

Clare Golf and Country Club Limited

Balance Sheet

1

(Unaudited)

December 31, 2012 **2012** **2011**

ASSETS

Current		
Receivables	\$ 7,328	\$ 4,196
Inventories	20,576	22,381
Prepaid expenses	8,064	9,184
	<u>35,968</u>	<u>35,761</u>
Capital Assets (Note 2)	<u>1,140,362</u>	<u>1,109,032</u>
	<u>\$ 1,176,330</u>	<u>\$ 1,144,793</u>

LIABILITIES

Current		
Bank indebtedness	\$ 85,551	\$ 88,008
Payables and accruals	21,626	20,665
Long term debt payable within one year (Note 4)	29,978	26,546
	<u>137,155</u>	<u>135,219</u>
Deferred revenue	52,218	11,445
Long term debt (Note 4)	<u>74,355</u>	<u>86,856</u>
	<u>263,728</u>	<u>233,520</u>

SHAREHOLDER'S EQUITY

Capital stock	181,400	181,400
Contributed surplus	382,741	382,741
Retained earnings	348,461	347,132
	<u>912,602</u>	<u>911,273</u>
	<u>\$ 1,176,330</u>	<u>\$ 1,144,793</u>

See accompanying notes.

On behalf of the Board:

_____ Director

_____ Director

Clare Golf and Country Club Limited

Statement of Income and Retained Earnings

2

(Unaudited)

Year Ended December 31, 2012	2012	2011
Sales		
Pro Shop	\$ 70,153	\$ 61,760
Canteen - dry	154,130	161,266
Canteen - wet	49,720	52,554
Total Sales	274,003	275,580
Cost of good sold		
Inventory, beginning of year	22,381	21,539
Purchases	167,355	165,539
	189,736	187,078
Inventory, end of year	(20,576)	(22,381)
Total cost of goods sold	169,160	164,697
Gross profit	104,843	110,883
Other income		
Memberships	152,627	144,780
Green fees	85,030	85,574
Golf car rentals	54,847	57,004
Tournament income	30,492	35,335
Equipment and machine rental	16,517	-
Driving range	13,421	13,817
Golf car fees and storage fees	14,507	13,185
Club and cart rental	2,010	2,332
Club care	6,230	5,887
Special projects contributions (Ladies Club)	4,000	2,000
Miscellaneous	9,846	12,578
Corporate donations	7,902	8,327
	397,429	380,819
Income before overhead expenses and depreciation	502,272	491,702
Overhead expenses (Page 4)	465,649	451,633
Income before depreciation	36,623	40,069
Depreciation	35,294	38,052
Net income	1,329	2,017
Retained earnings, beginning of year	347,132	345,115
Retained earnings, end of year	\$ 348,461	\$ 347,132

Clare Golf and Country Club Limited

Statement of Cash Flow

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(Unaudited)		
Year Ended December 31, 2012	2012	2011
Operating Activities		
Net income	\$ 1,329	\$ 2,017
Depreciation	35,294	38,052
	36,623	40,069
Change in non-cash working capital accounts related to operations (Note 3)	754	3,811
Cash provided by operations	37,377	43,880
Financing Activities		
Long term debt	19,765	-
Decrease in long-term debt	(28,834)	(26,546)
Issuance of capital stock	-	2,000
Deferred revenue	40,773	(6,535)
Cash (used) provided by financing activities	31,704	(31,081)
Investing Activities		
Purchase of capital assets	(66,624)	(12,500)
Cash used in investing activities	(66,624)	(12,500)
Change in bank indebtedness during the year	2,457	299
Bank indebtedness, beginning of year	(88,008)	(88,307)
Bank indebtedness, end of year	\$ (85,551)	\$ (88,008)

Clare Golf and Country Club Limited

Schedule of Overhead Expenses

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(Unaudited)		
Year Ended December 31, 2012	2012	2011
Advertising	\$ 4,068	\$ 3,443
Dues and fees	19,771	18,635
Employee benefits	21,633	20,976
Heating and lighting	20,186	19,616
Insurance	8,139	8,493
Interest and bank charges	3,698	2,959
Interest on long tem debt	6,731	8,019
Junior Division	1,125	825
Lease - equipment	21,993	30,602
Office expenses	3,997	2,805
Pro Shop expenses	944	3,194
Repairs and maintenance - buildings	20,846	20,174
Repairs and maintenance - course	51,505	47,605
Repairs and maintenance - equipment	8,290	8,858
Repairs and maintenance - golf cars	3,160	1,825
Shareholders' meeting expense	709	670
Taxes	14,339	14,235
Telephone	5,899	5,707
Travel	761	964
Trophies	568	493
Wages	247,287	231,535
	\$ 465,649	\$ 451,633

Clare Golf and Country Club Limited

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Notes to Financial Statements

(Unaudited)

Year Ended December 31, 2012

1. Significant accounting policies

Inventories

Inventories are valued at the lower of cost and net realizable value with cost determined on a first-in, first-out basis.

Capital assets

Capital assets are carried out at cost and depreciated as follows:

Buildings	5% declining balance
Equipment	20% declining balance
Golf cars	20% declining balance
Motor vehicles	30% declining balance

2. Capital assets

	2012			2011
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 21,796	\$ -	\$ 21,796	\$ 21,796
Golf course	694,676	-	694,676	652,080
Buildings	720,791	379,865	340,926	358,866
Equipment	498,978	476,322	22,656	26,329
Golf cars	184,308	142,160	42,148	48,940
Motor Vehicles	24,198	6,038	18,160	1,021
	\$ 2,144,747	\$ 1,004,385	\$ 1,140,362	\$ 1,109,032

3.

Change in non-cash working capital	2012	2011
Receivables	\$ (3,132)	\$ 5,678
Inventories	1,805	(842)
Prepaid expenses	1,120	(933)
Payables and accruals	961	(92)
	\$ 754	\$ 3,811

Clare Golf and Country Club Limited

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Notes to Financial Statements

(Unaudited)

Year Ended December 31, 2012

4.

Long term debt	2012	2011
<i>Caisse Populaire de Clare</i>		
Term loan with interest rate fixed at 6.19% until February 2013, maturing July 2015, repayable in annual instalments of \$16,700	\$ 49,597	\$ 66,297
Term loan with interest rate fixed at 6.25% until April 2013, maturing July 2016, repayable in annual instalments of \$9,846	37,259	47,105
Term loan with interest rate fixed at 6.50% until March 2017, repayable in monthly instalments of \$386	17,477	-
	104,333	113,402
Less: Amount payable within one year	29,978	26,546
	\$ 74,355	\$ 86,856

Principal payments required annually over the next five years are as follows:

2013 - \$29,978; 2014 - \$29,978; 2015 - \$29,475; 2016 - \$11,153; 2017 - \$3,432

5. **Obligations under Capital Leases**

Lease on John Deere 2030 Pro Gator

Amount owing	\$738
Monthly payment	\$738
Number of payments remaining	1
Purchase Option	\$1

Lease on Jacobsen LF3400

Amount owing	\$14,700
Monthly payment	\$1,225
Number of payments remaining	12
Purchase Option	\$1

Lease on Toro Groundsmaster 3500

Amount owing	\$35,424
Monthly payment	\$1,476
Number of payments remaining	24
Purchase Option	\$1

Lease on Jacobson Greens King IV

Amount owing	\$10,872
Monthly payment	\$453
Number of payments remaining	24
Purchase Option	\$1