

Catalina

Country Club

2010 - 2011 Annual Report & Balance Sheet



CLUB CATALINA

COUNTRY CLUB

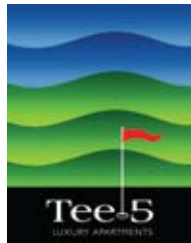
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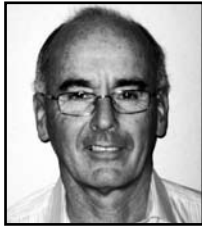
REFLECTIONS
BARLINGS BEACH



AAA FINANCIAL PLANNING



BOARD OF DIRECTORS



**PRESIDENT
BARRIE ENNIS**



**VICE PRESIDENT
JOHN HILL**



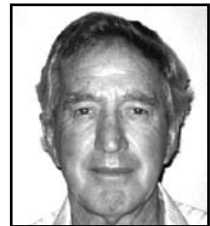
**CAPTAIN
BOB SOPER**



**VICE CAPTAIN
EDDIE FINN**



**DIRECTOR FINANCE
VAL NAFTEL**
(Resigned 6/06/2011 health)



**DIRECTOR FINANCE
KIM ODGERS**
(Appointed 28/06/2011)



**DIRECTOR
ROSSLYN ROSSITER**



**DIRECTOR
DON EDGAR**



**DIRECTOR
DAVID O'CONNOR**



**DIRECTOR
BRUCE IMMS**



**CHAIR BOWLS
MANAGEMENT COMMITTEE
PAT BILL**

AGM

Notice is hereby given that the Annual General Meeting of Members will be held at the Clubhouse, Beach Road, Batemans Bay on Monday, 31 October 2011 at 7.00pm.

BUSINESS

1. Apologies
2. Minutes of the previous Annual General Meeting held on 25 October, 2010
3. Business arising
4. Welcome to CEO Daryl Wilson
5. President's Report
6. Treasurer's Report
7. Captain's Report
8. Lady Golfers President's Report
9. Junior Golf Promotions Report
10. Bowls Management Report
11. Consideration of Accounts, Balance Sheet, Directors' Statutory Report and Statement and Auditor's Report
12. To Consider Resolutions
13. Appoint an Auditor
14. Election of (a) President, (b) Vice President, (c) Captain, (d) Vice Captain, (e) Director Finance, (f) Director Bowls, (g) Directors (3), (h) Patron
15. General Business



Daryl Wilson
Chief Executive Officer

MEMBERS PLEASE NOTE:

Members are requested to advise the Chief Executive Officer, in writing, seven days prior to the date of the Annual General Meeting of any query relating to the financial accounts on which further information may be required. Such information will be extracted from the records and be available at the Annual General Meeting.

LIFE MEMBERS - Golf

J. Nash, J. McNamara, N. Kelly, I. Chapman, E. Ablett,
Mrs F.J. Lassau, Mrs D.A. Fenning, Mrs B. Macdonald, Mrs D. Scott

LIFE MEMBERS - Bowls

M. Wedd, C. Elliot, D. McGeachin

PATRON

Major General A.B. Stretton A.O., C.B.E.

ADMINISTRATION

Chief Executive Officer	R. Hogg
Assistant Manager	O. Quinn
Course Superintendent	A. Fogarty
Assistant Course Superintendent	W. Gregory
Function Manager	S. Harris
Office Manager	J. Moran-Hilford

MEMBERSHIP

	2011	2010
Life Members - Golf	9	9
Life Members - Bowls	3	-
Playing Members - Golf	738	786
Playing Members - Bowls	321	-
Junior Members - Golf	28	38
Junior Members - Bowls	2	-
Catalina Cadets	17	25
Social Members	7389	7309
	<hr/>	<hr/>
	8507	8167

The 2010/2011 Annual Report for Catalina Country Club Ltd. is listed on the Club Website.
www.clubcatalina.com.au choose "club" tab choose "Catalina Country Club Annual Report"

RESOLUTIONS

RESOLUTION 1

- I. (i) That the Honorariums for the financial year 2011/12 remain at \$21,000.00 and distributed as follows: -

\$6,000.00	President
\$5,000.00	Captain
\$4,000.00	Treasurer
\$1,000.00	Director
- (ii) That the maximum allowance for Directors Expenses for the financial year 2011/12 be set at \$10,000.
- (iii) That a monogrammed Club blazer be provided to all Directors for the representing of the Club at official functions.

RESOLUTION 2

- I. (i) That the maximum allowance for Members representing the Club for the financial year 2011/12 be set at \$20,000.00 which shall include:
 - Contribution towards Pennant Team Dinner.
 - Contribution towards Purchase of Pennant Uniforms and Travelling Expenses.
 - Subsidies for the Development of Junior Golf.
 - Lady Members Honorarium - President \$250, Captain \$250 and Secretary \$250.
- (ii) That Committee Members names be permitted on timesheets prior to the opening of bookings.

RESOLUTIONS

Notes to Members

1. The Registered Clubs Act (NSW) 1977 provides in Section 10(1)(i) that Members, including Directors, cannot receive a benefit or advantage not equally available to other Members. Exceptions include the payment of cash Honorariums passed by a resolution of the Members at a General Meeting and the payment of expenses paid pursuant of the Board of Directors.
2. To be passed the above Resolutions must receive votes from not less than half of those Members who being eligible to do so vote in person at the meeting.
3. The Resolution must be considered as a whole and cannot be altered by motions from the floor of the meeting.

By Direction of the Board

A handwritten signature in black ink, appearing to read 'Daryl Wilson', with a large loop at the end of the signature.

Daryl Wilson

Chief Executive Officer

Dated 30 September 2011.

CEO'S REPORT

It is with pleasure, that I have been given this opportunity to report to you, the members of the Club, since my arrival at the Club in early September. As you would be aware the Club has come through a very difficult year that included amalgamation with the Batemans Bay Bowling Club. The Treasurers report and Audited accounts will highlight this situation.

This taken into consideration, the Club has Net assets of 9.5 million dollars and total assets of over 18 million. This in any terms is a strong position.

Going forward, it is the intention of Management to be able to provide Members and visitors an enjoyable experience on every visit to the Clubs, whether it be the Country Club or the Sports and Leisure Club. All staff will endeavour to make every day a great day for Members, Guests and visitors.

This year we will be endeavouring to maintain the Clubs facilities to patron expectations and make our business practices more efficient. We will be working hard at our customer service standards to ensure that our Members and guests are pleased to visit our premises. On course, we will be hoping to improve playing conditions and meet the ever growing requirements of the Environmental Protection Act affecting the Clubs. The \$2.00 Machinery & Course levy will go a long way in meeting these additional requirements of the Club and Golfing Members are to be congratulated on the way you have accepted this fee.

We hope to maximize the usage and visitation at both premises with quality forms of entertainment, fine dining facilities, great playing facilities and the best gaming areas in the District and our point of difference will be our staff and their exceptional customer service.

I look forward to the year ahead and the challenges we will face and I am sure with your regular support it will be a successful journey.

In closing, may I thank the Board, Staff and Members for the way they have welcomed me to the Clubs and I hope my experience gained in the industry of over 25 years in all forms of Clubs, particularly Golf and Sporting Clubs will be beneficial going forward.

Please don't hesitate to contact me, if I can be of assistance in any matter.

All the Best.

Daryl Wilson ACCM.
C.E.O.

PRESIDENT'S REPORT

It is with a little disappointment that I present this year's annual report. This past year has been one where we started with great expectations, both management and the Board worked long and hard to try to realize these expectations but finished the year with feelings of disappointment. There has not been a lack of energy or commitment by any member of our large team but a number of factors have prevented success.

A number of developments that we as a Board expected would take place during the year just have not materialized and with the current state of the economy and certain possible Federal government initiatives I do see difficult trading times ahead for our club industry.

At the time of last year's report to members we had the motel development moving forward with the expectation of building commencing soon after Christmas 2010. The Development application was approved by Council in quick time and we were eventually able to sign conditional agreements with the developers in March 2011 but they could not satisfy the conditions by 30/6/2011 by raising their finance and the deal was rescinded. The motel project is not completely over but it will be on hold for some time due to the very real uncertainty within our economy.

With the failure of the motel came an inability on our part to go ahead with the rear deck to the club. The deck would have cost a lot more as a result of it not being built as part of the motel project. In addition our trading within the club slowed dramatically in the first 6 months of this year.

In addition to the above we missed out on the upgrade to the Country Club Drive carpark and the re-opening of the exit on that side of the Club.

At the time of all of this happening our very good CEO Richard Hogg tendered his resignation. This was not entirely unexpected and I do pay tribute to Richard for his 100% commitment during his time as our CEO. Richard is highly respected within the Club industry and he certainly moved our club forward. He taught many of us who had the pleasure of working closely with him many good ways to do business. Many thanks Richard.

At the time of writing this report our new CEO Daryl Wilson has just started with us. We on the Board look forward to working with Daryl. Your Board has chosen Daryl as he seems to be a different style of manager to Richard and it is time for our club to really concentrate on our core business which is hospitality. A hearty welcome to ClubCatalina Daryl and we do hope that you enjoy your time with us.

The amalgamation with the Batemans Bay Bowling and Recreation Club was completed on the 18/11/2010 and from there we re-branded both premises and our overarching brand. To me it works but others might disagree. This amalgamation is still causing management and the Board some problems but both parties are working hard at working through these difficulties. The question was recently asked of me as to whether the golfers are subsidizing the bowlers. In my view the golfers are not but licensed premises are as are the licensed premises subsidizing golf. There does need

PRESIDENT'S REPORT

to be a more realistic membership fee for bowling members but we must meet the market and at present we are. Most of the current bowling membership fee is paid to the bowling associations.

As stated last year we have invested most of our available cash resources into the Sports Club to better resource it and to make it more presentable. The Sports Club is making a positive contribution to our profit and loss but it has a long way to go before we could say that the venture has been worthwhile. It has had a dramatic impact on our Balance Sheet with a growth in our net assets of \$4.7m but underlying a great deal of our operating loss is the money we have spent on the Sports Club.

Our Business Development Manager Cushla Hands is steadily making inroads with initiatives to bring in new patrons to the Sports Club and these are having some positive results. To turn the Sports Club around will not be a quick fix.

As always with Bob Soper at the helm our golf operations have been very efficiently and effectively run. Bob has been doing it for a long time now and his enthusiasm never seems to waiver. With his guidance we are the envy of most clubs in the way that our golf is run. I hope his enthusiasm is not dulled by him taking on the Presidents job. To incoming Captain Eddie I say good luck in following Bob but we do all have complete confidence in you.

Once again our Junior golf has been the envy of most clubs and we still have a lot of kids learning and enjoying their golf. This programme only happens because of people like Rossie Rossiter, the Wallaces and Ron Carney. There are many others too many to mention but thank you one and all. Lets hope that in years to come that a junior bowls programme can be developed just like our junior golf programme.

I must mention our long serving Board member Val Naftel who because of ill health had to resign during the year. Val has served on the Board since about 1990 when I joined the Board but before that she was heavily involved with Ladies golf, organizing festivals and the like. She loved her golf so put back into our club what she received from it. Our club has been blessed to have a great worker like Val. Many thanks Val for your efforts over many years and may I wish you better health on behalf of all of our members. You have been greatly appreciated and are being missed.

At Catalina we have many many unheralded workers and that is how we survive. Many thanks to all of you. I must however single out a few like Bruce Sandry our publicity officer, Carmel Elliott the tea lady at the bowls carnivals, Don Evelyn and his team who run the barbecues for golf events, Bill Forge who has been running the Golf Festivals, the whole of the Bowling Club carnival committee as they run a two week carnival each year (and have been doing so for decades) and Rossco Norton who for years has done the Friday Chook run. You don't often hear about these people but they are extremely important cogs in the wheel that is our great club.

PRESIDENT'S REPORT

I must make mention of our trading results. Whilst we are showing a profit of some \$3.56m the reality is not as good as that. This year we have recorded a substantial operating loss and it has been necessary to make rapid and significant adjustments to the way that we have been doing business. We have had to be extremely careful with any new spending and there are other measures which will be implemented in the upcoming months. There are a number of factors that have contributed to this situation. Our trade dropped about April this year and adjustments were not made quickly enough. Our economy in Batemans Bay and nearby is hurting where people simply do not have the disposable income to spend like they used to or if they do have it they are saving it. All retailers are hurting. Our bankers the ANZ are very supportive and are working with us through this difficult period. I am extremely confident that this situation is ideal for our new CEO to make an impact and already Daryl has ideas. What do they say about a "new set of eyes"? In simple terms our situation is serious and needs to be carefully managed with clearly thought out strategies.

In closing I wish to extend my sincere appreciation to those with whom I have worked over my years on your Board. We do have a great club with brilliant facilities, staff and members so there is no reason why we cannot power together into the future to continue to make our club even better. I have enjoyed the experience and the people I have met. These last two years on the Board in particular have been very difficult but at times exciting. It is time for me to now meet my obligations to my family and in particular Karen who has been very understanding during my time on the Board. My best wishes are extended to Bob and his new administration and of course to all of our members.

Best Wishes

Barrie Ennis
President

TREASURER'S REPORT

I write this Report acknowledging the efforts of Val Naftel who retired from the Board of Directors on 6 June due to ill health.

Val had been Treasurer of ClubCatalina for 2 terms and served as a Board Director for many years before that.

My own exposure to the financial health of ClubCatalina and to its trading performance over the past financial year was all of 2 days (appointed to the Board as Director, Finance and Business Development on 28 June 2011).

The observations and comments that follow therefore will largely relate to the financial status of our Club at this time and to its future.

However, I will also attempt to highlight and explain a number of mid-year misinterpreted accounting procedures and other anomalies, caused partly by an accounting package changeover.

ClubCatalina for the financial year 2010/11 recorded an operating loss of \$M1.1. This follows a loss of \$479,000 in 2009/10. The previous five years all returned operating profits.

A snapshot comparison of trading performances for 2010/11 on 2009/10 for each venue is as follows -

	<u>CCC</u>	<u>S&LC</u>
Bar sales	-4%	+1.8%
Net PM revenue	+0.2%	-2%
Bar wages	+18%	-10%

The missing piece in the comparison jigsaw is ClubCatalina's administrative and operating costs of presenting and selling our product. The combination of an accounting package changeover and a consolidation of expense categories over the two venues prevent a meaningful expenses comparison being made for 2010/11 on 2009/10.

But self-evident is that over the past two years revenue results at ClubCatalina have been disproportionate to the cost of trading. Clearly, the cost of running our operations has been too high.

ClubCatalina has current and non-current borrowings of \$5.3 million. At the time of writing this report, our operating overdraft was at \$240,000. Finance lease commitments were a further \$400,000.

The cost to ClubCatalina of servicing these debts in the past year was \$355k.

As the 2010/11 financial year came to a close, the Board and management had anticipated a net trading loss of about \$300,000 (Plan \$135,000), to be finalised after the auditor's end of year adjustments notice.

The Auditor unexpectedly advised eleven adjustments, increasing the operating loss by \$951,000.

Briefly, the two main items were an adjustment for incorrect entries being recorded for "cashless finance" (which had mistakenly been treated as poker machine revenue), and the recording by ClubCatalina of pre-amalgamation management expenses as a Club asset.

TREASURER'S REPORT

Once the Board was alerted to these errors, meetings were immediately organised with the auditor and with our bankers.

A number of corrective measures are now in place to reduce expenses and to hold and grow revenue. More will follow.

Errors have been made over the recent past that are now in the process of being addressed. Our incoming Board, and new CEO, will learn from these errors.

ClubCatalina has the largest membership base in our region. Members have access to two substantial venues. It is necessary however, at least in my view, for each venue to offer alternative clubhouse entertainment options to appeal to separate sections and ages of the available market. We have gained nothing in a town of this size if our two venues compete for, and share in, the same market.

Richard Hogg, in the 2010/11 Business Plan, stated that it is necessary to "identify the market segment we are trying to attract to the Sports & Leisure Club that does not generally compete with the Country Club". I'm not convinced that we have successfully achieved this.

The 2011/12 Business Plan has been framed with the intention of achieving a zero growth in revenue and a zero increase in expenditure.

This is the business climate we are now operating in. A successful licensed club in these times is likely to be one that can accept the probable limitations on revenue growth while recognising the necessity to

control almost uncontrollable costs.

A Club that can succeed with this strategy will set a business platform from which to grow in a more favourable future environment.

The Club Industry in 2011 faces pressure from many directions. The challenge ahead is not just confined to minimising rising costs and stabilising falling revenues. Clubs need to reinvent themselves by positioning and repackaging their product to remain relevant in a market soon to be dominated by an age group with totally different entertainment expectations.

Management will need to review wage and operating costs.

A further reduction in wages of just 1.4% would generate additional cash of over \$150k on slightly reduced trading. A further overall wages decrease to match the industry benchmark level of 25% on total revenue would release \$325k and greatly raise our capacity to service our debt.

Strong growth in 2011/12 for most in the Club Industry is realistically not an option. More of an option are cost controls, operating efficiencies, focused marketing and value added programs.

ClubCatalina's 161 gaming machines will be routinely monitored and be progressively replaced or converted to ensure our gaming presentation remains at the current high standard.

TREASURER'S REPORT

The intention of the Federal Government to introduce legislation to impose mandatory pre-commitment for poker machine players is, in my opinion, the single biggest threat to the Club Industry.

The moral argument being presented in favour or otherwise of player pre-commitment is a strong and robust debate that I will leave to others. What is inarguable, however, is that this coming legislation planned to begin in 2012 will have a dramatic impact on our Club. Even voluntary pre-commitment is forecast to reduce gaming revenue by 5%.

Our new CEO, Daryl Wilson, has a strong background in voluntary gaming pre-commitment and will be in an ideal position to install the most cost-effective system at ClubCatalina should it be required. At Sandgate RSL, Daryl used pre-existing technology to allow players to set loss limits. Once this limit is reached, the player's gaming card defaults. The Sandgate initiative has been put forward by proponents of pre-commitment gaming as a model to be considered by the Prime Minister when framing the new legislation.

Members will be aware that the Springs Group has now withdrawn from arrangements to operate the motel proposed for our northern car park. Consequently Edwards Constructions will discontinue plans to begin development at this time. The planned outdoor decking that was to accompany the motel construction has also been shelved.

While this is unfortunate, particularly given the years of planning and negotiation so far, we now have the opportunity to review a range of other alternatives that may benefit the Club in the longer term should Edwards Constructions be unable to secure an alternative operator.

The Eurobodalla Shire Council has recently rezoned the residential strip from Country Club Drive to Bavarde Avenue to potential 3 to 4 story development. It is this rezoning that should benefit Club Catalina in due course rather than the limiting return from a locked in low level motel development.

Your incoming 2011/12 Board will examine the potential of the various options available regarding this valuable Catalina land asset.

Trading at the Sports & Leisure Club has been steady over the past year. Necessary cost cutting and the introduction of efficiencies at the bar and in the back office have corrected previous poor performances.

The 2011/12 ClubCatalina Business Plan anticipates a flat performance over the next 12 months at the S&LC, which could be considered a fair result in the present climate.

However a continuing flat or marginal performance over the next few years will need to be viewed by ClubCatalina as disappointing and cause for concern. Catalina's motivation for amalgamating with the ailing Bowling Club was to strengthen Catalina's overall trading position and to generate additional revenue to improve facilities at both venues.

TREASURER'S REPORT

Catalina's two-venue strategy will need to be reassessed in due course if our involvement with the S&LC threatens over time to limit or undermine the financial stability of the Catalina Country Club.

Clubs Australia has not yet provided an assessment of the likely impact of the Gillard Government's Carbon Tax, except to warn that the industry can expect further community reluctance to support Clubs, as most businesses and the public in general struggle to absorb rising costs.

Finally, and I apologise for finishing on such a gloomy note, the incoming Board must give urgent attention to the management and reduction of our long-term debt. We are at the limits of our borrowing capacity and at the limits of our ability to service those borrowings.

Within the next 5 years ClubCatalina will need to commit substantial funds to major refurbishment at both venues and to cover the cost of other necessary capital works.

Should our current and non-current liabilities not be significantly reduced over this time, we may find that ClubCatalina's capacity to retain and improve the quality of its facilities will be compromised to the ultimate detriment of the Club.

Kim Odgers

Treasurer

CAPTAIN'S REPORT

Another momentous year. The Batemans Bay Bowling Club (now ClubCatalina Sports & Leisure Club) has been taken under our wing, former Club Professional Nigel Wilson moved on, as did our former CEO Richard Hogg. Both of these men have made significant contributions to Catalina Country Club and their input will be missed.

Despite these huge changes the main reason for our existence (playing golf) continued on its way with little interruption and, for most people, a great deal of satisfaction. Those changes have undoubtedly presented new challenges. Some of those challenges will be overcome with relative ease – Mitch Tasker is looking after the golf professional requirements, Wayne Adam has the golfshop in hand, and Daryl Wilson has taken ownership of the front office. Some of the challenges, however, will require the backing and support of every member to achieve the desired outcomes.

This is my last annual report as Captain of ClubCatalina, and I have many mixed feelings about that fact. I have thoroughly enjoyed my time as your captain, and cannot express clearly enough my gratitude to you all for the support I feel that I have received. This, of course, is especially relevant to those who have worked closely with me over the years – my Vice-Captains, committee members of sub-clubs, members of the club staff both inside and out, volunteers who have assisted with management of the special events we host from time to time, and all those members who simply provide support for the club's activities and do their best to look after this wonderful golfing facility we have. And for special thanks,

is there anyone more valuable in the club than the BBQ men who look after our food needs for so many events?

Never take for granted the quality of our golfing facility – those who sometimes do so need to be around when we get visits from Golf NSW JNJG (Jack Newton Junior Golf) and the Australian PGA who keep returning to conduct their major events. They do this because of the welcome they receive and because of the quality of the golf course. We couldn't buy the positive publicity these events bring, and we know people come back as paying customers following such competitions.

Our original contract with the PGA to run their Australian Futures Championship lasted 3 years. The event worked so well for them they sought an extra 3 years, and that new contract begins this year.

JNJG normally visit a club for 2 years with their State Age Titles. They came to us for 3 years, and then sought permission to run their first JNJG Masters event on the South Coast here this year. That event occurred recently, was successful, and it is planned to continue with this event in future years.

Our junior organization (with Rossie Rossiter as Club JPO, and Ron Carney as District JPO) continue to show positive development. Although entries for the JNJG Masters are open to all juniors in NSW and the ACT, the final winner for 2011 was determined after a 3-way play-off between members of Catalina, Narooma & Bermagui. Ex-Catalina juniors are also making their mark at higher levels with Olivia Wilson and partner this year winning the NSW Mixed Foursomes title.

CAPTAIN'S REPORT

At club level, please keep reminding those you play with who sometimes forget that we all have an obligation to take care of our course – it is not the groundstaff's job to come round after members filling divots and repairing pitch marks.

More importantly, please ensure that the sort of support you have given me, you continue to give to Eddie Finn who is to take over as our new Club Captain.

Rarely does a year go by where we don't see some significant improvement in our course. This year the major change is the reconstruction of tees on the 5th and 26th holes. Not only does this realignment remove what was probably the only real danger spot on our course, it has created much interest as you all look forward to testing yourselves (some with a little trepidation, I hear) on the new men's blue course 5th tee. Course raters found that although the hole is shorter by about 20 metres, it racks up several more points because of the new obstacles (primarily water) that will come into play. We confidently expect the new tee to be in operation by the time of this year's Australian PGA Futures Championships (last week in October) and, thereafter, to be used every Tuesday and Saturday in the Men's competitions.

This, of course, also means that all course records are up for grabs. Does that mean the new record will be set by someone in the 2011 Futures Championships? Quite likely, but never forget the quality of some of our current crop of young players – any of whom could set a mark that will test the trainee professionals when they get here.

At the time of writing the adjustments to the Australian Handicap system are about to be made – you will all have seen the affects by the time you read this report. These adjustments are only minor changes and do not represent to full implementation of the US Slope system – that has been postponed and will not now happen until April/May 2013. The current changes relate to the number of cards to be averaged (8, instead of 10), the excellence factor multiplier (0.93, instead of 0.96), the cap on the number of shots a handicap can go out in a given year (4 shots), and the cap on the size of scores that will be counted in your handicap record. The alterations listed here will have caused all of you to see a reduction in your handicap – the higher your handicap, the greater that reduction is likely to have been.

The course rating process that is associated with the handicap system has also been completed – at the measurement level. It may be some time before the results of that course rating exercise are available. The District team has measured every relevant part of our course – 108 pages of course data have been submitted to the State Rating committee. That data has to be entered and analysed before the final rating of the four courses we have can be completed – ie. Blue & White courses for men, Red & Yellow courses for women.

Whatever the final rating happens to be, please remember that the whole purpose of rating courses is to ensure that the handicaps of people who play there are determined fairly – and that they are comparable with those of players from other clubs whose

CAPTAIN'S REPORT

courses may be either more or less difficult than the home club. The rating is not, in itself, a judgement about the quality of the golf course – it attempts to measure relative difficulty. For the first time, we will have a measure of the difficulty factor for Bogey golfers as well as for scratch golfers. The principle involved is that scratch golfers can handle virtually any golf hole – that's why they play off scratch – but for bogey golfers some courses are infinitely harder than others, and handicaps for longer markers require adjustment for their survival on such courses. When we finally get there, this is what the slope system is all about.

After the new rating is determined, and the new 5th hole has been played for a while, we will look at the statistical analysis available through MiClub to check all the existing hole indexes. Since the length of some holes on the men's white course have been altered, it may be that levels of difficulty off the Blue and White plates will not be the same – ie. where you get shots when playing the Blue Course may not be the same as where you get them when playing the White Course. Only time and statistics will make clear whether this is so. The same principles might well apply for the Ladies Red and Yellow courses.

I must comment on the Pennant competition for 2011. There has been continued difficulty to find a formula for this competition which gives all clubs the opportunity to participate and be competitive. The 2011 competition saw a reduction in the number of Divisions – from 5 to 4 – with the disappearance of the old Division 3. This was probably sad for Catalina as our Division 3 team (handicaps 13+) had been the benchmark for FSC competition for many years. For

the first time in many years Catalina was not represented on Pennant Finals day. Every team came close to the mark, but just missed out in the end. Our Division 1 side (the youngest we had put on the field in many years) we thought would have made it to the finals but for the intervention of a black snake at Narooma – the competition is getting tough when it's more than your opponent trying to beat you!

You may be interested to know that Golf Australia has produced what they call a "Hard Card" of Local Rules that they fundamentally apply wherever they go to conduct a golfing event. One of those rules has produced a definition of what constitutes losing your place in the field – ie. slow play. Players in Golf Australia events are subject to being timed – and if you are more than the interval at which you started (ie. for us, that is 8 minutes) behind the group in front, you are guilty of slow play, and subject to warning, followed by penalty. So, be assured, it's not just at our place that people worry about slow play – so if you are asked to pick up pace, don't argue about it – do so with good grace.

Bob Soper
Captain

CAPTAIN'S REPORT

2011 Club Champions

72 Hole Stroke		
A Grade	Geoff Ashby (3)	300
B Grade	John Barling (13)	335
C Grade	Wal Geary (21)	362
D Grade	Jayden Trindall (28)	395
Matchplay		
A Grade	Hamish Menz	
B Grade	Robert Dawson	
C Grade	Wayne Wilson	
D Grade	Jayden Trindall	
Foursomes		
Club Champions	Mitch Donlan & Hamish Menz	
B Grade Champions	Peter Kable & Ken Evelyn	
Mixed Foursomes		
Club Champions	Matt Temple & Olivia Wilson	
B Grade Champions	Keith & Coral Copeland	

LADY GOLFERS PRESIDENT'S REPORT

For Club Catalina 2011 has been a year of changes. Richard Hogg, left us to work in Canberra and we welcomed our new CEO Daryl Wilson. Again I have many people to thank for making my job so pleasant. Firstly of course my Committee, without their help and support our Ladies golf days would not be the success they are.

Our long serving Captain Lynne Richardson stepped sideways to become Secretary and we welcomed Marilyn Wynn as our new Captain. Marilyn is doing a superb job, ably helped by her Vice Captain Carol Soper.

Lyn Barnes is keeping our finances on track and Di Collins, with help from Kay Wallace look after our handicaps.

We also welcomed our new Committee member Bev Holliday, who helps wherever she is needed and we have Helen Wise our Tournament Secretary and Helen Martin who keeps track of our Birdies, Eagles, Gobblers, Medals and Eclectic.

We are sad to see Nina Poulton retire as Vice President, who due to health issues feels she can no longer devote the time she feels she needs to give to the Committee.

We also have an extremely hard working Social Committee, Pat McLennan (Convener), Pat Sly, Marion Edmonds, Margaret Ablett, Ruth Hooper, Marian Pearson, Chris Kitson, Sue Charls and Lou Keeley. Thank you all.

Thank you to our Sponsors and Major Trophy Donors for your support in 2011.

We express our appreciation to Owen Quinn, Sheryl Harris and the always supportive Office Staff. Thank you also to Wayne, Mitch and Robert in the Pro Shop for keeping things flowing smoothly and of course to Tony Fogarty and his staff for our beautiful course. Also the Cafe Catalina and Bar Staff for keeping us fuelled!

Our Pennant Teams as always gave of their time and talents but unfortunately we weren't winners this year, although I think all the ladies who played are winners.

We did have some winners in 2011

W.G.N.S.W. Medals

Div 1	Margaret Dickinson
Div 2	Rossie Rossiter
Div 3	Helen Bunsell

2011 Club Championships

Div 1	Olivia Wilson
Div 2	Helen Martin
Div 3	Jo Neal

Matchplay Champions

Div 1	Olivia Wilson
Div 2	Helen Martin
Div 3	Daphne Ticehurst

LADY GOLFERS PRESIDENT'S REPORT

Foursomes Champions

Div 1 Margaret Dickinson and Hayley Mc Neill

Div 2 Gwen Geary and Irene Goldsack

Also our very talented Hayley McNeill was 12th overall in the State Age Championships, 1st in Nett and 2nd in Scratch in her age group. Well done Hayley and well done to all our champions and every one of our ladies who participated to make our club the great one it is.

So once again I would like to wish you all good health, good luck and good golfing in 2012.

Bonnie Hardy

President

Club Catalina Ladies Committee

JUNIOR PROMOTIONS REPORT

I have great pleasure in reporting on the Junior and Cadet Golf at Club Catalina. My two years in the role as Chair of the Junior Promotions Committee has been most rewarding and I have learned so much and gained great experience. We have a wonderful group of young golfers who have done so well. Many Junior Golfers played in the Men's Pennant Teams and also of course our Junior Pennant Team. I am proud of our Juniors and Cadets and I thank all the members of Club Catalina for their support.

We held our Junior Championships on the 6th and 7th August, over the same weekend as the Junior Open. This was the first time we have tried this as the course is under major repairs and maintenance in September when the Championships are usually held. Congratulations to the Overall Champion, Hamish Menz with a score of 151 and to the Girl Champion Hayley McNeill with 163. Zinyo Garcia was the scratch runner up and the nett winner was Jayden Trindall with Sam Lee the nett Runner up. On Saturday scratch winner was Jayden Pincott, runner up Hayley McNeill and nett winner was Jayden Trindall and Murray Stewart as runner up. On Sunday the scratch winner was Hamish Menz, runner up Zinyo Garcia, nett winner was Jayden Trindall and Sam Lee as runner up.

We had 97 young golfers enter the Catalina Junior Open on Sunday 7th August this year with 78 Juniors and 19 Cadets. Congratulations to the Open Boy Champion Hamish Menz with a score of 70 and the Girl Champion Madeleine Hunter from Fairbairn. Hayley McNeill was the Girl Scratch Runner Up. Mitch Donlan won the

Colts. Zinyo Garcia was the Nett Runner Up and Sam Lee was the boys scratch winner. Jayden Trindall won the boys "C" scratch and Jacob Hill the "C" nett with his brother Luc as runner up. The results in the Cadet competition scratch winner Brock Austin from Mollymook with Daren Smith from Moruya as runner up, Alex Smith from Gold Creek was nett winner with our very own Rheece Doran as the nett runner up.

I would like to thank our Sponsors for the Junior Open event - Gold sponsor Coca Cola; Silver sponsors the ANZ Bank, Batemans Bay Lions Club, Catalina Veteran Golfers and Bayside Meats; and Bronze sponsors the Far South Coast District Golf Association, Catalina Lady Golfers, Batehaven Newsagency, Eurobodalla Refrigeration and Airconditioning, Livefire, Shooks and Hands, Pleasurelea Tourist Resort, Wilson Corporate Golf, Catalina Lady Veterans, East Coast Carts, Sports Leisure, Bates Pest Control and the Bayside Motel.

A Jack Newton Junior Golf (JNJG) Masters was held on 8th September with over 70 entries. Thank you to all the wonderful helpers over the weekend especially Don and Kay Wallace and Jason Finn who ran a great breakfast of bacon and eggs. The results for Catalina were Hamish Menz Overall runner up, Jaydon Pincott won the nett and was runner up in the 16+ age group with Mat Temple third, Zinyo Garcia was the net winner in the 14 & 15 years and scratch runner up and Jayden Trindall came second in the stableford.

JUNIOR PROMOTIONS REPORT

As you can see from the above our young Catalina golfers do well in the JNJG competitions which are open to all Junior Golfers in Australia. A special mention and congratulations must go to Hayley McNeill who has been particularly successful this year. Hayley was chosen for the NSW State Squad.

Twelve Junior Golfers competed in the Royal Canberra Friendlies held in Canberra this year. We were made very welcome and played over two days on the fabulous Royal Canberra Course. After losing last year when the Friendlies was played at Catalina we avenged ourselves and brought home the Shield. Don Wallace drove the bus with Richard Abraham and Mitchell Tasker leading the charge. Rossie and Rick Rossiter made their way up there in separate transport which I think was very wise.

Some more good news – we had six junior golfers compete in the State Age Championships in Sydney - Hayley McNeill, Hamish Menz, Rhys Dunlop, Mat Temple, Zinyo Garcia and Jayden Trindall. Hayley, Zinyo and Hamish made the cut which was a great achievement. They were lucky enough to play The Lakes and The Australian. Hayley came 12th overall the girls and 1st in the Nett for her age group; Rhys came 5th in his the nett for his age and 42nd overall, and Zinyo came 53rd overall and 4th in his age group, Hamish 5th in the plate and Jayden 7th in their age groups. A very high standard for the Junior Golfers and I congratulate them all and hope they continue to improve and enjoy their golf.

The Pump Golf Shoot out was held on 15th July and won by Hamish Menz which means his name will go into the draw to be invited to play golf at the Twin Waters Golf Club in conjunction with the Australian PGA Championships.

My most important thank you must go to Don and Kay Wallace for their continued loyalty and support. I thank Mitch Tasker our Teaching Professional for his support of the Cadets and Juniors Golfers and everyone in the Golf Shop. Thank you to Richard Abrahams for managing the Junior Pennant Team and help with the Cadets and at all our events also Jason Finn has come on board to help has been very welcome. We took the bus to a couple of the Junior Open Events with Don the driver and Richard and Jason the supporters which was good fun and a great success. The Cadet Masters who help every Wednesday and Thursday are wonderful and are really appreciated – Marian Pearson, Wal Geary, Keith Sutherland, Jason Finn, Bruce Dickinson, Dave Banks, Peter Criss, Mick Kennedy and everyone who lends a hand. I would also like to thank some of our Junior Golfers who help us with Cadets Sam Lee, Rhys Dunlop and Jayden Pincott. The Hundred Club Board major helpers have been Mick Johnson and Jayden Trindall.

Thank you for the support by the Board, Reception, Office Administration, the Members, the Ladies, the Men, the Veterans, Cadet Masters and all Volunteers during our events and programme.

Rosslyn Rossiter

Chair, Junior Promotions Officer
Director, Club Catalina Country Club

CHAIR OF THE BOWLS MANAGEMENT COMMITTEE

13 December 2010 saw the members of the Batemans Bay Bowling & Recreation Club Ltd agree to voluntarily wind up the business, appoint a Liquidator and embrace the future under the umbrella of the newly branded entity, ClubCatalina. There were many issues to be resolved to regulate bowling activities of the new entity and the majority of these issues were incorporated into a set of By-Laws and adopted by the Board. Basically a sub-committee of the Board was created, namely, the Bowls Management Committee (BMC) and two sub-clubs were created, namely, the Batemans Bay Men's Bowling Club and the Batemans Bay Women's Bowling Club.

The By-laws stipulated that the Board of the former Bowling Club (elected at the November 2010 Annual General Meeting (AGM)) would assume the role of the BMC until the AGM of the amalgamated entity, ClubCatalina, in October 2011. The BMC was modelled along the lines of the established Golf Management Committee. Essentially the BMC filled the gaps and responsibilities not specifically tasked to either the Men's or Women's Bowling Committees. (The newly created position of Director Bowls will be filled at the October 2011 AGM and the other members of the BMC will be elected at a SGM to be held one week later.). One of the first projects completed by the BMC was the compilation of a Management Plan which identified the objectives of the BMC together with strategies to implement these objectives.

The two sub-clubs retained control and management of the weekly program of competition bowling events for members as well as the respective Pennant fixtures and annual Club Championship fixtures. They were also responsible for hosting events organised by District & State Associations. The Committees for these sub-clubs were elected at AGMs held during August and July respectively. Congratulations are extended to all for a job well done during a difficult year.

Talking initially about the role of the BMC, one can say there have been successes and disappointments. The first disappointment was the Lawn Bowls Promotion Day organised early in March. True to form, the weather was inclement, however, several new members who turned up to brave the elements were recruited. Another disappointment this year was again due to inclement weather and resulted in the annual Women's Open Pairs having to be cancelled due to five days of consistent heavy rain prior to the event which resulted in saturated greens.

From the very beginning of this new venture the Bowling Section of the Club was made aware that they should "self fund" although a percentage of net monthly green fees was approved towards Pennant expenses. The only expense in this regard related to the playoff in Bomaderry with the Women's Club having won the No 2 grade District flag. The BMC, through fund raising at the Carnival, and the two sub-clubs have conducted regular fund raising activities throughout the year to supplement and cover their costs.

CHAIR OF THE BOWLS MANAGEMENT COMMITTEE

The BMC, at the request of then CEO, Richard Hogg, undertook the challenge of introducing a change to the Friday night raffles with the promise of excess profits being directed to the funds of the BMC. The traditional meat trays were replaced by vouchers valued at \$30 each for either petrol, meat, Bistro or Club bonus points being the prize. Members of the BMC were rostered on a weekly basis and although the trial was supposed to be over a two month period, the BMC persevered for four months before conceding defeat with no profits being realised. The winner from this exercise was the Club due to reduced staff costs during the four month period.

Successes during the year have included the efficient organisation, by a group of dedicated volunteers, of the 41st Annual Winter Carnival which ran for two weeks with in excess of 300 visiting bowlers, both male and female, bringing much needed tourist dollars to the town and the Club. Many local bowlers complemented the numbers resulting in an overall figure of about 500 bowlers throughout the two weeks. Each day saw between 100 - 200 bowlers take to the greens and enjoy the facilities which this Club offers and they certainly took advantage of the magnificent weather conditions.

Another success was the Clyde River Fours. This event attracted the top male bowlers in this State as well as VIC and ACT and the contingent from Tasmania increases each year. This event is now quite firmly back on the bowling calendar. These two events alone resulted in increased revenue for the Club during June, July and August. As an example the bar takings alone for the week of the Clyde River Fours increased by over \$20,000 on the previous week. Many thanks to all who assisted in any way. These events would not be successful without the support of the many volunteers.

From the outset, the BMC has recommended the appointment of a Bowls Co-ordinator, part time, to develop, promote, co-ordinate and implement both traditional and non traditional methods of playing bowls in order to achieve an increase in the usage of bowling greens leading to an improved level of full membership growth and increased revenue. This was a successful enterprise back in 2006/7 when, under the guidance of a Bowls Co-ordinator, green fees increased from \$69,000 in 2005 to \$125,000 in 2007 and it is hoped that this appointment will be finalised during the coming weeks. Despite the current financial situation, a move towards improving and increasing revenue is essential to ensure the sport of bowls continues. Now to Club Championship & District results:

CHAIR OF THE BOWLS MANAGEMENT COMMITTEE

Club Championship Results:

Men's Bowling Club		Women's Bowling Club	
Singles	M Dart	Singles	Y Martini
Minor Singles	M Smith	Minor Singles	J Jones
Pairs	A Holloway D Cooper	Pairs	R Fayle Y Huddleston
Triples	G Wale D Cooper S Quinlivan	Triples	D Gee A Innes P Bill
Fours	E Bill G Jones K Nester P Liberale	Fours	Not yet played
Reserve Pairs	M Dudman D Dudman	Minor Pairs	J Shalders J Baldock
District Successes:			
District Singles	R Emerson		
District Triples	A Holloway G Wale S Quinlivan	District Triples	P Baird J Beeley J Smith
District Fours	A Holloway G Wale R Emerson S Quinlivan		

CHAIR OF THE BOWLS MANAGEMENT COMMITTEE

In many ways 2011 has been a difficult year because there were many hidden obstacles to be encountered as we traversed unknown territory. Although it would appear that the bowling venue has traded fairly well, there is still uncertainty as we face a future with proposed regulatory restrictions which may impact on the future of licensed clubs in general. I implore all members to support the club in the year ahead.

Thank you to all who participated and volunteered services during the year from the players, Committees, umpires, coaches, volunteers, office staff through to green keeper Mark Lyons and family. In particular I thank the Board and the members of the BMC, G Wale, J Davies, D Cooper (resigned), R Booker, Y Huddleston, and M Cummings together with representatives from the two sub-clubs, M Bridges and R McKimm for their continued support.

After all that we have been through, let us hope that 2012, under new CEO, Daryl Wilson, will see a return to prosperity. Good health and happiness to all.

Pat Bill

Chair, Bowls Management Committee

IMPORTANT INFORMATION FOR CLUB MEMBERS.

THE REPORTING PERIOD FOR THE CATALINA COUNTRY CLUB LTD (239470) IS 01/07/2010 TO 30/06/2011.

1 IMPORTANT NOTES

1.1 The Registered Club Act defines a Top Executive as being one of the five highest paid employees of the Club.

2 DISCLOSURE OF INTERESTS OF DIRECTORS AND EMPLOYEES IN CONTRACTS WITH THE CLUB – SECTION 41C

2.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

2.2 The Registered Club Act requires DIRECTORS who have a material personal interest in matters that relates to the affairs of the club to declare the interest at a Board meeting AND display the declaration on the Club's notice board.

2.3 A contract is any commercial arrangement whether written or not.

2.4 In the reporting period there were 0 occasions when DIRECTORS reported a material personal interest in a matter that related to the affairs of the club.

3 INTERESTS IN HOTELS – SECTION 41D

3.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

3.2 In the reporting period there were 0 occasions when DIRECTORS reported an interest in a hotel in NSW.

3.3 In the reporting period there were 0 occasions when TOP EXECUTIVES reported an interest in a hotel in NSW.

4 GIFTS TO DIRECTORS AND STAFF – SECTION 41E AND SECTION 41F

4.1 Club members may inspect the original of these disclosures and declarations by making a written application to the Secretary.

4.2 An affiliated body of the club includes subsidiary clubs, and any body which the club made a grant to within the previous 12 months.

4.3 A gift includes money, hospitality, or discounts.

4.4 A gift valued at more than \$500 must be disclosed; gifts from CONTRACTORS must be disclosed if they total more than \$500 from an individual contractor in the reporting period.

4.5 Directors

4.5.1 In the reporting period there were 0 occasions when DIRECTORS of the club reporting receiving gifts from AFFILIATED BODIES.

4.5.2 In the reporting period there were 0 occasions when DIRECTORS of the club reporting receiving gifts from CONTRACTORS.

4.6 Employees

4.6.1 In the reporting period there were 0 occasions when TOP EXECUTIVES of the club reporting receiving gifts from AFFILIATED BODIES.

4.6.2 In the reporting period there were 0 occasions when EMPLOYEES of the club reporting receiving gifts from CONTRACTORS.

4.7 Value of Gifts

4.7.1 The total value of all gifts that DIRECTORS and TOP EXECUTIVES received from AFFILIATED BODIES in the reporting period is \$0.

4.7.2 The total value of gifts that DIRECTORS and EMPLOYEES received from CONTRACTORS in the reporting period is \$0.

5 TOP EXECUTIVES – S.41H (1)(b)

5.1 The number of TOP EXECUTIVES whose total remuneration for the reporting period falls within each successive \$10,000 band commencing at \$100,000:

Band	Band	Band
\$120,000 NIL	\$130,000 NIL	\$140,000 NIL
Band	Band	
\$150,000 NIL	\$160,000 1	

6 OVERSEAS TRAVEL – S.41H (1)(c)

6.1 In the reporting period the club incurred the following costs for the overseas travel of DIRECTORS AND EMPLOYEES.

Name	Position	Destination	Travel Purpose
N/A	N/A	N/A	N/A

Costs paid by club NIL

7 LOANS TO STAFF – S.41H (1)(d)

7.1 The Registered Clubs Act restricts the club to providing loans to EMPLOYEES to less than \$10,000.

7.2 In the reporting period, the Club made the following loans to EMPLOYEES:

Loan Amount	Date of loan	Interest Rate P.A	Term of Loan.
NIL	N/A	N/A	N/A

8 CONTRACTS APPROVED BY BOARD – S.41H (1)(e)

8.1 The Registered Clubs Act defines a Controlled Contract as being a club contract:

- 8.1.1 > in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.
- 8.1.2 > of employment of a TOP EXECUTIVE of the club.
- 8.1.3 > for provision of professional advice relating significant change of management structure or governance of the club;
significant changes to the financial management of the club, disposal of land, and the amalgamation of the club.

8.2 During the reporting period 0 controlled contracts, were approved by the Board and forwarded to the Director of Liquor and Gaming of which:

- 8.3.1 0 such contracts related to contracts in which a DIRECTOR or TOP EXECUTIVE has a pecuniary interest.
- 8.3.2 0 such contracts related to contracts of employment of the club's TOP EXECUTIVES.
- 8.3.3 0 such contracts related to the provision of professional advice. These contracts fall into the following categories:
- 8.3.4 0 Significant change of management structure or governance of the club.
- 8.3.5 0 Significant changes to the financial management of the club.
- 8.3.6 0 Disposal of club land.
- 8.3.7 1 Amalgamation of the club.

9 EMPLOYEES RELATED TO DIRECTORS AND TOP EXECUTIVES – S.41H (1)(f)

9.1 A CLOSE RELATIVE is defined in Section 41B of the Registered Clubs Act and includes the immediate family.

9.2 In the reporting period, the club employed the following persons who were a close relative of a DIRECTOR or TOP EXECUTIVE of the Club.

Name of Close Relative	Related to	Total remuneration paid to Close Relative
N/A	N/A	NIL

10 PAYMENT TO CONSULTANTS – S.41H (1)(g) and (h)

10.1 During the reporting period there were 0 instances where the Club engaged a consultant.

10.2 The total costs paid by the Club to consultants in the reporting period was \$0.

10.3 Which included the following instances when consultants were paid more than \$30,000.

Consultant	Nature of Consultancy	(\$) Amount
N/A	N/A	NIL

11 DETAILS OF SETTLEMENTS PAID BY THE CLUB – S.41H (1)(i)

11.1 In the reporting period there were 0 instances where the Club made a legal settlement with either a director or staff member.

11.2 The total legal costs paid by the Club for such settlements was \$0

12 LEGAL FEES PAID BY THE CLUB – S.41H (1)(j)

12.1 In the reporting period, there were 0 instances when the club paid legal fees for DIRECTORS and EMPLOYEES. This included:

- 12.1.1 0 instances for DIRECTORS and
- 12.1.2 0 instances for EMPLOYEES

12.2 In the reporting period the club paid a total of \$0 being for legal fees paid for DIRECTORS and EMPLOYEES.

13 GAMING MACHINE PROFIT – S.41H (k)

13.1 Gaming machine profit is defined in the Gaming Machine Tax Act.

13.2 The reporting period is the financial year ending 31 August 2011.

13.3 The Club recorded a gaming machine profit of \$5,808,475 in the reporting period.

14 AMOUNT PAID TO COMMUNITY EXPENDITURE – S.41H (l)

14.1 Clubs earning in excess of \$1,000,000 p.a. in gaming machine profit are required to make donations to community development and support.

14.2 In the reporting period the Club donated \$97,090 pursuant to such requirement.

Club Catalina is committed to ... Responsible Service of Alcohol

The Directors, Management and Staff of the Club are committed to the responsible serving of alcohol which includes the following House Policy:

1. Adequate training of management and staff in the responsible serving of alcohol.
2. Liquor service will be refused to persons who are obviously or visibly affected by alcohol.
3. Alcohol will not be promoted in a way which will encourage minors to seek to purchase or consume alcohol or to generally encourage the excessive consumption of alcohol.
4. Liquor service will be refused to underage persons. Management and staff will require the presentation of Proof of Age Cards (with photographic identification) and other approved forms of identification before providing services to persons suspected of being minors.
5. Liquor will not be unduly subsidised by any other area of the Club's operations and the Club will not support any promotional practice which encourages the excessive consumption of alcohol.

Responsible Conduct of Gambling Best Practice Guidelines

These Best Practice Guidelines represent an approach where the environment in which gambling is conducted minimises harm and meets community expectations. Club Catalina aspires to achieve a harm minimisation objective in their gambling operations by:

1. Providing gambling services and practices that conform to all applicable Acts and Regulations.
2. Promoting responsible gambling practices that conform to local community standards and expectations.
3. Establishing a patron complaint resolution process.
4. Implementing policies to encourage responsible practices in advertising and promotions related to gambling and ensure compliance with relevant legislation.
5. Developing a policy that ensures all legislative requirements related to cheque cashing, payment of winnings and financial transactions are implemented and encourages patrons to develop responsible practices in the use of finances for gambling purposes.
6. Introducing procedures for handling personal information relating to gambling patrons in a club to protect their rights of privacy.
7. Establishing a pleasant and safe gambling environment.
8. Informing and training staff on legislative requirements, harm minimisation issues, the risks of not complying with legislative requirements or not adopting and practising harm minimisation strategies and taking appropriate steps to promote patron and employee care.
9. Encouraging patrons to take responsibility for their gambling activity through an effective self-exclusion procedure or other mechanisms.
10. Informing patrons and staff of the club's responsible gambling policy and program, the nature of gambling products and the availability of support services for problem gamblers.
11. Developing links between the club and relevant community organisations that will provide support and advice for problem gamblers and their families.

For information about problem gambling and help options, call **Gambling Help 24/7** on **1800 858 858** or visit **www.gamblinghelp.nsw.gov.au**

ClubSAFE COUNSELLING SERVICE 1800 99 77 66 clubsafe@clubsnsw.com.au 24hrs, 7 DAYS

CATALINA COUNTRY CLUB LIMITED

ABN: 20 000 256 155

FINANCIAL STATEMENTS
30 June 2011

Catalina Country Club Limited

ABN: 20 000 256 155

Financial Statements - 30 June 2011

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CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

The Directors present their report together with the financial statements of the Catalina Country Club Limited (the Club) for the year ended 30 June 2011, and in accordance with a resolution of Directors report as follows:

DIRECTORS

The names of the Directors of the Club during the whole financial year and until the date of this report (except as otherwise noted) are as follows:

President	Barrie Ennis	Finance & Business Development; Golf Management; Course Management; Special Events; Junior Golf Promotions; Disciplinary Committee; Bowls Management.
Vice President	John Hill (appointed Vice President 25 October 2010)	Finance & Business Development; Special Events.
Captain	Robert Soper	Golf Management; Course Management; Special Events; Junior Golf Promotions; Disciplinary Committee.
Vice Captain	Eddie Finn	Golf Management; Course Management; Special Events; Junior Golf Promotions; Disciplinary Committee.
Director Finance	Val Naftel (resigned 6 June 2011)	Finance & Business Development; Disciplinary Committee.
Director Finance	Kim Odgers (appointed 28 June 2011)	Finance & Business Development.
Director	Don Edgar	Finance & Business Development.
Director	Bruce Imms	Finance & Business Development; Golf Management; Course Management; Disciplinary Committee.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

Director	David O'Connor	Finance & Business Development; Golf Management; Course Management; Disciplinary Committee.
Director	Rosslyn Rossiter	Golf Management; Course Management; Junior Golf Promotions.

REVIEW OF OPERATIONS

Club's objectives

To promote and conduct the game of golf and lawn bowls and such other amusements and entertainments, pastimes and recreations, indoor and outdoor, as the club may deem expedient.

The Club's short term objectives include increasing the level of membership and patronage of the Club, maintaining its overall viability in terms of liquidity, credit control, legislative and regulatory compliance, debt management and financial controls. In the long term, the Club's objectives include asset replacement, strategic capital investment, increased member services and lower dependency on gaming through diversification of facilities and services. This diversification is necessary to ensure the Club is less vulnerable to the impacts of government regulation.

Strategies to meet objectives

The Club has developed a strategic plan, comprehensive marketing plan, key performance measures and goals for key management personnel to deliver the objectives of the Club.

The amalgamation of the Club with the Batemans Bay Bowling & Recreation Club on 18 November 2010 will contribute to the implementation of the strategic plan.

Principal activities

The nature of operations and principal activities of the Club during the financial year were to conduct a golf club, bowls club and licensed operations.

On 18 November 2010, the Deed of Amalgamation with the Batemans Bay Bowling & Recreation Club was completed. The financial statements incorporate the financial results and financial position of the Bowling Club from 18 November 2010.

On 28 February 2011 the Club purchased stock and plant and equipment related to the golf pro-shop and assumed the responsibility for operating the pro-shop.

**CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

Achievement of objectives

The ongoing operation of the Club and commencement of business development activities will assist the Board to deliver the strategic plan.

Measurement of performance

Key performance indicators are approved by the Board and reported on by the CEO to the Board on a monthly basis. The key performance indicators include financial and non-financial measures.

Financial results

The Club reported a surplus for the year of \$3,566,637 (2010 deficit: \$479,881). The surplus includes revenue of \$4,737,801 being the fair value of net assets received by the Club on amalgamation with the Batemans Bay Bowling & Recreation Club on 18 November 2010. The 2010 deficit included an impairment expense of \$490,385 on the value of the Club's land and buildings.

COMPANY LIMITED BY GUARANTEE

The Club is incorporated as a company limited by guarantee in NSW, Australia, having its registered office at 154 Beach Road, Batemans Bay NSW 2536 and principal places of business at 154 Beach Road, Batemans Bay and 2 Vesper Street, Batemans Bay.

As a company limited by guarantee, the liability of members is limited. In the event that the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$6 each towards meeting any outstanding obligations of the Club.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

DIRECTORS' ATTENDANCE AT MEETINGS

Board Meetings

The Club held 14 board meetings during the year ended 30 June 2011. The number of meetings attended by each Director while in office were:

	Number of meetings held while in office	Number of meetings attended
Barrie Ennis	14	13
John Hill	14	13
Robert Soper	14	14
Eddie Finn	14	14
Val Naftel	13	11
Kim Odgers	1	1
Don Edgar	14	8
Bruce Imms	14	11
David O'Connor	14	12
Rosslyn Rossiter	14	11

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this Directors' Report.

On behalf of the Board

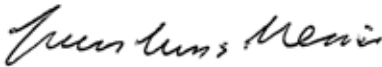


B Ennis
Director
Batemans Bay, 29 September 2011

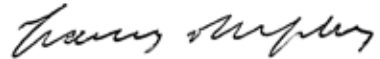
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
CATALINA COUNTRY CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- i. no contraventions of the independence requirements of the Corporations Act in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Duesburys Nexia
Canberra, 29 September 2011



G J Murphy
Partner

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	3	732,670	436,978
Trade and other receivables	4	155,918	615,632
Inventories	5	196,999	88,597
Other current assets	6	<u>90,360</u>	<u>68,793</u>
TOTAL CURRENT ASSETS		<u>1,175,947</u>	<u>1,210,000</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	16,262,447	10,446,014
Intangible assets	8	<u>919,300</u>	<u>126,000</u>
TOTAL NON CURRENT ASSETS		<u>17,181,747</u>	<u>10,572,014</u>
TOTAL ASSETS		<u>18,357,694</u>	<u>11,782,014</u>
CURRENT LIABILITIES			
Trade and other payables	9	1,243,721	578,307
Provisions	10	641,216	571,312
Financial liabilities	11	<u>6,730,629</u>	<u>1,225,960</u>
TOTAL CURRENT LIABILITIES		<u>8,615,566</u>	<u>2,375,579</u>
NON-CURRENT LIABILITIES			
Financial liabilities	11	<u>351,053</u>	<u>3,581,997</u>
TOTAL NON-CURRENT LIABILITIES		<u>351,053</u>	<u>3,581,997</u>
TOTAL LIABILITIES		<u>8,966,619</u>	<u>5,957,576</u>
NET ASSETS		<u>9,391,075</u>	<u>5,824,438</u>
EQUITY			
Retained surpluses		<u>9,391,075</u>	<u>5,824,438</u>
TOTAL EQUITY		<u>9,391,075</u>	<u>5,824,438</u>

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Revenue			
Bingo revenue		104,980	91,444
Bowling revenue		27,329	-
Commissions received		184,935	167,294
Competition revenue		153,697	107,662
Festival of golf		20,707	34,298
Function receipts		221,256	182,531
Green fees		302,445	319,815
Interest income		76	-
Members subscriptions		571,097	628,987
Other golf revenue		308,825	342,228
Other revenue		311,138	103,383
Poker machine revenue		4,801,534	3,978,813
Rent		71,475	59,262
Sales of goods		2,891,887	2,368,282
Sundry raffles		108,535	79,213
		<u>10,079,916</u>	<u>8,463,212</u>
Other Income			
Gain/(loss) on the sale of fixed assets		(14,560)	3,226
Expenses			
Cleaning		(209,471)	(155,011)
Cost of sales		(1,251,775)	(945,567)
Depreciation expenses		(930,228)	(731,134)
Donations		(78,857)	(62,314)
Employee benefits		(3,439,181)	(2,802,965)
Finance costs		(447,481)	(271,416)
Functions expenses		(224,771)	(111,211)
Insurance		(150,683)	(110,866)
Light and power		(249,840)	(210,388)
Marketing and administration		(1,138,252)	(744,145)
Other expenses		(406,651)	(306,886)
Poker machine expenses		(595,203)	(412,854)
Poker machine tax		(798,990)	(751,034)
Repairs and maintenance		(885,674)	(520,007)
Superannuation		(315,107)	(260,098)
		<u>(11,122,164)</u>	<u>(8,395,896)</u>
Surplus/(deficit) before impairment and amalgamation items		(1,056,808)	70,542
Amalgamation discovery and management costs		(114,356)	(60,038)
Contribution of net assets on amalgamation	12	4,737,801	-
Impairment loss on improvements and buildings	7	-	(490,385)
		<u>3,566,637</u>	<u>(479,881)</u>
Surplus/(deficit) before income tax expense			
Income tax expense	1(b)	-	-
Net surplus/(deficit)		<u>3,566,637</u>	<u>(479,881)</u>
Total comprehensive income		<u>3,566,637</u>	<u>(479,881)</u>

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
Retained surpluses	<u>9,391,075</u>	<u>5,824,438</u>
TOTAL EQUITY	<u><u>9,391,075</u></u>	<u><u>5,824,438</u></u>
 Movements during the year were:		
Retained surpluses		
Opening balance	5,824,438	6,304,319
Total comprehensive income	<u>3,566,637</u>	<u>(479,881)</u>
Closing balance	<u><u>9,391,075</u></u>	<u><u>5,824,438</u></u>

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		11,308,698	9,269,779
Interest received		76	-
Interest paid		(408,236)	(271,416)
Payments to suppliers and employees		<u>(10,664,748)</u>	<u>(8,212,446)</u>
Net cash provided by operating activities		<u>235,790</u>	<u>785,917</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		40,426	3,226
Payments for property, plant and equipment		(255,660)	(376,150)
Payments made on behalf of Bowling Club		(127,172)	(344,307)
Receipt of cash on amalgamation		<u>66,708</u>	<u>-</u>
Net cash used in investing activities		<u>(275,698)</u>	<u>(717,231)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts from financial liabilities		535,071	-
Repayment of financial liabilities		<u>(488,130)</u>	<u>(340,425)</u>
Net cash used in financing activities		<u>46,941</u>	<u>(340,425)</u>
Net increase/(decrease) in cash held		7,033	(271,739)
Cash at the beginning of the financial year		<u>(328,651)</u>	<u>(56,912)</u>
Cash at the end of the financial year	14(a)	<u><u>(321,618)</u></u>	<u><u>(328,651)</u></u>

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Catalina Country Club Ltd (the Club) has elected to early adopt AASB 1053: 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2: 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' to the annual reporting period beginning 1 July 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001.

The Club is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements cover the Club as an individual entity.

On 18 November 2010, the Deed of Amalgamation with the Batemans Bay Bowling & Recreation Club was completed. The financial statements incorporate the financial results and financial position of the Bowling Club from 18 November 2010.

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

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Despite the Club incurring an operating loss and having a net current asset deficit, the Directors have determined that the Club is a going concern. This is based on the expectation of improved cash flows for the 2012 financial year and the ongoing support from its patrons, debtors, creditors and lenders.

In the event that the Club is unable to continue as a going concern, the Club may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

(b) Income Tax

The Club is exempt from income taxation under section 50-45 of the Income Tax Assessment Act 1997.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable any accumulated depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably. All other costs (eg. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

Depreciation

The depreciable amounts of all fixed assets including capitalised leased assets are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

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

Improvements and buildings	1%-4%
Plant and equipment	5%-33%
Motor vehicles	10%-15%

(e) Leases

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

Finance leases are capitalised, recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(g) Impairment of Assets

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

Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit (CGU) to which the asset belongs is estimated.

(h) Intangible Assets

Intangible assets acquired separately are initially measured at cost. The Club's intangible assets are comprised of poker machine entitlements. The poker machine entitlements are capitalised when purchased at cost. Poker machine entitlements received for no consideration are recognised at their fair value at the date of acquisition. The entitlements have an infinite useful life as there is no expiry date attached to the entitlements.

(i) Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to reporting date. The benefits expected to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

(j) Cash and Cash Equivalents

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

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Revenue

Revenue from poker machines is the amount of monies collected from the poker machines, net of the amounts paid out as winnings to customers.

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

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(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 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.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Business Combinations

A business combination occurs where an acquirer obtains control over a business. A business combination is accounted for by applying the acquisition method from the date that control is attained. The fair value of the identifiable assets acquired and liabilities assumed is recognised. Where the combination occurs for no consideration, the fair value of the net assets acquired is recorded in the statement of comprehensive income by the acquirer.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

(n) Comparatives

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

Critical Accounting Estimates and Judgments

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

The directors do not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 2 COMPANY LIMITED BY GUARANTEE

As a company limited by guarantee, the liability of members is limited. In the event that the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$6 each towards meeting any outstanding obligations of the Club.

		2011		2010
		\$		\$
NOTE 3	CASH AND CASH EQUIVALENTS			
	Cash at bank	456,276		327,019
	Cash on hand	<u>276,394</u>		<u>109,959</u>
		<u>732,670</u>		<u>436,978</u>

NOTE 4	TRADE AND OTHER RECEIVABLES			
	Trade receivables	110,402		126,402
	GST receivables	32,642		34,179
	Other receivables	12,874		-
	Batemans Bay Bowling & Recreation Club	<u>-</u>		<u>455,051</u>
		<u>155,918</u>		<u>615,632</u>

The receivable from Batemans Bay Bowling & Recreation Club related to the management and operational costs incurred by Catalina Country Club on behalf of the Bowling Club. The amount receivable was settled as part of the amalgamation of the two clubs.

NOTE 5	INVENTORIES			
	Bar stock	86,906		50,752
	Pro-shop stock	78,938		-
	Sundry items	<u>31,155</u>		<u>37,845</u>
		<u>196,999</u>		<u>88,597</u>

NOTE 6	OTHER CURRENT ASSETS			
	Prepayments	<u>90,360</u>		<u>68,793</u>

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

	2011	2010
	\$	\$
Course and freehold land - at cost	<u>3,574,867</u>	<u>1,224,867</u>
Improvements and buildings - at cost	13,983,935	10,678,795
Less accumulated depreciation	(3,234,129)	(2,713,277)
Less accumulated impairment losses	<u>(490,385)</u>	<u>(490,385)</u>
	<u>10,259,421</u>	<u>7,475,133</u>
Plant and equipment - at cost	9,485,207	6,055,743
Less accumulated depreciation	<u>(7,052,132)</u>	<u>(4,309,729)</u>
	<u>2,356,465</u>	<u>1,746,014</u>
Motor vehicles	79,015	-
Less accumulated depreciation	<u>(7,321)</u>	<u>-</u>
	<u>71,694</u>	<u>-</u>
	<u>16,262,447</u>	<u>10,446,014</u>

	Balance at the beginning of the year	Additions	Disposals	Impairment losses	Depreciation expense	Balance at the end of the year
2011	\$	\$	\$	\$	\$	\$
Course and freehold land	1,224,867	2,350,000	-	-	-	3,574,867
Improvements and buildings	7,475,133	3,047,590	-	-	(263,302)	10,259,421
Plant and equipment	1,746,014	1,326,434	(54,986)	-	(660,997)	2,356,465
Motor vehicles	-	77,623	-	-	(5,929)	71,694
TOTAL	<u>10,446,014</u>	<u>6,801,647</u>	<u>(54,986)</u>	<u>-</u>	<u>(930,228)</u>	<u>16,262,447</u>

A valuation of the Club's land and buildings was performed on 1 July 2010, with a resulting value of \$8,700,000. The carrying amounts of the land and buildings totalled \$9,190,385, resulting in an impairment loss of \$490,385 being recognised in the 2010 financial year. The total impairment loss recognised is separately presented in the statement of comprehensive income as 'impairment loss on improvements and buildings'. Land and buildings transferred from the Batemans Bay Bowling & Recreation Club are recorded at fair value based on a valuation at 1 July 2010.

The valuations were prepared on the basis of market value by reference to the capitalisation of income and depreciated replacement cost.

CATALINA COUNTRY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 8 INTANGIBLE ASSETS

	2011	2010
	\$	\$
Poker machine entitlements - at cost	<u>919,300</u>	<u>126,000</u>

Entitlements to poker machines can be traded between clubs and therefore have a value. Entitlements that were initially granted free of charge have not been recognised on the statement of financial position. The purchase price of additional entitlements and the fair value of entitlements subsequently acquired for no consideration have been capitalised and disclosed above as "Poker machine entitlements – at cost".

In accordance with Australian Accounting Standards, the poker machine entitlements are not amortised as they have an indefinite life.

	Balance at the beginning of the year	Additions	Disposals	Depreciation expense	Balance at the end of the year
	\$	\$	\$	\$	\$
2011					
Poker machine entitlements	<u>126,000</u>	<u>793,300</u>	<u>-</u>	<u>-</u>	<u>919,300</u>

NOTE 9 TRADE AND OTHER PAYABLES

Trade creditors and accruals	722,400	316,514
Deferred income	385,219	249,151
Other payables	<u>136,102</u>	<u>12,642</u>
	<u>1,243,721</u>	<u>578,307</u>

NOTE 10 PROVISIONS

Provision for annual leave	382,519	357,600
Provision for long service leave	<u>258,697</u>	<u>213,712</u>
	<u>641,216</u>	<u>571,312</u>

NOTE 11 FINANCIAL LIABILITIES

CURRENT

Bank overdraft (secured)	1,054,288	765,629
Bank bills (secured)	5,375,000	200,000
Lease liability (secured)	<u>301,341</u>	<u>260,331</u>
	<u>6,730,629</u>	<u>1,225,960</u>

NON-CURRENT

Bank bills (secured)	-	3,375,000
Lease liability (secured)	<u>351,053</u>	<u>206,997</u>
	<u>351,053</u>	<u>3,581,997</u>

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 11 FINANCIAL LIABILITIES (CONT'D)

The bank loan facilities have a total limit of \$5,375,000. \$5,125,000 of these facilities have a term of 5 years, expiring on 3 December 2013. The remaining \$250,000 has a term of 5 months from 5 May 2011. Half yearly principal reductions of \$100,000 are required as part of the facilities, however these reductions have not been made during the 2011 financial year. Under the terms of the bank's letter of offer, a change in the Club's CEO constitutes a review event. As such, the facilities will be reviewed during the 2012 financial year. Because the Club does not therefore have an unconditional right to defer payment for in excess of 12 months, the full amount of the facilities is recorded as a current liability. The directors believe that the facilities will be successfully re-negotiated with the bank for a further term.

The interest rates on \$5,125,000 of the bank bills are determined at each roll-over period and are subject to usage line fees of between 1.5% and 2.77% of the face value of the bills. The interest rates applicable to the bank bills at 30 June 2011 varied from 4.94% to 5.3233%. The \$250,000 facility is subject to the bank's business mortgage index, less a margin of 0.53%. The interest rate on the \$250,000 facility was 8.98% at 30 June 2011.

The net overdraft facility with the bank is approved at \$350,000, and continues until a review event or event of default occurs. The facility includes the bank overdraft, offset by other operational accounts. The interest rate on the overdraft is variable. The rate at 30 June 2011 was 9.51%.

The Club also has credit card facilities with a limit of \$20,000 and facilities of \$235,000 to enable payments using ANZ On-line.

The bank facilities are secured by way of registered mortgages over the Club's land and buildings at 154 Beach Road and 2 Vesper Street Batemans Bay. In addition the bank holds a fixed and floating charge over the assets of the Club.

Hire purchase/lease liabilities are secured over the plant and equipment subject to hire purchase/lease. Hire purchase/lease arrangements have original terms of between three and five years.

The carrying amounts of assets pledged as security for borrowings are:

	2011	2010
	\$	\$
<i>Fixed and Floating Charge</i>		
Cash and cash equivalents	732,670	436,978
Trade and other receivables	155,918	615,632
Inventories	196,999	88,597
Other current assets	90,360	68,793
Property, plant and equipment	2,428,159	1,746,014
Intangible assets	919,300	126,000
	<u>4,523,406</u>	<u>3,082,014</u>
<i>Registered Mortgage</i>		
Land and buildings	<u>13,834,288</u>	<u>8,700,000</u>
Total assets pledged as security	<u>18,357,694</u>	<u>11,782,014</u>

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 11 FINANCIAL LIABILITIES (CONT'D)

The holder of the security does not have the right to sell or pledge the assets other than in an event of default.

The fair value of borrowings equals their carrying amount due to the market rates of interest implicit in the borrowings.

NOTE 12 AMALGAMATION

On 18 November 2010, the Deed of Amalgamation with the Batemans Bay Bowling & Recreation Club was completed, with all assets and liabilities of the Batemans Bay Bowling & Recreation Club being transferred to Catalina Country Club Limited for nil consideration.

The fair value of the net assets received by Catalina Country Club Limited as at 18 November 2010 has been recognised as a separate item in the statement of comprehensive income for the year. The fair values of each major class of asset and liability of the Batemans Bay Bowling & Recreation Club recognised by Catalina Country Club Limited on amalgamation are:

Assets

Cash and cash equivalents	66,708
Trade and other receivables	83,855
Inventories	31,104
Other current assets	66,854
Property, plant and equipment	5,992,792
Intangible assets	793,000

7,034,313

Liabilities

Trade and other payables	938,192
Provisions	23,391
Financial liabilities	1,334,929

2,296,512

Net assets recognised in the statement of comprehensive income	<u>4,737,801</u>
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CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

		2011		2010
		\$		\$
NOTE 13	LEASING COMMITMENTS			
	Finance lease, hire purchase and licence commitments			
	Payable			
	- not later than 12 months	324,041		277,408
	- between 12 months and five years	<u>368,131</u>		<u>242,792</u>
	Minimum payments	692,172		520,200
	Less: Future lease charges	<u>(39,778)</u>		<u>(52,872)</u>
	Present value of minimum lease payments	<u><u>652,394</u></u>		<u><u>467,328</u></u>

The hire purchase and lease contracts are for periods of between 3 and 5 years at rates varying from 7.50% to 11.23%.

NOTE 14 **CASH FLOW INFORMATION**

(a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand, cash at bank, at call deposits with banks or financial institutions, net of bank overdrafts.

Cash at the end of the year for the purposes of the statement of cash flows comprises:

Bank overdraft	(1,054,288)	(765,629)
Cash at bank	456,276	327,019
Cash on hand	<u>276,394</u>	<u>109,959</u>
	<u><u>(321,618)</u></u>	<u><u>(328,651)</u></u>

(b) Non-cash financing and investing activities

During the year, the Club acquired plant and equipment with an aggregate fair value of \$553,195 (2010: \$197,464) by means of hire purchase and lease agreements. On amalgamation, assets with a written down value of \$5,992,792 were recognised as additions to property, plant and equipment. These acquisitions are not reflected in the statement of cash flows.

On amalgamation with the Batemans Bay Bowling & Recreation Club, the Club received total net assets of \$4,737,801 for no consideration.

(c) Credit standby arrangements

The Club has overdraft and commercial bill facilities with a limit of \$5,725,000 at year end (2010: \$3,825,000). At 30 June 2011, the unused portion was \$nil (2010: \$9,058).

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 15 FINANCIAL RISK MANAGEMENT

(a) Terms, Conditions and Accounting Policies

The accounting policies and terms and conditions of each class of financial asset, financial liability and equity instrument at the reporting date are consistent with those regularly adopted by businesses in Australia.

(b) Financial Risk Management

The financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank borrowings and leases.

(i) Financial risks and risk management

The main risks the entity is exposed to through its financial instruments are liquidity risk, credit risk and interest rate risk.

Liquidity risk

Liquidity risk arises from the possibility that the Club may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The liquidity risk is managed by monitoring forecast cash flows and ensuring that adequate short term funds and borrowing facilities are maintained.

The Club's borrowing facilities are being reviewed by the bank during the 2012 financial year. The directors believe that the facilities will be successfully re-negotiated with the bank for a further term. If the facilities were unable to be re-negotiated the directors would need to identify alternative sources of finance.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in the Club suffering a financial loss. The maximum exposure to credit risk at reporting date in respect of recognised financial assets, excluding the value of any collateral or other security, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Club is not subject to any significant credit risk.

Interest rate risk

The Club's exposure to interest rate risk is managed by the Club reviewing the interest rate profile, current interest rates and the market outlook, and taking action as necessary to ensure that risk levels are maintained at a satisfactory level. The interest rates applicable to the Club's bank bill facilities are determined at each roll-over period. Other facilities are subject to variable interest rates. The Club is therefore exposed to fluctuations in interest rates. If interest rates on the year end bank bill and loan facilities moved by 1%, there would be a \$53,750 effect on profit/(loss) for a twelve month period.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 15 FINANCIAL RISK MANAGEMENT (CONT'D)

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

	Notes	2011 \$	2010 \$
Financial Assets			
Cash and cash equivalents	3	732,670	436,978
Trade and other receivables	4	<u>123,276</u>	<u>581,453</u>
Total Financial Assets		<u>855,946</u>	<u>1,018,431</u>
Financial Liabilities			
Trade and other payables	9	722,400	316,514
Other financial liabilities	11	<u>7,081,682</u>	<u>4,807,957</u>
Total Financial Liabilities		<u>7,804,082</u>	<u>5,124,471</u>

(c) Net Fair Values

Financial assets and financial liabilities are carried at their net fair value at the end of the reporting period. The carrying value of financial assets and financial liabilities approximate their net fair value due to their short term maturity or market interest rate. No financial assets or financial liabilities are traded on organised markets in standardised form.

NOTE 16 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the entity. The aggregate remuneration paid to key management personnel during the financial year is as follows:

Total key management personnel compensation	<u>624,446</u>	<u>568,263</u>
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NOTE 17 RELATED PARTY DISCLOSURES

Key management personnel may transact with the Club from time to time on normal terms and conditions that are no more favourable than those available to other members of the Club. The types of transactions involved include gaming and the purchase of food, beverages and membership. The transactions are settled at the time of the transaction, and no amounts are owing to the Club at year end in respect of these transactions. The total value of these transactions is low and is considered by the Club to be immaterial.

With the exception of compensation of key management personnel, which is separately disclosed in these statements, there were no other related party transactions during the financial year.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

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

NOTE 18 **SUBSEQUENT EVENTS**

These financial statements were authorised for issue by the Directors on the date of signing the attached Directors' Declaration. The board of directors have the right to amend the statements after they are issued.

Reference should be made to Note 20, which includes information on events that are expected to occur subsequent to year end.

There are no other subsequent events which require amendment of, or further disclosure in, the financial statements.

NOTE 19 **CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The Directors of the Club do not believe the Club has any material contingent assets or contingent liabilities.

NOTE 20 **SIGNIFICANT EVENTS**

Amalgamation

The amalgamation with the Batemans Bay Bowling & Recreation Club was completed on 18 November 2010. Reference should be made to Note 12 for further information.

Golf Pro-shop

On 28 February 2011 the Club purchased stock and plant and equipment related to the golf pro-shop and assumed the responsibility for operating the pro-shop. The total amount paid/payable for the stock and plant and equipment was \$86,687.

Sale of Non-Core Land

On 4 June 2009 the Club entered into a contract to sell approx. 3,000m² of non-core land for a total price of \$275,000. The sale is conditional upon the land being rezoned and the survey plan approved by Council. The contract will expire on 30 June 2012 if it does not become unconditional by then. Proceeds from the sale will be used to repay debt and/or fund essential capital works.

Motel Development

The Club had in principle, an agreement to lease, allowing a developer to construct a motel in two stages on non-core land of the Club. The Club was informed in June 2011 that the developer was unable to secure sufficient finance to enable the project to be undertaken.

CATALINA COUNTRY CLUB LIMITED
ABN 20 000 256 155

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011

The Directors declare that the financial statements comprising the attached Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements:

- (a) comply with Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Club's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations and its cash flow, for the financial year ended on that date.

In the Directors' 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 Club 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 Directors dated, 29 September 2011.



B Ennis

Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CATALINA COUNTRY CLUB LIMITED**

We have audited the accompanying financial statements of Catalina Country Club Limited (the Club), which comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Statements

The directors of the Club are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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 control 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.

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

Independence

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

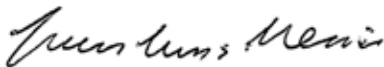
Auditor's Opinion

In our opinion, the financial statements of Catalina Country Club Limited are in accordance with the Corporations Act 2001, including:

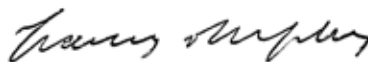
- (i) giving a true and fair view of the Club's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following matter. As disclosed in Note 1(a), the financial statements have been prepared on the basis that the Club is a going concern. Despite the Club incurring an operating loss and having a net current asset deficit, the Directors have determined that the Club is a going concern. This is based on the expectation of improved cash flows for the 2012 financial year and the ongoing support from its patrons, debtors, creditors and lenders. If the Club is unable to continue as a going concern it may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.



Duesburys Nexia
Canberra, 29 September 2011



G J Murphy
Partner

ClubCatalina has proudly supported these organisations in 2010/2011

Anglicare
Arthritis NSW
Australian Diabetes Foundation
Australian Hearing Association
Australian Red Cross
Batemans Bay Aquatic Centre
Batemans Bay Basketball Association
Batemans Bay Dream & Achieve
Batemans Bay Football Club
Batemans Bay Game Fishing Club
Batemans Bay High School
Batemans Bay Hospital
Batemans Bay Hospital Auxiliary
Batemans Bay Junior Rugby
Batemans Bay Lions Club
Batemans Bay Little Athletics
Batemans Bay Primary School
Batemans Bay Rotary Club
Batemans Bay Sailing Club
Batemans Bay Seahawks
Batemans Bay Stokers
Batemans Bay Swimming Club
Batemans Bay Tennis Club
Batemans Bay Tigers Rugby League Club
Batemans Bay View Club
Breast Cancer Institute
Camp Quality
Cancer Council Relay for Life
Clyde River Day View Club
Clyde United Soccer Club
Coastal Rights Association
Combined Catholic Colleges
Country Women's Association
Cystic Fibrosis
DNA of Bullying
Dolphins Rugby
Eurobodalla Land Care Committee
Family Advocacy
Far South Coast Rugby
Fiona Lodge
Football NSW
Friends in Grief Support
Jindalee Bowls Club
Lantern Club
Life Without Barriers
Lions Club
Maranatha Lodge
Mayo Healthcare
McLeod Country Club
Meals on Wheels
Moruya Jockey Club
My Time
National Servicemens Association
Northcott Disability Services
Ovarian Cancer
Pipeking Car Rally
Prostate Cancer Research
QLD Flood Appeal
Relay For Life
Rotary Club Batemans Bay
RSPCA Moruya
SIDS & Kids
Snowy Hydro Southcare
South Coast Baseball
South Coast Junior Rugby
South Coast Rugby
Southern Zone Game Fishing Club
St Bernard's Primary School
St Peters College
Surf Life Saving
The Leukaemia Foundation
The Salvation Army
The Walter & Elizabeth Institute
Tour de Cure
Tri the Bay
U3A
WIRES

ClubCatalina is committed to supporting our local community.



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