298,935)	(454,085)
Depreciation	467,521	520,674
Asset disposal	-	35,103
Net (profit)/loss on sale of non current assets	(4,973)	10,200
Sale of poker machine licenses	-	(90,000)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	85,535	(71,863)
(Increase)/decrease in inventories	(31,824)	(12,134)
(Increase)/decrease in other current assets	(24,733)	18,872
Increase/(decrease) in trade and other payables	(63,972)	90,534
Increase/(decrease) in other liabilities	1,768	(51,366)
Increase/(decrease) in employee provisions	(10,566)	(25,232)
Net cash inflow from operating activities	<u>119,831</u>	<u>(29,297)</u>

Note 17. Non-cash financing and investing activities

Acquisition of plant & equipment by means of finance lease	<u>121,090</u>	<u>17,091</u>
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Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 18. Related party transactions

(a) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel of the company comprise the directors and executives who are responsible for the financial and operational management of the company.

	2010	2009
Compensation paid to key management personnel of the company was as follows:		
	\$	\$
Short-term employee benefits	198,621	195,698
Post-employment benefits	4,052	37,591
	<u>202,673</u>	<u>233,289</u>

(b) Transactions with related parties

Director G McDonald is a director of Kennedy's Meats which provided goods to the Howlong Country Golf Club Ltd during the year. This engagement was based on normal commercial terms and conditions and the aggregate amount paid was \$2,549 (2009: \$8,160).

Director D Smith is the proprietor of the Howlong Newsagency which provided goods to the Howlong Country Golf Club Ltd during the year. This engagement was based on normal commercial terms and conditions and the aggregate amount paid was \$8,595 (2009: \$3,928).

Director G Gould is a partner of the firm Skinner and Associates which provided professional services to the Howlong Country Golf Club Ltd during the year. This engagement was based on normal commercial terms and conditions and the aggregate amount paid was \$1,705 (2009: nil).

Note 19. Financial Instruments

19(a) Interest Rate Risk Exposures

The Company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date, are as follows:

2010

Financial Instruments	Note	Floating Interest Rate	Fixed Interest Maturing in 1 year or less	Fixed Interest Maturing in 2 to 5 years	Non Interest Bearing	Carrying Amount per statement of financial position	Weighted Average Effective Interest Rate %
<i>(i) Financial Assets</i>							
Cash on hand	4	-	-	-	65,784	65,784	N/A
Cash at bank	4	442,102	-	-	-	442,102	1.00%
Trade & other receivables	5				17,693	17,693	N/A
<i>(ii) Financial Liabilities</i>							
Trade and other payables	10	-	-	-	(292,451)	(292,451)	N/A
Hire purchase liabilities	11,14	-	(55,678)	(112,678)	-	(168,356)	11.57%
Net financial assets/ (Liabilities)		442,102	(55,678)	(112,678)	(208,974)	64,772	

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 19. Financial Instruments (Continued)**2009**

Financial Instruments	Note	Floating Interest Rate	Fixed Interest Maturing in 1 year or less	Fixed Interest Maturing in 2 to 5 years	Non Interest Bearing	Carrying Amount per statement of financial position	Weighted Average Effective Interest Rate %
<i>(i) Financial Assets</i>							
Cash on hand	4	-	-	-	61,953	61,953	N/A
Cash at bank	4	456,972	-	-	-	456,972	2.52%
Term deposits	4	-	80,614	-	-	80,614	3.70%
Trade & other receivables	5	-	-	-	103,228	103,228	N/A
<i>(ii) Financial Liabilities</i>							
Trade and other payables	10	-	-	-	(356,423)	(356,423)	N/A
Hire purchase liabilities	11,14	-	(12,003)	(25,133)	-	(37,136)	8.57%
Net financial assets/ (Liabilities)		456,972	68,611	(25,133)	(191,242)	309,208	

19(b) Credit risk exposures

The credit risk on financial assets is generally the carrying amount disclosed on the statement of financial position.

19(c) Net Fair Values

For all financial assets and financial liabilities it is considered that carrying values as disclosed in the statement of financial position reflect the net fair values.

Note 20. Remuneration of Auditors

	2010 \$	2009 \$
Auditor of the Company – Johnsons MME	11,330	11,000
Other services	14,865	42,195
	<u>26,195</u>	<u>53,195</u>

Note 21. Commitments**(a) Operating Lease Commitments**

Commitments for minimum lease payments in relation to non-cancellable operating leases are as follows:

- Not later than 1 year	9,653	10,091
- Between 1 year and 5 years	4,433	14,086
	<u>14,086</u>	<u>24,177</u>

(b) Finance Lease Commitments

Commitments in relation to finance leases are payable as follows:

- Not later than 1 year	50,199	14,708
- Between 1 year and 5 years	62,712	28,148
Less future finance charges	(16,338)	(5,720)
	<u>96,573</u>	<u>37,136</u>

Represented by:

Current (note 11)	35,618	12,003
Non-current (note 14)	60,955	25,133
	<u>96,573</u>	<u>37,136</u>

Notes to and forming part of the financial statements

For the year ended 30 November 2010

Note 22. Events Occurring after Reporting Date

There were no significant events occurring after the reporting date likely to impact the affairs of the Company in future.

Note 23. Contingent Liabilities

The Company had no contingent liabilities as at 30 November 2010.

Note 24. Financial risk management

The Company's activities expose it primarily to the financial risks of liquidity, credit and interest rate risk. The Board and senior management are responsible for monitoring and managing the financial risks. They monitor these risks through monthly board meetings where management reports are presented and analysed. The Company does not enter into any derivative financial instruments nor speculate in any type of financial instrument.

(a) Liquidity risk

Liquidity risk is the risk the Company will be unable to meet its financial obligations as and when they fall due. The Company manages liquidity risk by maintaining adequate cash reserves to ensure sufficient cash is available to settle obligations as they fall due.

(b) Credit risk

Credit risk is the risk of financial loss to the Company as a result of a customer or counterparty to a financial instrument failing to meet its contracted obligations. The Company's exposure to credit risk is through its receivables balance which is not considered significant.

(c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or value of its obligations. The Company is exposed to interest rates risk through its deposits with banks and lease liabilities. Interest rates and maturities are detailed in note 19.

(d) Sensitivity analysis

The Company has performed a sensitivity analysis relating to the exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates:

30/11/09		30/11/10
\$		\$
	Change in profit	
5,005	Increase in interest rate by 1%	2,737
(5,005)	Decrease in interest rate by 1%	(2,737)
30/11/09		30/11/10
\$		\$
	Change in equity	
5,005	Increase in interest rate by 1%	2,737
(5,005)	Decrease in interest rate by 1%	(2,737)

Independent auditor's report to the members of Howlong Country Golf Club Limited

Report on the Financial Statements

We have audited the financial statements of Howlong Country Golf Club Limited ('the Company'), which comprises the statement of financial position at 30 November 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of accounting policies, other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Statements

The Directors' of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 statements.

The financial statements have been prepared for distribution to members for the purpose of fulfilling the Director's financial reporting requirements under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of the Company for the year ended 30 November 2010 included on the Company's web site. The Company's directors are responsible for the integrity of its web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Independent auditor's report to the members (continued)

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial statements of the Company 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 November 2010 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



Johnsons MME
Chartered Accountants



Stephen Clarke
Partner

Albury
25 February 2011

Departmental Trading Statements

For the year ended 30 November 2010

	2010	2009
	\$	\$
Golf & Bowls		
Other Income		
Subscriptions, Entrance & Affiliation Fees	222,732	175,261
Competition & Green Fees	333,885	364,593
Donations & Sponsorships	50,609	2,152
Competition Fees - Bowls	5,302	9,617
Water Levy	83,823	80,124
Other Income	-	2,468
	<u>696,351</u>	<u>634,215</u>
Expenses		
Affiliation Fees	83,706	59,552
Depreciation	105,507	104,283
Freight & Cartage	1,341	548
Fuel & Oil	18,673	16,683
Golf & Bowls Expenses	26,423	16,588
Interest	4,467	-
Golf professional	53,959	50,796
Murray Masters	17,494	15,000
Payroll Tax	7,966	10,243
Repairs & Maintenance - Golf Course & Surrounds	173,872	192,653
Repairs & Maintenance - Bowling Green	16,791	9,176
Salaries & Wages	264,945	254,783
Superannuation Contributions	23,262	19,768
Trophies & Tournament Expenses	62,154	58,920
Uniforms	1,102	1,735
Water	4,241	4,494
Workers Compensation Insurance	12,331	6,217
	<u>878,234</u>	<u>821,439</u>
Net Profit/(Loss)	<u>(181,883)</u>	<u>(187,224)</u>

These supporting statements are not subject to audit.

Departmental Trading Statements

For the year ended 30 November 2010

	2010	2009
	\$	\$
Bar Trading		
Bar Sales	687,218	682,955
Less: Cost of Goods Sold		
Opening Stock	34,010	29,857
Purchases	294,670	262,950
Freight & Cartage	2,302	4,548
Closing Stock	(41,265)	(34,010)
	<u>289,717</u>	<u>263,345</u>
Gross Profit/(Loss) From Trading	<u>397,501</u>	<u>419,610</u>
	57.8%	61.4%
Other Income	-	-
Gross Profit	<u>397,501</u>	<u>419,610</u>
Expenses		
Loss/(gain) on Sale of Non-current Assets	-	-
Bar Expenses	12,904	6,263
Complimentary Drinks	2,917	1,955
Depreciation	5,465	7,085
Payroll Tax	5,517	7,412
Repairs & Maintenance	883	3,591
Salaries & Wages	222,946	190,591
Superannuation Contributions	23,662	16,201
Workers Compensation Insurance	8,905	4,386
	<u>283,199</u>	<u>237,484</u>
Net Profit/(Loss)	<u>114,302</u>	<u>182,126</u>
	16.6%	26.7%

These supporting statements are not subject to audit.

Departmental Trading Statements

For the year ended 30 November 2010

Poker Machine Trading	2010 \$	2009 \$
Poker Machine Takings	1,601,895	1,533,463
Other Income	-	-
Profit on Sale of Poker Machine Licenses	-	90,000
	<u>1,601,895</u>	<u>1,623,463</u>
Expenses		
Coach Subsidies	120,242	72,447
Depreciation	127,785	157,110
General Expenses	1,432	575
Loss on Sale of Non-Current Assets	-	8,171
Payroll Tax	4,490	7,412
Poker Machine Lease Interest	4,569	-
Poker Machine Licence & Taxes	204,301	203,249
Poker Machine Monitoring Fees	36,184	39,934
Poker Machine Promotions	59,041	45,507
Repairs & Maintenance	29,832	26,270
Salaries & Wages	160,134	190,591
Superannuation Contributions	10,389	16,200
Workers Compensation Insurance	11,054	4,428
	<u>769,453</u>	<u>771,894</u>
Net Profit/(Loss)	<u>832,442</u>	<u>851,569</u>

These supporting statements are not subject to audit.

Departmental Trading Statements

For the year ended 30 November 2010

	2010	2009
	\$	\$
Motel Trading		
Accommodation & Meal Proceeds	479,795	468,677
Less: Cost of Goods Sold		
Opening Stock	2,273	3,397
Catering & Guest Meals	31,636	45,547
Closing Stock	(2,314)	(2,273)
	31,595	46,671
Gross Profit/(Loss) From Trading	448,200	422,006
Other Income		
Interest Received	-	549
Other Income	-	241
	-	790
	448,200	422,796
Expenses		
Advertising	1,573	1,312
Bank Charges & Merchant Fees	-	2,426
Cleaning	5,876	4,369
Depreciation	51,305	54,295
Electricity	13,649	13,992
Freight & Cartage	-	66
Fringe Benefits Tax	-	-
Gas	6,824	736
General Expenses	3,921	180
Insurance	3,182	4,138
Linen & Laundry	14,347	25,401
Payroll Tax	4,864	6,967
Printing, Postage & Stationery	600	402
Provision for Annual Leave	-	1,645
Provision for Long Service Leave	-	2,190
Rates & Taxes	2,039	1,821
Repairs & Maintenance	5,586	23,899
Salaries & Wages	120,997	145,412
Staff Training & Welfare	-	2,268
Subscriptions & Publications	10,688	7,700
Superannuation Contributions	4,443	10,346
Telephone	3,909	13,617
Uniforms	224	-
Waste Disposal	1,819	2,830
Workers Compensation Insurance	2,205	9,793
	258,051	335,805
Net Profit/(Loss)	190,149	86,991

These supporting statements are not subject to audit.

Departmental Trading Statements

For the year ended 30 November 2010

	2010	2009
	\$	\$
Other Income		
Social Membership	21,615	-
Sundry Income	90,352	4,092
Commissions Received	52,482	75,249
Conferences & Functions	38,799	29,695
Interest Received	10,039	27,239
Raffle Proceeds	45,757	63,721
Bingo Proceeds	13,106	11,702
TAB Proceeds	19,783	12,920
Insurance Received	1,552	37,620
Profit on Sale of Non-current Assets	4,973	(2,029)
Net loss from golf & bowls activities	(181,883)	(187,224)
Net profit from bar trading	114,302	182,126
Net profit from poker machine trading	832,442	851,569
Net profit from motel trading	190,149	86,991
	1,253,468	1,193,671
Expenses		
Advertising & Promotion	35,941	95,517
Asset disposal	-	35,103
Auditor's Remuneration	14,240	19,880
Bad Debts Expense	(500)	500
Bank Charges	8,131	5,656
Bingo Expenses	22,604	24,598
Bistro Costs	119,978	
Borrowing Costs	2,308	3,644
Cleaning	11,516	9,142
Conference & Function Expenses	10,059	10,483
Courtesy Bus	6,917	8,370
Depreciation	177,459	197,901
Directors Expenses	2,153	5,029
Donations & Sponsorships	8,775	15,300
Electricity	158,272	121,355
General Expenses	16,180	17,189
Insurance	50,151	46,941
Interest expense	-	2,191
Keno Expenses	6,789	5,114
Leasing Charges – Photocopier	10,487	5,093
Legal Costs	1,550	1,456
Licensing Fees	941	2,932
Members Amenities - Social & Entertainment	138,176	152,704
Motor vehicle expenses	-	2,465
Payroll Tax	14,065	20,648

Departmental Trading Statements

For the year ended 30 November 2010

	2010	2009
	\$	\$
Printing, Postage & Stationery	30,653	38,130
Professional Fees – Accounting	28,444	40,298
Professional Fees – Strategic Plan	5,000	-
Provision for Annual Leave	-	(41,630)
Provision for Long Service Leave	-	12,563
Rates & Taxes	16,725	7,145
Repairs & Maintenance	116,544	157,275
Salaries & Wages	416,969	477,271
Security	5,986	-
Staff Training & Welfare	1,558	26,717
Subscriptions & Publications	9,513	21,109
Superannuation Contributions	36,309	38,182
TAB Commission	7,657	12,340
Telephone	16,748	24,405
Travelling Expenses	1,941	-
Uniforms	880	1,476
Waste Disposal	7,707	9,088
Water	7,020	
Workers Compensation Insurance	26,496	14,176
	<u>1,552,403</u>	<u>1,647,756</u>
Net Profit	<u>(298,935)</u>	<u>(454,085)</u>

These supporting statements are not subject to audit.



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