

8 April 2019

The President and  
Board of Directors  
Randwick Golf Club Limited  
Howe Street  
**MALABAR** NSW 2036

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(02) 9567 2544  
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Dear Sir,

**RE: ANNUAL REPORT - 2018 YEAR**

Please find enclosed the full Annual Report for the year ended 31<sup>st</sup> December 2018.

Please have the Directors review the Financial Statements and Reports at the next Board Meeting and if they approve the accounts, please have the Directors' Reports and Directors' Declaration's signed and then return to us a signed copy of each to be held on our office file. The full Report will be emailed to you to forward to the printer.

The results for the year showed a loss of \$72,532, compared to last year's loss of \$35,579.

The Company had a profit of \$54,803 before charging depreciation and amortisation of \$114,019 and borrowing costs of \$13,316. The non-cash charge of depreciation and amortisation if added back would result in a cash profit of \$41,487.

**The highlights were:**

Golf Revenue has decreased	\$ 538,070	(2017 - \$ 546,693)
Bar Sales have increased	\$1,153,348	(2017 - \$1,048,180)
Poker Machine Net revenue has increased	\$ 92,087	(2017 - \$ 86,753)
Keno has decreased	\$ 15,248	(2017 - \$ 18,783)
Subscription has increased	\$ 303,429	(2017 - \$ 302,780)
Employee benefits including wages increased	\$ 518,031	(2017 - \$ 472,246)

The financial report has been prepared on the Reduced Disclosure Requirements, that may be prepared by Tier 2 entities by early adoption from 1 July 2009 but mandatory from 1 July 2012.

The reduced disclosure regime (RDR) is an initiative of the Australian Accounting Standards Board (AASB) that allows non publicly accountable (Tier 2) reporting entities prepare less complex financial statements by providing them with certain exemptions from the disclosure that are contained in the existing AASB standards. Examples of Tier 2 entities that can produce general purpose financial statements include unlisted public companies and companies limited by guarantee which most licensed clubs are.

You can also note reference in the Directors Declaration, Auditors Report and Note 1 of the account in respect to the adoption of the reduced disclosure requirements.

Under the Corporations Law and the Accounting Standards, the Club is not required to give detailed trading accounts and Income statement.

Yours faithfully,

  
**GARRY WILLIAM DAY**

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER 2018**

**HARLEY, RUSSELL & DAY**  
**Chartered Accountants**

**Suite 16, 2 Catherine Street,**  
**ROCKDALE NSW 2216**

**Phone: (02) 9567 0044**  
**Fax: (02) 9556 2699**

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**70<sup>th</sup> ANNUAL REPORT – 31<sup>ST</sup> DECEMBER 2018**

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**CLUB PARTICULARS**

President	M. Kandara
Vice-President	A. Smith
Captain	P. Johnstone
Hon. Treasurer	D. Simmons
Directors	J. Clydesdale
	G. Haines
	A. Ostroman
	M. Rankin
	C. Owen
	C. McMahon
	I. Russell
General Manager	Kristy Strong
Auditor	Harley, Russell & Day Chartered Accountants
Solicitor	Adam Jones

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**NOTICE OF ANNUAL GENERAL MEETING**

Dear Members,

Notice is hereby given the 70<sup>th</sup> Annual General Meeting of Randwick Golf Club Limited (the Club) will be held in the Club's premises at Howe Street, Malabar, NSW 2036 commencing at 8.00pm on Tuesday 7<sup>th</sup> May 2019.  
The Business of the Annual General Meeting will be as follows:

1. To confirm the minutes of the previous Annual General Meeting.
2. To receive and consider the financial report, including the directors' declaration, for the year ended 31st December 2018 and the related directors' report and audit report.
3. To confirm the election of Directors.
4. To consider and if thought fit, pass the following ordinary resolution to approve directors' benefits until the Club's next Annual General Meeting:

'That pursuant to the Registered Clubs Act 1976 the members approve and agree to the Club's expenditure on or provision of the following benefits until the next Annual General Meeting for the following activities of directors and members:

- (a) Reasonable expenses incurred by directors in travelling by either public or private transport to and from directors or other duly constituted committee meetings, either within the Club or elsewhere – as approved by the Board, on production of documentary evidence of such expenditure, in total not to exceed \$1,000 per annum;
- (b) The reasonable cost of a meal and beverage for each director at a reasonable time before or after a board or committee meeting on the day of that meeting, with the amount for all directors in total not to exceed \$5,000 per annum;
- (c) Reasonable expenses incurred by directors either within the Club or elsewhere in relation to such other duties including entertainment of special guests of the Club and other promotional activities approved by the Board on production of documentary evidence of such expenditure, in total not to exceed \$1,000 per annum;
- (d) The reservation of car spaces for the President, Captain, Vice President, Secretary Manager, Honorary Treasurer, Lady President / Director, Lady Captain / Director, and two Directors;
- (e) On each Friday members' draw for the following week's golf, the President and Captain and also the two directors who are selling raffle tickets and running the draw will have first choice of the draw;
- (f) The provision of apparel, golf balls and lunch to members of teams representing the Club in any competition or event as determined by the Board;
- (g) The reasonable cost of providing directors with club industry specific training including required training under the Registered Clubs Regulation 2015;
- (h) The reasonable cost of providing directors with membership of the NSW Club Directors Institute.'

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**NOTICE OF ANNUAL GENERAL MEETING (CONT.)**

Members acknowledge that the benefits above are not available generally, but only for those who are directors of the Club and those members directly involved in the above activities.

5. To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act 2001.

By order of the Board of Directors

Kristy Strong  
General Manager  
5th April 2019

Please submit any questions relating to the Club's accounts to the General Manager not less than seven days before the Meeting to allow time for the Club and the Club's Auditor to give a suitably researched response.

Please note the 2018 Annual Report is available in PDF format for easy download and printing from Randwick Golf Club's website, [www.randwickgolfclub.com.au](http://www.randwickgolfclub.com.au). A member may elect to receive, free of charge, a hard copy of the Annual Report by giving the Club a notice in writing to that effect.

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**PRESIDENT'S REPORT**

Dear All,

I am writing this report for 3<sup>rd</sup> and the final time. There had been many challenges, but, none bigger than the condition of the golf course in 2018. The team of this Board of directors have worked on two basic fundamental-that is to provide the golf course as best as possible for the enjoyable outing and at the same time keeping club financially viable. The downward trend in the golf industry has been set in for some time & it is challenging us every year and getting harder due to increasing operational cost. RGC have withstood the test of the time even when 2018 was particularly challenging.

**THE COURSE (Using Adversity to grow STRONGER)**

If 2017 was the year when we focused on the giving facelift to the club house, 2018 was the year we focused on embarking on the golf course renovations. The saying goes- *'if there is a lesson we can learn from an adversity, it is simply not to succumb, so you will come out stronger at the end of it'*. Harsh weather patterns from late 2017 to mid-2018 left its wide ranging detrimental effects on the course condition. This made drastic effects on the club's bottom line resulting in very stretched cash flow (see Hon. Treasurer's report).

The Board responded by embarking on a **"Course Rehabilitation Plan"**, and the results you know. Although, the counts of heads have started to increase since, as the course now is in very good condition but, we are not out of woods yet and still have to entice the social golfers to reduce the downward pressure on our finances. .

We started with that baby step with the inception of \$1 per round provident WATER FUNDS. This have helped us to buy water as and when is needed by the Green Keeper and taken away the total water dependency on rain.

To put in the context, it is my firm belief that, in future as these water funds will grow & say reaches a figure of \$40K, **We will treat this \$40 K as buffer to be always maintained for purchasing water.** The feasibility studies have shown that approximately, \$40K is sufficient to cater for two years of water supply in case of dry weather like we saw in recent past. Funds growing beyond this 'buffer' can be used in developing irrigation to our fairways in small step by step manner. This will then lead to ultimately have all fairways fully operated with "Automated Sprinkler Heads."

**This is a long term plan and we can & will get there, no matter how long it takes.**

**Land Lease Status**

Randwick City Council is our land trusty for golf course, which is a crown land owned by state govt. In last 3 years we have carefully crafted a rapport with council. If, you would recall we had a big arrear to pay and good news is it is due to be totally paid off by June-July of 2019. We are also paying all our current council rates punctually.

So, we have council's trust.

Our current land lease is due to expire at the end of 2020. Randwick City Councils also committed to honour a further 5 years on compliance with the new lease agreement. We have remained pro-active and you may recall, last year we had meeting with GM of Randwick City Council, Ray Brownlee (GM- RCC at that time) and he assured us that, City Council has total support for the RGC & its existence and that, he see no problem in Lease going on in future.

So, we have done rapport building and opened the channels of communications. The incoming Board can nurture the relationship further and build more bridges on it.

**Finances & Membership**

David Simmons our Hon. Treasurer has again put his best foot forward by managing with very tight cash flow for some time. Obviously, changes in the guard at the front of the office have added a few more wrinkles in the folds. He has monitored all expenditures remarkably well. For much of 2018 we were not only struggling with numbers on golf course but, putting a lot of our income & resources on course to bring it to current status. This capital expenditure was a must & had to be born as there was no other way. In earnest our finances had taken hit due to significantly reduced numbers by visitors throughout 2018 due to poor course conditions for the known reason. Otherwise our finances are in good health. Figures will vouch that, but for this double whammy (Cap Ex plus loss of social golf revenue) we could be very close to black figure. (Please, see Treasurer's report)

The membership, as stated above and a quick look at finance report will tell you that, the subscription revenue are marginally above par with 2017. In the of very difficult course conditions, it can be safely asserted that, your Board, Management & Club Professional Darren have worked very hard in tandem with marketing sub-committee led by Mark Rankin who has really worked hand in hand to stave off the disastrous losses due to harsh call from nature.

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**PRESIDENT'S REPORT (CONT.)**

*So, if you see the pattern, it is clear that we have been successful in putting RGC to the community in a positive manner against the backdrop of general downturn in the golf.*

After five (5) years of distinguished services in the Board, David has now decided to make way for some new blood to take over this very important role. Literally and figuratively, these are very big shoes to fill. Personally, I could easily bank on David on any matters. He has always given his frank opinion to me keeping the best interest of the club at the fore. Thank you David for all your help, it was all really precious.

**Management**

Michael Higgins has relocated himself in Hunter region in early December, 2018. Since then, your Board have worked tirelessly to fill the void left by Michael Higgins. During the Christmas message, I intimated that, we were well advanced in our process to find a suitable candidate for GM post. I wish things went as expected. Let me give a brief.

After MH tendered his resignation on 30/10/2018 we straightway hired a recruitment agency known as 'WHITENOW' (a recruitment agency, which specialises in golf management hiring) to select our new GM. What went on during that long process, which lasted almost two & half months, searching the right candidates for the club, among long list of 40 plus candidates is frustrating to say it mildly. WHITENOW & Club's selection panel conducted interviews with nine (9) shortlisted candidates in two stages. In 1<sup>st</sup> stage all the nine (9) candidates were interviewed by Ms Sarah Watts of 'WHITENOW', who completed process by 29<sup>th</sup> November, 2018 & reduced the list further to last five (5) candidates. These five (5) candidates appeared for final interviews in front of Board's selection panel on Tuesday, 4<sup>th</sup> December, 2018.

*So, by the morning of the Wednesday, 5<sup>th</sup> December, 2018, on one side, it was the last official day of work for Michael Higgins & on other side we were embarking on completion of the process to get our new GM. We felt we are almost there.*

Alas, that could be true.

One would imagine that, with five candidates available to be GM, it is only matter of time. But, what transpired from this date on was: I would say is pretty rare albeit, may not be unprecedented.

The key facts are that, for a period of about one month (from 5<sup>th</sup> of December, 2018 to 9<sup>th</sup> of January, 2019) the Board and WHITENOW did background checks and at various times the Board offered the post to 4 candidates without bearing any fruits.

We had an obligation to fill vacuum as status quo is not helpful to club's future. The Board took a very pragmatic approach this time and finally took a decision to embark on **MANAGEMENT RESTRUCTURING PATH** and decided to use the existing management talent and to upgrade.

Among available candidates were, Jason Seagg (who joined RGC as financial consultant in mid-December, 2018 and was also given the role of acting GM). Kristy Strong, (was Marketing & Events Manager) and Mathew Becerra (was working as Bar Manager). Only, KRISTY STRONG has expressed her interest in Manager's role. So, in early February-2019, the Board unanimously voted to give her a go.

Following the series of legal consultations with Clubs NSW, she is now being given a "**TRIAL PROMOTION**" as **Manager**, for a period of six (6) months. The Board will judge her performance during & at the end of trial period against the KPIs (Key Performance Indicators) set by the Board. It is up to her to fulfil her role and all the KPIs and make the post as her. Good luck Kristy.

Kristy, has quickly gone on the front foot and laid down her future plans. With Jason Seagg continuing with us for a few more months, the revamping of the clubs accounting systems (Micropower) at bar, admin & pro-shop are all likely to be integrated and with new website, it is easier to book golf and register your scores.(see GM report for details)

**Marketing**

We are now in a position to market the course. Marketing sub-committee is working hard to put heads back on the course. I would request to everyone please, put the message to friends and family to use the course more often as we need to increase the numbers on the course any day of the week. Apart from marketing the course, this sub-committee is also doing their best in formulating some very good special membership deals in consultations with Hon. Treasurer-David Simmons & Club's Pro-Darren Buhagiar. Sunday raffles draw & happy hours continuously draw peoples from far & wide and from all communities.



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**PRESIDENT'S REPORT (CONT.)**

**RGC Ladies**

There has been change in leadership of Ladies committee. Marilyn Pacitii is new President and Coralie Owens is new Captain. They replaced Megan Jennings & Sue Wrights respectively. Much of my tenure in the Board has been with Megan & Sue. Thank you Megan Jennings & Sue Wright for your time & services to club.

Special congratulations to our Coronation Medal team, who won 2018 Coronation Medal. The team was constituted by Sue Wright, Nancy Cave-Olfers, Christine Phibbs and Margaret Neeson. They really have brought great joy to RGC by winning this prestigious event. We are all very proud of you. This champion team has now put Randwick Golf Club on Sydney map as we have the honors of hosting the event this year (2019) scheduled for September.

2018 Ladies Charity Day golf has raised around \$14K to support Ronald McDonald House Randwick. This is a wonderful organization which supports many families who have sick children and need accommodation and support when loved ones are in hospital.

For these charity deeds and ever present close collaboration with the Board & management we are very proud of Randwick ladies. Your support to the Club is always respected.

**Golf Professional**

Darren Buhagiar continues to find some innovating special membership deals. Just recently he has come up with a special group membership deals. As we are now embarking on new system called Micropower with an eye on all inclusive integrating programs to link our Bar and Pro-shop functions. This will also mean that booking and score entry methods will change and some of our very senior members with minimal computer liking will need help in these methods. They always get very satisfactory responses from Darren. Second year in running the Swing-fit program has gained pace. His sponsorship of Junior Golf programs continues..

**Randwick Vets**

I remember it very vividly that, when they first started the Vets comp on Mondays & it did not take off. They struggled to get the numbers and justify the allocation of the day for running a comp. It is testament to the characters of the 4 gentlemen Geoff Cook (President), Ian Martin (Captain), Ken Graham (Vice-Captain) & John Nolan (Secretary) who had conviction and perseverance to succeed. After going back to drawing board, they re-arranged the comp day to Thursday. So, from that starting struggle in 2008, Randwick Vets now have a regular healthy number of 45-55 players week in week out. By 2019, they have 130 registered members.

The contributions of Randwick Vets members to Club's finances has grown significantly and in steady manner. It is now almost 50% of what any of the regular Tuesday open day comp would have. A great job Geoff, Ian, Ken and John. Congratulations on your success.

**Randwick Skins**

A very long standing & very resilient group of golfers who would religiously turn up to play Skin's game. They also contribute to clubs finances. Life member Roy Wong is still looking after it and every Thursday, even with declining numbers you can find him on starter's table. Your contributions are very well appreciated. In recent years, I have seen some ladies also playing Skin's game. So, thank you for bringing gender neutrality Roy.

**Thanks**

I thank & commend everyone who has contributed in bringing the course to present condition. I am very proud of all the fellow directors in the Board & particularly all those in Greens & Match Sub-committee, very professionally led by club Captain Paul Johnstone for closely working with Green Keepers to make it a success.

When talking about Captain Paul Johnstone, it is incredible to know that he has been shouldering along for last 10 years. I can't thank him enough. I am proud of the fact that, he can still find time to do his Captains job so well particularly with the knowledge that, he has been recently promoted to higher ranks and responsibilities at his work.

Thanks PAUL

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**PRESIDENT'S REPORT (CONT.)**

Thank you to all those members for bringing many ideas to recover from that rough time. I also commend Michael Higgins for working hard on budget to bring us a capital expenditure for the initiation of the long term project & use it optimally. I will fail in my duties if I don't show appreciations for all the volunteers who contributed at many fronts. Two of our regular volunteer has been Paul VERRENDER and Michael ARDREY. Simply, thank you mate. I appreciate all the golfing members for patience, endurance and understanding during the harsh weather pattern. Your continued patronage through this difficult period shows loyalty to club. It is really very encouraging to know that, you stand by the club. Thank you.

Before I conclude this report, it is warranted that, many of my fellow Directors have indicated that, they want to move on. So, do I. As for me, I believe this voluntary service demands full concentration and undivided attention in order to keep an eye on all the aspects of club and overall big picture. Now, I can very clearly foresee that, I will not be able to justify my role at Randwick Golf Club in coming years with divided attention. This is due to my ever increasing involvement with "Randwick Campus Redevelopment Project" where we are bringing up "Acute Services Building"- a state of the art modern hospital upgrading to be operational in 2022.

It has been a very pleasing experience with so many of our appreciative and good willing members always ready to rally around. With the robust team in the Board, I never felt lonely and all of the Directors have been genuine team contributors. Thank you all.

I would like take this opportunity to thank all our social members for the continued support.

I would like to end this report with really good news. **COLIN FLATTERS IS BEEN HONOURED WITH O.A.M** on this year's Australia day. Colin is a Vietnam War Veteran and I would like to extend very special and hearty congratulations to Colin on achieving this prestigious award. Randwick Golf Club is very proud to have you.

I can't help but, look back on last three (3) years, which appears to have gone in a flash. During this short period of my tenure in the Board, the club have withstood the test of the time. I truly believe we are very resilient at Malabar and as a community based club, I clearly see the whole community behind us.

It has been an absolute honour to be among all of you. THANK YOU.

**MADAN KANDARA**  
**PRESIDENT**

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**CAPTAIN'S REPORT**

Dear Members,

It is with pleasure that I present my Captains Report for 2018.

In 2018 we saw major improvements in our course condition. After our fairways and tees suffered during the drought conditions over the summer of 2017/2018, the Board made the decision to prioritise capital works on certain fairways. These works were conditional on installing irrigation before laying of turf, and the results are there for all to see. Further works on the course include extending the drainage from across the 8<sup>th</sup> fairway to link up with drainage on the 17<sup>th</sup> fairway. Our course continues to improve, and our thanks to Darren Jones and the Green Options team for their continued efforts to improve our golf course.

On the course we had another competitive year across all grades. Our Club Championship went down to the wire, with Michael Todd winning on the final (72<sup>nd</sup>) hole to beat Craig McMahon by a single shot. Congratulations Moo. Our other Championship winners included Frank Squadrito in A Reserve, and Kevin Smith in C Grade. Special congratulations to Alfie Frain, who was successful in both the Junior Championship and the B Grade. Congratulations to the winners and runners up in all of our Major events in 2018.

Last year we made a change to our Club Championships based on feedback from members, with A Reserve, B and C Grade all played over 36 holes. Further feedback following the 2018 Championships will have A Grade continuing to play over 72 holes, A Reserve, B and C Grades 54 holes, and Juniors remaining a 36 hole event. We think this balance will be right for our members.

In inter-club events, Randwick continued to be represented in most competitions. Our course and clubhouse are always praised by visiting clubs. In the Major Pennants we were beaten in our final game to miss out on qualifying by the eventual winners. Our Warren Trophy Team qualified for the final, and were also narrowly beaten in the final game on the 19<sup>th</sup> hole. Randwick also fielded teams in Mixed, Gibson Trophy and Encourage Shield, all of whom represented the club with pride. Mention needs to be made of our Ladies Coronation Medal team. This prestigious event is usually dominated by The Australian, Royal Sydney, Pymble etc. In 2018 it was won by Randwick! Well done ladies. Thanks again to all of our sponsors and managers, without whom we could not field teams.

I hope everyone continues to enjoy our challenging golf course and its improved condition. There is no doubt that our club events would not be the success they are without the hard work of Darren Buhagiar in the Pro Shop. Thanks Darren.

And finally, thank you to all our golfers. I have always enjoyed representing the golfers at our club. I hope you all continue to enjoy your golf at the beautiful Randwick Golf Club. Happy golfing.

Paul Johnstone  
**Club Captain 2018**

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**TREASURER'S REPORT**

Dear members,

For the 12 months to 31 December 2018 the Club reported an EBITDA profit of \$54,803. Our net trading position after non-cash and interest expenses was a loss of \$72,532.

**Revenue**

A summary of our major revenue items;

Revenue Item	2018	2017	Variance
Bar	\$1,153,348	\$1,048,180	+\$105,168
Course	\$ 538,070	\$ 546,693	(\$8,623)
Subscriptions	\$ 303,429	\$ 302,780	+ \$ 649
Poker Machines	\$ 92,087	\$ 86,753	+ \$ 5,334
Bottle Recycle	\$ 20,804	\$ 0	+ \$20,804

**Bar**

Our Bar has again performed well with sales increasing by \$105,168. This is a result of continued strong member, visitor and restaurant patronage together with a robust functions trade. Product and price range will remain a focus for Board and management.

**Green Fees**

Category	2018	Rounds	2017	Rounds	Variance
Competition	\$182,470	13,972	\$185,836	15,266	(\$ 3,366)
Public/Social	\$215,190	14,015	\$280,675	15,960	(\$65,485)
<b>Total</b>	<b>\$397,660</b>	<b>27,987</b>	<b>\$466,511</b>	<b>31,226</b>	<b>(\$68,851)</b>

Public and Social Club green fee revenue was severely impacted due to challenging golf course and weather conditions. Refer to below summary.

**Member Subscriptions**

This most important source of revenue has held up well considering an industry wide trend of declining golf club membership. Board and management continue to focus on member retention as well as attracting new members. Total member numbers across all categories increased from 994 to 1,125 (+131).

**Subscription revenue since 2013;**

2018: \$303,429 2017: \$302,780 2016: \$299,448. 2015: 304,341. 2014: \$321,041. 2013: \$354,007.

**Total Revenue 2018: \$2.276M (2017: \$2.153M) increased by \$123K.**

**Expenses;**

A summary of our major operating expenses;

Expense	2018	2017	Variance
Course	\$678,356	\$633,108	+\$45,248
Bar CoS	\$441,866	\$420,524	+\$21,342
Employee	\$518,031	\$472,246	+\$21,829
Occupancy	\$326,370	\$296,630	+\$29,740
General	\$238,165	\$199,484	+\$38,681

As evidenced above the costs of running a golf club is an ongoing challenge. Continued upward pressure on operating costs will remain a key focus for management and Board. All operating expenses are reviewed regularly with savings measures implemented when able.

**Total Expenses 2018: \$2.348M (2017: \$2.189M) increased by \$159K.**

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**TREASURER'S REPORT (CONT.)**

**2018 Summary**

2018 was a year of two halves. In our mid-year edition of "The Wick" I advised that all our revenue 'engines' were firing with Bar, Function, Gaming and Course all up on the corresponding 2017 period. The Club's net trading position was tracking well ahead of 2017 and ahead of budget.

Then it stopped raining. And the condition of our golf course suffered.

In the space of just a few months our Public & Social Club green fee revenues fell off a cliff. Member competition green fees also retreated. It was clear that golfers were voting with their feet. The Board took action and introduced a \$1-00 water levy on golf rounds to assist with the purchase of town water. This water fund should act as an insurance policy against future drought-like conditions. At Balance date we have \$14,253 in our water fund.

Subsequent course refurbishment works and favourable weather conditions has seen golf course patronage recover however the significant reduction in green fee revenue together with the costs of renovating the 1<sup>st</sup>, 2<sup>nd</sup>, 6<sup>th</sup> and 7<sup>th</sup> fairways presented challenges for the Club's operating cash-flows.

It became clear that the Club was operating with insufficient working capital funding lines which prompted an approach to our bankers, CBA, who have since established a more appropriate working capital facility. The Club remains lowly geared - our Business Loan with CBA has amortised to a very manageable \$105,052.00. The Club's net asset position remains strong @ \$3.626M.

The operating environment for the golf club industry remains challenging. A number of golf clubs in Australia have been forced to close and many are in financial distress. A conundrum faced by the Board and management is what percentage of increased operating costs do we pass on to our members versus what percentage can the Club absorb. The cold reality is the Club needs to remain financially viable to enable continued investment in the clubhouse and golf course. This will ensure the Club continues to offer our members, guests and the local community a fantastic venue to experience and enjoy.

**Thank you**

To our club patrons, Michael Daley and Matt Thistlethwaite. Thank you to our sponsors, to all involved with our representative teams and to those who have assisted around the clubhouse, golf course and Friday/Sunday raffles. Thank you to the longstanding Thursday Vets, 'Skins' and 'Twilighters', who have supported the Club for more years than I can remember. Thank you also to my fellow Board members, present and past management.

This wonderful club of ours will only survive with the continued patronage of our members and guests, so thank you for your continued support.

To all the trophy winners this year, Congratulations!

And finally, Vale to our departed member.

This is my 5<sup>th</sup> and final report as Honorary Treasurer. It has been an honour and a privilege to be of service to this great Club.

**David Simmons**  
**Hon. Treasurer**

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**LADIES PRESIDENT'S REPORT**

Dear members,

As this is my first year as Lady President I wish to thank Megan Jennings for her time and commitment in ensuring that I have been endowed with her knowledge and expertise in all aspects of the role as Lady President.

On behalf of Megan Jennings and myself, I wish to thank and congratulate the 2018 Ladies committee who performed their duties so diligently keeping our competitions and club activities running so smoothly.

New 2019 Ladies' committee members are;

Marilyn Pacitti – President  
Lee-Ann Wilson - Vice President  
Coralie Owen - Captain  
Myee Ralston - Vice Captain  
Handicapper - Jennie Langridge  
Hazel Parkes - Treasurer and Sunday Delegate  
Gail Creighton - Secretary  
Committee - Di Reynolds, Kathie Stack, Joanne Walsh, Marie Blake, Chris Lozano  
Amanda Moore - Veterans Delegate

Congratulations to our Representative Teams, players and caddies who have represented RGC in the Mixed Pennants, Bronze Competitions throughout 2018/2019.

Special congratulations to our ladies who played the 2018 Coronation Medal. Sue Wright, Nancy Cave-Olfers, Christine Phibbs and Margaret Neeson won this prestigious event. Randwick Golf Club has the honor of hosting the event this year scheduled for September.

Our course is looking great with all the new works in progress. Wonderful to see.

The 2018 Club Champion was Margaret Neeson  
The 2018 Weekend Champion was Chusri Youi Mon

Congratulations to all our Champion winners as well as our weekly winners.

Our Gold Medal winner 2018 was Marilyn Pacitti.

We have welcomed 6 new members.

Many thanks to the Swing-Fit Program which is an initiative of Golf Australia. The program is held at many locations in our area.

Ladies who wish to get fit and healthy with the view to learn the game of golf can meet at Randwick on Wednesdays. Many have joined RGC through this program.

Our 2018 Charity Day supported Ronald McDonald House Randwick. A wonderful organization which supports many families who have sick children and need accommodation and support when loved ones are in hospital.

A big thank you for all our generous sponsors and lady members for their great support and time in donations, sourcing prizes and gifts, buying raffle tickets, baking cakes, contributing to our silent auction etc. and participating in the game on the day. Without your support we would not have such a successful outcome.

We raised \$15,000 after expenses.

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*

**LADIES PRESIDENT'S REPORT (CONT.)**

On behalf of the ladies committee and Lady members I wish to thank the club's management team – Kristy Strong, Events Manager and all the staff both in the office and behind the bar for their helpful friendly assistance and your wonderful support on our charity day event.

To the Bay Window Restaurant. To Nic and Lara and all the staff, many thanks for your support and help with all our functions throughout the year. To Maria who has now retired, we wish you well.

A very special thank you to Madan Kandara and all the members of the Board for their continued support and encouragement to our lady members in all our activities and the running of the ladies committee.

Thank you to Darren, our pro, who is always on hand to help us with any problem that we have had and finding a solution for us.

Happy golfing,

Marilyn Pacitti

**Lady President.**

**RANDWICK GOLF CLUB LTD**  
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**GENERAL MANAGER'S REPORT**

General Manager Report 2018

Dear Members, I have recently accepted the General Manager position and I look forward to helping the Club move forward, improving all operating functions and also improving member benefits/facilities for you, the Member to enjoy.

I would like to thank Michael Higgins our previous General Manager who relocated to the Newcastle area in December 2018 with the improvements he made to the beer reticulation system and gaming machine upgrades last year. As well as a thank you to our Bar Manager Matt Becerra, who recently accepted a new sales role away from the hospitality industry.

Normally a report such as this would focus on the 2018 calendar year however with me only recently taking over the role I would like to take this opportunity to discuss the start of 2019 and the year ahead.

The office structure has now changed. From Tuesday to Saturday the office will be staffed by Melanie Stevens who will look after telephone/e-mail enquiries, visitor sign in register, daily banking preparation and most importantly helping members with any enquiries.

Our accounting system will move from an external bookkeeper using MYOB to an onsite accountant role 2 to 3 days per week using the Micropower accounting system. Randwick Golf Club now has a more efficient integrated system with the Accounting, Creditors, Point of Sale, Sundry debtors, Golf Scoring and membership systems all linked with each module. This will save valuable time with removing the need for double entry in multiple systems and also remove the need for monthly reconciliations of each system to ensure they match. We have already been using Micropower for Point of sale, Membership and Golf modules for many years now so it makes sense to purchase the last module linking them all together.

Members will have noticed our new website and in the short time it has been running we are already noticing an improved number of membership enquiries and function enquiries. We will be focusing on attracting new golfing members to Randwick in the year ahead. The Club spent approximately \$3k on the old website in 2018 with little if any design improvements. The new website will cost \$180 per year to host and was designed at a cost of \$500. This is also significantly easier for us to modify in house moving forward.

At the start of April 2019 we will also move to the new Micropower golf timesheet system. This will bring Randwick up to date with the latest system which members interact with nearly on a daily basis. This will also be more mobile friendly and be the new area where the Board and management can communicate with members in this member password protected area.

The Club also had a small win with a rating miscalculation, which was picked up. This resulted in a \$13k saving for the golf course area rates. Another saving was a reduction in our annual insurance. We paid \$46k last year and the same insurer offered a renewal of \$52k however our broker secured a quotation from well know Zurich for \$39k which was accepted.

I look forward to the year ahead with helping Randwick Golf Club members enjoy the facilities and services and the continual improvement with regard to the running of the business. I look forward to seeing you all at the Club on your next visit.

**Kristy Strong**  
**General Manager**  
**Randwick Golf Club**



**RANDWICK GOLF CLUB LTD**  
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*(A Company Limited by Guarantee)*

**FINANCIAL REPORT – 31<sup>ST</sup> DECEMBER 2018**

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This financial report covers Randwick Golf Club Ltd as an individual entity.  
Randwick Golf Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia.  
Its registered office and principal place of business is:

Randwick Golf Club Ltd  
Howe Street  
MALABAR NSW 2036

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*

**DIRECTORS' REPORT**

Your Directors present their report on the Club for the year ended 31<sup>st</sup> December 2018.

**NAME OF DIRECTORS**

The following persons were directors of the Club during the whole of the financial year and up to the date of this report:

M. Kandara	G. Haines	M. Rankin
D. Simmons	* C. McMahon	C. Owen
A. Smith	** J. Clydesdale	P. Johnstone
* A. Ostroman	* I. Russell	

\* Appointed 24<sup>th</sup> April 2018

\*\* Resigned 24<sup>th</sup> April 2018

**COMPANY SECRETARY**

The person who held the position of Company Secretary and General Manager up to 18 December 2018 was Michael Higgins, who was appointed on the 27<sup>th</sup> January 2016, and is an industry professional, having worked in Hospitality for over ten years, predominantly in registered clubs. His last posting was at Bexley Golf Club as their Operations Manager. Kristy Strong has been appointed on a trial basis as General Manager as of 27<sup>th</sup> March 2019, to be reviewed after six months.

**PRINCIPAL ACTIVITIES**

The Club's principal continuing activity during the year consisted of the conduct and promotion of a licensed golf and social club for the members and their guests.

**DIVIDENDS**

Under the Club's Constitution, there is no provision for the payment of dividends.

**RESULTS**

The Loss for the year was \$72,532 (2017: Loss: \$35,579) after charging Depreciation and Amortisation of \$114,019 (2017: \$109,361).

**MEMBERSHIP SUBSCRIPTION**

	<u>2018</u>	<u>2017</u>
7 Day	249	265
6 Day	198	214
Junior	31	29
Life	5	3
Social	610	483
Colt	19	0
Country	8	0
Deferred	2	0
Honorary	3	3
	<u>1,125</u>	<u>994</u>

**REVIEW OF OPERATIONS**

Movements in significant items of revenue are as follows:

	<u>2018</u>	<u>2017</u>	<u>(Decrease)/</u> <u>Increase</u>	<u>Percentage</u>
Poker Machine Net Clearances	92,087	86,753	5,334	6.15
Bar Sales Revenue	1,153,348	1,048,180	105,168	10.03
Subscriptions	303,429	302,780	649	0.21

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the club during the financial year.

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
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**DIRECTORS' REPORT (continued)**

**MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

No matter or circumstances has arisen since 31<sup>st</sup> December 2018 that has significantly affected, or may significantly affect:

- (a) the company's operation in future financial year, or
- (b) the results of those operations in future financial years, or
- (c) the company's state of affairs in future financial years.

**FUTURE DEVELOPMENTS**

It is intended to continue the company activities on a similar basis to previous years. Improvements will be carried out consistently with a conservative utilization of available funds and taking into consideration the Club's Strategic Plan. Economic conditions play a major role in the Company's performance.

**ENVIRONMENTAL REGULATION**

The company is not subject to significant environmental regulation in respect of its principal activities.

**INFORMATION ON DIRECTORS**

<u>Director</u>	<u>Position</u>	<u>Years of Service</u>	<u>Occupation</u>	<u>Special Responsibilities</u>
M. Kandara	President	3	Lifestyle and Sports Mentor	Chairman, Executive, Finance & Membership, Match & Greens, Marketing
P. Johnstone	Captain	10	Chief Superintendent Capability Management	Executive, Match & Greens, Golf Delegate
D. Simmons	Treasurer	5	Manager for Corporate and Commercial Banking - ANZ Bank	Executive, Finance & Membership
A. Smith	Vice President	5	Company Director	Executive, Match & Greens
A. Ostroman	Director	4	Stock Taker	Finance & Membership
J. Clydesdale	Director	3	Company Director	Match & Greens
G. Haines	Director	4	Chemical Plant Technician	Match & Greens
M. Rankin	Director	4	Technical Sales Representative	Marketing
C. Owen	Director	2	Retired	Finance & Membership, Marketing
I. Russell	Director	1	Firefighter	Marketing
C. McMahon	Director	1	Firefighter	Greens and Match

**MEETING OF DIRECTORS**

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 31<sup>st</sup> December 2018, and the numbers of meetings attended by each director were:

	<u>Board Meetings</u>	
	<u>Number of Meetings Attended</u>	<u>Number of Meetings Held</u>
P. Johnstone	8	12
D. Simmons	11	12
A. Smith	9	12
A. Ostroman	3	3
J. Clydesdale	3	3
G. Haines	9	12
M. Rankin	8	12
M. Kandara	11	12
C. Owen	9	12
I. Russell	6	9
C. McMahon	6	9

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
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**DIRECTORS' REPORT (continued)**

**INSURANCE OF OFFICERS**

During the financial year, Randwick Golf Club Ltd paid a premium of \$2,718.10 to insure the directors and secretary of the company. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the company.

**OBJECTIVES**

**SHORT TERM**

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

**LONG TERM**

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

Strategy for achieving the objectives

Principal strategies include:

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

**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.

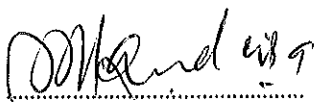
No proceedings have been brought or intervened in on behalf of the company which leave of the Court under section 237 of the *Corporations Act 2001*.

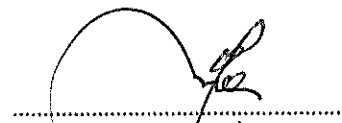
**AUDITOR'S INDEPENDENT DECLARATION**

The Auditor's Independent Declaration for the year ended 31<sup>st</sup> December 2018 has been received and can be found on page 16 of this report.

Dated at Malabar this 8<sup>th</sup> Day of April 2019

Signed in accordance with a resolution of the Directors

  
.....  
**MADAN KANDARA**  
Director

  
.....  
**DAVID SIMMONS**  
Director

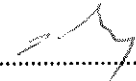
**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*

**AUDITOR'S INDEPENDENT DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF RANDWICK GOLF CLUB LTD**

I declare to the best of my knowledge and belief that during the year ended 31<sup>st</sup> December 2018 there has been:

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

**DATED AT SYDNEY**  
**THIS 1<sup>ST</sup> DAY OF**  
**APRIL 2019**



.....

**HARLEY, RUSSELL & DAY**  
Chartered Accountants

**GARRY WILLIAM DAY**  
Registered Company Auditor

**RANDWICK GOLF CLUB LTD****ABN: 99 000 083 143***(A Company Limited by Guarantee)***STATEMENT OF PROFIT & LOSS ACCOUNT  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>REVENUE</b>			
Revenue from sale of goods	2	1,153,348	1,048,180
Revenue from rendering of services	2	645,405	652,229
Other Revenue from ordinary activities	2	476,774	453,073
<b>Total Revenue from ordinary activities</b>		<b>2,275,527</b>	<b>2,153,482</b>
<b>EXPENSES</b>			
Cost of Sales	3	(441,866)	(420,525)
Donations		-	(200)
Directors' expenses		(2,064)	(1,854)
Employees Benefits expenses		(518,031)	(472,246)
Members amenities		(68,167)	(42,974)
Contractor - Course		(423,240)	(424,645)
Legal and consultancy fees		(10,395)	(4,165)
Poker machine licences and taxes		(2,640)	(2,640)
Loss on disposal of assets		-	(3,933)
Occupancy expenses		(97,464)	(91,593)
Other expenses from ordinary activities		(656,857)	(599,993)
<b>Total expenses</b>		<b>(2,220,724)</b>	<b>(2,064,768)</b>
<b>Earning before borrowing costs, tax, depreciation and amortisation</b>		<b>54,803</b>	<b>88,714</b>
Depreciation and amortisation	3	(114,019)	(109,361)
Borrowing Costs	3	(13,316)	(14,932)
<b>Total Comprehensive Profit for the year</b>		<b>(72,532)</b>	<b>(35,579)</b>
Income Tax Expense		-	-
<b>Total Comprehensive Income for the year attributable to members</b>		<b>(72,532)</b>	<b>(35,579)</b>

*The above statement of Financial Performance should be read in conjunction with the accompanying notes.*

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER 2018**

	Notes	2018	2017 \$
<b>Current assets</b>			
Cash Assets	6	27,600	108,699
Receivables		5,750	5,217
Inventories	7	62,430	47,268
Other	8	59,040	65,390
<b>Total Current Assets</b>		<u>154,820</u>	<u>226,574</u>
<b>Non-current assets</b>			
Property, Plant & Equipment	9	4,077,576	4,140,218
<b>Total Non-Current Assets</b>		<u>4,077,576</u>	<u>4,140,218</u>
<b>Total Assets</b>		<u>4,232,396</u>	<u>4,366,792</u>
<b>Current liabilities</b>			
Payables	10,14	240,978	196,638
Provisions	11	12,818	45,885
Interest Bearing Liabilities	13	107,592	123,714
Other	12	173,706	196,115
<b>Total Current Liabilities</b>		<u>535,094</u>	<u>562,352</u>
<b>Non-current liabilities</b>			
Provisions	21	10,554	8,469
Interest bearing liabilities	13	60,492	97,183
<b>Total Non-Current Liabilities</b>		<u>71,046</u>	<u>105,652</u>
<b>Total liabilities</b>		<u>606,140</u>	<u>668,004</u>
<b>Net Assets</b>		<u>3,626,256</u>	<u>3,698,788</u>
<b>Equity</b>			
Reserves	15	2,111,587	2,111,587
Retained profits	15	1,514,669	1,587,201
<b>Total Equity</b>	16	<u>3,626,256</u>	<u>3,698,788</u>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Notes	2018	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,502,348	2,358,385
Payments to suppliers and employees		(2,479,616)	(2,298,718)
		<u>22,732</u>	<u>59,667</u>
Interest received		359	-
<b>Net cash inflow (outflow) from operating activities</b>		<u>23,091</u>	<u>59,667</u>
<b>Cash flows from investing activities</b>			
Net amount for property, plant and equipment after write down of assets		<u>(51,377)</u>	<u>(88,529)</u>
<b>Net cash inflow (outflow) from investing activities</b>		<u>(51,377)</u>	<u>(88,529)</u>
<b>Cash flows from financing activities</b>			
Increase in borrowings		63,034	71,377
Repayment of borrowings		<u>(115,847)</u>	<u>(111,373)</u>
<b>Net cash inflow (outflow) from financing activities</b>		<u>(52,813)</u>	<u>(39,996)</u>
<b>Net increase (decrease) in cash held</b>			
Cash at the beginning of the financial year		108,699	177,557
Cash at the end of the financial year	6	<u>27,600</u>	<u>108,699</u>
		<u>(81,099)</u>	<u>(68,858)</u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*



**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**BASIS OF PREPARATION**

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

**ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARDS**

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

- AASB 1053 application of *Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The early adoption of AASB 1053 enables the Club to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements. The Club is eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements and has adopted the requirements of the standard effective for the financial year ended 31<sup>st</sup> December 2011.

**Reporting Basis and Conventions**

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

**a) REVENUE RECOGNITION**

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

- I. Bar trading, Gaming operations, Competition fees, Social functions*  
Revenue is recognised as received.
- II. Membership income*  
Subscription income is recognised in the profit and loss on a monthly basis to ensure the revenue is correctly allocated to the correct period. Levy income is recognised in the profit and loss as and when received.
- III. Interest income*  
Revenue is recognised as it accrues.
- IV. Sale of non-current assets*  
Revenue represents the gross sales proceeds of the asset. The net gain or loss on disposal is brought to account at the date an unconditional contract of sale is entered into.

**b) INVENTORIES**

Inventories consist of finished goods which are stated at cost.

**c) RECOVERABLE AMOUNT OF NON-CURRENT ASSETS**

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs.

**d) REVALUATIONS OF NON-CURRENT ASSETS**

Subsequent the initial recognition as an asset, land is measured at fair value being the amounts for which the asset could be exchanged between willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at the reporting date. Annual assessments are made by the directors, supplemented by independent assessments at least every three years.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss. Revaluation decrements are recognised immediately as expenses in net profit or loss except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluations do not result in the carrying value of land exceeding its recoverable amount.

Buildings are measured at cost.

**e) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT**

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding freehold land) over its expected useful life. The exception is glassware, crockery and cutlery which is expensed in the year of purchase. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

<u>Category</u>	<u>Useful life</u>	<u>Depreciation basis</u>
Buildings	40 years	straight line
Plant and equipment	5 years	diminishing value

**f) GOLF COURSE IMPROVEMENTS**

The cost of improvements to the golf course are capitalized and amortised over a period of 5 years.

**g) TRADE AND OTHER CREDITORS**

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

**h) INTEREST BEARING LIABILITIES**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of trade creditors.

**i) MAINTENANCE AND REPAIRS**

The costs of maintenance, repair costs and minor renewals are charged as expenses are incurred.

**j) EMPLOYEE BENEFITS**

*1. Wages and salaries, annual leave and sick leave*

**RANDWICK GOLF CLUB LTD**  
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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)**

Liabilities for wages and salaries, annual leave and sick leave are recognized, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

*II. Long service leave*

A liability for long service leave is recognized for all employees of the club with five years or more service. No adjustment is made for inflation of wage rates or discounting of expected future payments as the net effect is not expected to be material.

*III. Superannuation*

A liability for unpaid superannuation contributions at balance date is brought to account for all employees.

*IV. Employee benefit on-costs*

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

**k) BORROWING COSTS**

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include interest on bank overdrafts and short-term and long-term borrowings.

**l) CASH**

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

**m) GOODS & SERVICE TAX**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation 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 the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis.

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	2018 \$	2017 \$
<b>Note 2. <u>Revenue from Continuing Operations</u></b>		
<b>Operating Activities</b>		
<b><u>Sale of Goods Revenue</u></b>		
Bar Sales	<u>1,153,348</u>	<u>1,048,180</u>
<b><u>Rendering Services Revenue</u></b>		
Golf	538,070	546,693
Poker Machines	92,087	86,753
Keno	<u>15,248</u>	<u>18,783</u>
	<u>645,405</u>	<u>652,229</u>
<b><u>Ordinary Activities .. Other Revenue</u></b>		
Commissions	388	300
Interest Received	359	360
Functions	4,357	-
Locker Fees	354	441
Other Income	2,327	2,823
Raffle Takings	33,008	33,852
ATM Fees	3,448	3,153
Rent Bottle Recycle	20,804	-
Rent - Catering	62,573	61,763
Room Hire Fees	37,362	39,010
Sponsorships	8,365	8,591
Subscriptions	<u>303,429</u>	<u>302,780</u>
	<u>476,774</u>	<u>453,073</u>
<b>Total Revenue from Continuing Operations</b>	<u><u>2,275,527</u></u>	<u><u>2,153,482</u></u>
<b>Note 3. <u>Expenses from Operating Activities</u></b>		
Cost of goods sold - Bar	441,866	420,525
Finance cost - Bank interest	13,316	14,932
Loss on disposal of non-current assets	-	3,933
Amortisation	10,524	10,574
Depreciation	<u>103,495</u>	<u>98,787</u>
	<u>569,201</u>	<u>548,751</u>

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**Note 4. Segment information**

The club operates primarily in one industry. The principal activity of the club is the conduct and promotion of a licensed golf and social club for members and their guests. The club operates in one geographical area being Malabar, New South Wales.

**Note 5. Income tax**

The Club has received confirmation that its income is exempt from income tax in terms of Section 50 [45] of the Income Tax Assessment Act (1997) and accordingly the club is not subject to income tax results for the year ended 31st December 2018.

	2018	2017
	\$	\$

**Note 6. Current assets - Cash assets**

Cash at bank and on hand	7,540	42,887
Call Deposit - Business Online Saver	20,060	65,812
	27,600	108,699

The above figures are reconciled at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	27,600	108,699
Less: Bank overdrafts		
Balances as per statement of cash flows	27,600	108,699

**Note 7. Current assets - Inventories**

Finished goods - at cost	62,430	47,268
<b>Aggregate carrying amount of inventories</b>		
Current - as above	62,430	47,268

**Note 8. Current assets - Other**

Prepayments	59,040	65,390
	59,040	65,390

**RANDWICK GOLF CLUB LTD**

ABN: 99 000 083 143

*(A Company Limited by Guarantee)***NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

	2018 \$	2017 \$
<b>Note 9. Non-current assets - Property, plant &amp; equipment</b>		
<b>Land &amp; building</b>		
Freehold land - at valuation	<u>2,200,000</u>	<u>2,200,000</u>
Buildings - at cost	2,858,182	2,850,658
Less: Accumulated depreciation	<u>(1,240,009)</u>	<u>(1,161,227)</u>
	<u>1,618,173</u>	<u>1,689,431</u>
Total land & buildings	<u>3,818,173</u>	<u>3,889,431</u>
<b>Plant &amp; equipment</b>		
Plant & equipment - at cost	629,358	621,163
Less: Accumulated depreciation	<u>(529,857)</u>	<u>(505,133)</u>
	<u>99,501</u>	<u>116,030</u>
Course improvements - at cost	577,834	542,176
Less: Accumulated amortisation	<u>(417,932)</u>	<u>(407,419)</u>
	<u>159,902</u>	<u>134,757</u>
Total plant & equipment	<u>259,403</u>	<u>250,787</u>
	<u><u>4,077,576</u></u>	<u><u>4,140,218</u></u>

**Valuation of land & buildings**

The basis of valuation of land is fair value being the amounts for which the asset could be exchanged between willing parties in an arm's length transaction. The latest revaluation was a directors' valuation based on the Valuer General's Office Notice of Valuation as at 1 July 2015. The latest valuation by the Valuer General's Office Notice of Valuation as at 1 July 2016 showed a land value of \$2,200,000.

**Core Assets**

The club house Land and Buildings and main car park are owned by the club, these are considered core assets as defined under the Registered Clubs Act 1976 Section 41J.

	Land \$	Buildings \$	Course Improvements \$	Plant & Equipment \$	Total \$
Carrying amount at 1 January 2018	2,200,000	1,689,431	134,757	116,030	4,140,218
Additions	-	7,524	35,658	8,195	51,377
Loss on Disposal of Assets	-	-	-	-	-
Depreciation/Amortisation expense	-	(78,782)	(10,513)	(24,724)	(114,019)
Carrying amount at 31 December 2018	<u>2,200,000</u>	<u>1,618,173</u>	<u>159,902</u>	<u>99,501</u>	<u>4,077,576</u>

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	2018 \$	2017 \$
<b>Note 10. Current liabilities - Payables</b>		
Trade creditors	240,978	196,638
	<u>240,978</u>	<u>196,638</u>
<b>Note 11. Current liabilities - Provisions</b>		
Provision for Course Sinking Fund	3,504	25,890
Provision for Employee Entitlements (Note 21)	9,314	19,995
	<u>12,818</u>	<u>45,885</u>
<b>Note 12. Current liabilities - Other</b>		
<b>Unsecured</b>		
Subscriptions in advance	121,316	149,168
Functions and House Account	22,306	10,828
Accruals	30,084	36,119
	<u>173,706</u>	<u>196,115</u>
<b>Note 13. Interest Bearing Liabilities</b>		
<b>Current Liabilities</b>		
Deferred Payments	20,040	28,934
Insurance Funding	42,992	50,220
Bank Loan Repayments	44,560	44,560
	<u>107,592</u>	<u>123,714</u>
<b>Bank Borrowings</b>		
Current Liability	44,560	44,560
Non-current Liability	60,492	97,183
	<u>105,052</u>	<u>141,743</u>
<b>Secured</b>		
Bank loan	105,052	141,743
<b>Secured liabilities</b>		
Total secured liabilities (current and non-current) are:		
Bank overdraft and bank loan	<u>105,052</u>	<u>141,743</u>
Total secured liabilities	<u>105,052</u>	<u>141,743</u>

The bank loans and overdraft are secured by first mortgages over the club's freehold land and buildings.

Original loan approval was for an amount of \$900,000 in terms of our letter of offer dated 8/6/2011. Following completion of the renovations to the club the writer was advised that funds that had been drawn as at 23/5/2013 being \$785,326 would be all that was required & that no further loan funds were to be drawn.

On this basis principal & interest payments were calculated on this loan balance being the new contractual loan amount over the remaining loan term then of 8 yrs. 2 months with loan maturing 21/7/2021. Current Interest Rate 6.17%

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	2018 \$	2017 \$
<b>Note 13. Interest bearing liabilities (continued)</b>		
<b>Assets pledged as security</b>		
The carrying amounts of non-current assets pledged as security are:		
First mortgage		
Freehold land and buildings	3,818,173	3,889,431
Total non-current assets pledged as security	3,818,173	3,889,431
Total assets pledged as security	3,818,173	3,889,431
 <b>Bank Overdraft</b>		
Total facilities	280,000	50,000
Used at balance date	-	-
Balance of Facility	280,000	50,000
 <b>Bank loan facilities</b>		
Total facilities	762,360	762,360
Used at balance date	(105,052)	(141,743)
Unused at balance date	657,308	620,617
 The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.		
 The current interest rate is 7.13% (2017: 7.13%) on the overdraft facility of \$280,000.		
 <b>Note 14. Current liabilities - Trade &amp; Other Payables</b>		
GST Liability	5,457	7,596
Trade Creditors	235,521	189,042
	240,978	196,638



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	2018 \$	2017 \$
<b>Note 15. Reserves and retained profits</b>		
<b>(a) Reserves</b>		
Asset revaluation reserve	<u>2,111,587</u>	<u>2,111,587</u>
<b>(b) Retained profits</b>		
Retained profits at the beginning of the financial year	1,587,201	1,622,780
Net/(Loss) profit attributable to members of Randwick Golf Club Ltd	(72,532)	(35,579)
Retained profits at the end of the financial year	<u>1,514,669</u>	<u>1,587,201</u>
<b>(c) Nature and purpose of reserves</b>		
<b>Asset revaluation reserve</b>		
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(d).		
<b>Note 16. Equity</b>		
Total equity at the beginning of the financial year	3,698,788	3,734,367
Total changes in equity recognised in the statement of financial performance	(72,532)	(35,579)
Asset Revaluation	-	-
Total equity at the end of the financial year	<u>3,626,256</u>	<u>3,698,788</u>
<b>Note 17. Members' guarantee</b>		
The club is a company limited by guarantee. If the club is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the club. At 31st December 2018 the number of members was 1,125 (2017: 994).		
<b>Note 18. Dividends</b>		
Under the club's Constitution, there is no provision for the payment of dividends.		

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**FOR THE YEAR ENDED 31ST DECEMBER 2018**

		2018	2017
		\$	\$
<b>Note 19.</b>	<b>Contingent liabilities and contingent assets</b>		
	Your Directors are of the opinion that there are no contingent liabilities at the date of this report.	<u>-</u>	<u>-</u>
<b>Note 20.</b>	<b>Commitments for capital contracted expenditure</b>		
	The following future contracted capital expenditure was:		
	(i) Course maintenance Green Options		
	Current	474,875	424,645
	Non-Current	484,372	1,009,455
		<u>959,247</u>	<u>1,434,100</u>
	Contract expires on December 2020.		
<b>Note 21.</b>	<b>Employee benefits</b>		
	<b>Employee benefit and related on-costs liabilities</b>		
	Provision for Annual Leave	9,314	19,995
	Provision for Long Service Leave	10,554	8,469
		<u>19,868</u>	<u>28,464</u>
	Aggregate employee benefit and related on-costs liabilities.	<u>19,868</u>	<u>28,464</u>
	<b>Employee numbers</b>		
	Average number of employees during the financial year.	<u>12</u>	<u>13</u>
<b>Note 22.</b>	<b>Related parties</b>		
	<b>Directors</b>		
	The names of persons who were directors of the club at any time during the financial year are as follows:		
	P. Johnstone, M. Kandara, D. Simmons, A. Smith, G. Haines, A. Ostroman, M. Rankin, and C. Owen, I. Russell, C. McMahon, and J. Clydesdale.		
		2018	2017
		\$	\$
	<b>Transactions with directors</b>		
	No transaction occurred during the year with related parties.		
	No remuneration was paid to any director of the club.		
	The following amount was paid to directors for expenses which was with approval at the Annual General Meeting.	<u>2,064</u>	<u>1,854</u>

**RANDWICK GOLF CLUB LTD**  
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**FOR THE YEAR ENDED 31ST DECEMBER 2018**

**Note 23.**

**Events occurring after reporting date**

No significant events have occurred since 31st December 2018 which require disclosure in this financial report.

**Note 24.**

**Reconciliation of profit / (loss) from ordinary activities after income tax to net cash inflow from operating activities**

	2018	2017
	\$	\$
Profit / (loss) from ordinary activities after income tax	(72,532)	(35,579)
Depreciation and amortisation	114,019	109,361
Loss on disposal of assets	-	3,933
Change in operating assets and liabilities		
(Increase)/Decrease in inventories	(15,162)	(1,923)
(Increase)/Decrease in receivables	(533)	5,511
(Increase)/Decrease in accruals	(6,035)	11,339
(Increase)/Decrease in provision for community grant	-	(9,707)
(Increase)/Decrease in prepayments	6,350	(6,522)
Increase/(Decrease) in trade creditors	44,340	1,022
Increase/(Decrease) in subscriptions in advance	(27,852)	(2,557)
Increase/(Decrease) in provision for course sinking fund	(22,386)	(6,274)
Increase/(Decrease) in deposits & house account	11,478	(4,889)
Increase/(Decrease) in provision for employees entitlements	(8,596)	(4,048)
Net cash inflow from operating activities	<u>23,091</u>	<u>59,667</u>

**Note 25.**

**The Registered Clubs Act 1976**

The reporting requirements under Section 41 of the Registered Clubs Act have been complied with and any member wishing to inspect the registers required to be kept under the act, can sight them on request.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2018**

**Note 26. Key Management Personnel Compensation**

**(a) Key Management Personnel**

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

M. Kandara	D. Simmons	C. Owen
G. Haines	P. Johnstone	A. Smith
M. Rankin	A. Ostroman	C. McMahon
I. Russell	J. Clydesdale	

**(b) Other Key Management Personnel**

<b>Name</b>	<b>Position</b>
Kristy Strong	General Manager

**(c) Key Management Personnel Compensation**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits	<b><u>106,532</u></b>	<b><u>92,000</u></b>
	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>%</b>
Bar		
Gross profit	<b>61.69</b>	<b>59.88</b>
Percentage to total revenue	<b>31.27</b>	<b>29.15</b>
Poker machine		
Percentage to total revenue	<b>4.05</b>	<b>4.03</b>
Employee benefits - percentage of total revenue	<b>22.77</b>	<b>20.22</b>
EBITDAD percentage on Equity	<b>1.52</b>	<b>2.38</b>

**Note 27.**

**Key Performance Indicators**

**RANDWICK GOLF CLUB LTD**  
**ABN: 99 000 083 143**  
*(A Company Limited by Guarantee)*

**DIRECTOR'S DECLARATION**

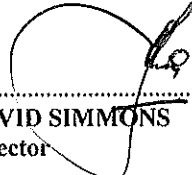
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 14 to 32 are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
  - (b) give true and fair view of the financial position of the company as at 31<sup>st</sup> December 2018 and of the performance for the year ended on that date;
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

**Dated at Malabar this 8<sup>th</sup> day of April 2019**  
**in accordance with a resolution of the Directors**

  
.....  
**MADAN KANDARA**  
Director

  
.....  
**DAVID SIMMONS**  
Director

**RANDWICK GOLF CLUB LTD**  
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*(A Company Limited by Guarantee)*

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Randwick Golf Club Limited (the Company), which comprises the statement of financial position as at 31<sup>st</sup> December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- (a) Giving a true and fair view of the company's financial position as at 31<sup>st</sup> December 2018, and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section set out under Auditing Standard ASA 700. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of the auditor's report.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Audit Qualification**

At this date of signing the report, Randwick Golf Club Limited's golf course lease with the Randwick City Council will expire on the 31<sup>st</sup> December 2020. At present no new lease has been entered into but in a meeting with Randwick City Council they indicated that a new lease will be issued. In the event that a new lease cannot be effected, the realization value of the plant and equipment may not realise their book value. We cannot form an opinion on the amount they would realise. The continuity of Randwick Golf Club Limited as a going concern will be dependent on the Company having a new lease over the golf course.

**RANDWICK GOLF CLUB LTD**  
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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS (continued)**

**Other Information**

The directors are responsible for the other information. The other information comprises the information contained in the Randwick Golf Club Annual Report (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**DATED AT SYDNEY**  
**THIS 10<sup>TH</sup> DAY OF**  
**APRIL 2019**

  
.....  
**HARLEY, RUSSELL & DAY**  
Chartered Accountant

**GARRY WILLIAM DAY**  
Registered Company Auditor