

**LANE COVE COUNTRY CLUB LTD**

**A.B.N. 50 000 361 142**

**(A Company Limited by Guarantee)**

**Trading as  
LANE COVE GOLF CLUB**



**ANNUAL REPORT 2016/2017**

**FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2017**

# PRESIDENT'S REPORT

## Introduction

It is my pleasure to deliver the President's Report for 2016-17, our 53rd year of golf at Lane Cove and my first as President.

As this is my first report, I would like to acknowledge the preparation and content provided by my predecessor, which for those who might be inclined to check and compare I have adopted and modified, updating last year's report to suit the current year. Therefore, please accept my apologies for any repetition. I have tried to avoid this and to refresh all content where possible and as applicable but some of last year's issues are still very much alive and just as relevant to 2016-17.

Our Club Mission is:

### ***“A Friendly, Affordable, Community Based Golf Club”***

This guiding statement and principle has been applied in all aspects of the Club and Board's activities throughout the past year and will continue to be our core focus for 2017 and beyond.

This report provides an opportunity for me to outline some of the outcomes achieved and future issues that the Board will be responding to over the coming 12 months.

## Acknowledgements and Thanks

But first I would like to acknowledge and thank the wonderful people we have at Lane Cove Country Club Ltd which make our Club so welcoming and unique. Like many clubs we would not exist without the hard work and support of so many of our volunteer members, thank you all.

Thanks also to my co-Directors both past & present.

Michael Meade  
Robyn Seale

Joan Weine  
Maureen Dunn

John Erasmus  
Vanna Mutton

Stuart McDonald  
Bob Staley

Barry Watkin  
Andrew Limmer

Also to Ian Butters, Ralph Sadler and Graham Webster, amongst many others, who have contributed significantly and provided sage advice/input to the Board on various issues.

The organisation of more than 250 competition events each year, plus the inter-club pennant teams and special events, takes a lot of hard work and dedication. Our Men's and Women's Golf Committees efforts ensure that these golfing activities run smoothly making our Weekday and Weekend outings on the course even more enjoyable.

We also have some specialist sub-committees to thank. These willing volunteers deliver our Annual Charity Pro-Am and various other Grant Application and Refurbishment initiatives often in addition to Board or Committee contributions. Special mention this year for the outstanding results achieved by Barry Watkin and his wife Toni with the Pro-Am. A terrific fund-raising result and a great day - thank you.

In addition, every week there are people contributing quietly behind the scenes, such as Hamish Anderson and Buddy Hyde for maintenance; Craig Waterworth for IT; and Greg Stephenson for manning the door on Friday evenings. And our club newsletter "Links" is now in its 12<sup>th</sup> year of publication thanks to Ralph Sadler for his dedicated efforts every month. Ralph and Hamish should also be thanked for their fortnightly reconciliation of the poker machines and the recording of cash.

I would also like to take this opportunity to again acknowledge and thank Michael Meade for his valuable contribution to the Club as Director, President and willing contributor to all aspects of the Clubs' success. We saw Michael depart for WA last week after an appropriate number of farewell events. We look forward to inviting him back to the Club when he returns to the east coast for a visit in January.

Please accept my apologies if I have missed out on acknowledging and thanking anyone who has contributed to our Club life this year. Despite any oversight on my part I am confident that your contributions do not go un-noticed and are much appreciated by our members.

To those people - thank you all!

Beyond the volunteers we have a complement of personnel involved in running and maintaining the course, club house, bar and other facilities.

In particular, we benefit greatly from the significant contribution to LCGC from Kent Lipman our Club Manager - thank you Kent for your enthusiasm, efficiency and wholehearted support of our Club and its members.

Thanks are extended to our bar management team Supervisor, Warwick Bowman, his staff and to Gary Holmes for the bar operations and work in the cellar to ensure our beer is cold and served with a smile and a comforting or congratulatory word after our days golf - Thank You.

Thank you also to Mark Wallace, James Purcell, Kasey Dive and all the team at the Pro-Shop. We are sad to see James heading off to new opportunities in the Southern Highlands and wish him well in his new role. At the same time we welcome back Kasey from maternity leave. She now has I believe 70+ Juniors and 4 or 5 potential new senior members enrolled in the Get into Golf Program. We look forward to welcoming some of these new recruits into our membership ranks.

Thanks also to Lane Cove Council. Bob Batho and his course maintenance team have encountered some extraordinary weather conditions this year including an unprecedented dry spell through spring. Despite this the course and particularly the greens have remained in great condition. Great Job Bob.

Our thanks and appreciation should also go to the Mayor and Club Patron Deborah Hutchens for the interest and support shown to our Club and to her team including Craig Wrightson - General Manager - and Martin Terescenko - acting Manager Open Space following the departure of Peter Patterson. Whilst there are always challenges in the 3-way way relationship between Club, Council and Course Manager our relationship has improved significantly. Continued effort and cooperation in this regard will definitely help us in achieving the overall goal of continued enjoyable golf for all at Lane Cove Country Club Ltd.

## Planning

This year has seen ongoing challenges and the associated uncertainty is likely to prevail with the continuing prospect of the Club Precinct Redevelopment. Your Board continues to navigate its way through the various issues guided by our Strategic Plan 2015-2019.

The Strategic Plan identified five key focus areas:

1. **Lease** - To secure a long-term lease; continue negotiations to protect our interests should the planned precinct development occur and course improvement and maintenance.
2. **Clubhouse & Services** - To refurbish the clubhouse; review and improve the clubhouse layout; determine best use of poker machine licences; refresh food and drink offering and improve function capability with due regard to item 1 above.
3. **Membership** - Continue golf and social membership growth; foster junior development; review of membership categories and increase members' patronage of the Club.
4. **Golf** - Enhance co-operative opportunities between the Club and the Pro-Shop and develop golfing products to match demographics and social changes.
5. **Branding** - Renew clubhouse signage consistent with the new Club name and Brand Log; enhance community awareness and relations; achieve a sustainable financial future and review member communications including the design & deployment of a New Website.

This plan has assisted your Board to remain focussed on the important drivers of a successful club and will be due for an update in 2018-19 which will most likely coincide with future change associated with the club precinct redevelopment mentioned above assuming the re-development occurs.

## Key Issues for the Year

- **Golf**

### *Mixed Golf Competition*

Following the decision to provide more flexibility to members and after various discussions we have now achieved the successful introduction of mixed play in a variety of competitive events on most Saturdays, Sundays, Tuesdays, Wednesdays and Thursdays apart from some Major Competition Events.

### *Junior Development*

Last year thanks to the work of PGA Professional James Purcell we had an influx of junior players and for the first time in more than 12 years the Club fielded a Junior Encourage Shield Pennant side. Many thanks to members who helped with our juniors especially John Stevenson, Ian Butters and Hamish Anderson.

Sadly, we have not been able to replicate this success in 2017-18 and will not be fielding an Endeavour Shield this year. However, some of our Junior Golfers have achieved individual success with Will Flannigan placed as U15 Runner-Up in the Jack Newton Junior Golf (JNKG) International at Cypress Lakes. Well Done Will!! And with the influx of Kasey's new Juniors and the appointment of Board Member, Joan Weine, as Junior Development Coordinator we are hopeful that this situation will be improved next season.

- **Membership**

Membership continues to be an area of key focus for the Board and the Golf NSW "Get into Golf" initiatives combined with Kasey's potential new juniors & our marketing activities in general should provide good opportunities to grow our memberships in all categories.

- **Membership Fees**

The *golfing fees* for 2017-8 were increased by only a moderate level to ensure that playing at LCGC is always affordable. The Board remains committed to ensuring good value for our members and will be continuing our discussions with LCC through 2018 and the re-development program to achieve this.

- **Lease & BBT Arrangements**

Despite the Boards best efforts to finalise a new five-year lease for the Club, we are still in negotiation with LCC. However, this delay has enabled the Board to review the Expired and Draft Lease and obtain external legal advice to ensure that any new agreements are effective and reflect the best interests of our members to preserve our golfing and social activities.

To simplify and ensure that these interests are preserved the Board has accepted the recommendation that two agreements be prepared:

1. Lease of the Club Premises
2. Block Booking Agreement to govern course access

Council has agreed to LCGC preparing Draft documents in this regard and the Board with input from Graham Webster is completing suitable Drafts for review.

- **Finance**

I refer members to our Treasurers' Report for 2017 and thank Stuart, Kent & our Auditors for the work done in compiling the Financial Reports for the year.

- **Club House Precinct Redevelopment**

The ongoing issue of Council's potential re-development of the clubhouse and tennis courts to a multi-use sports centre (including golf) continues to attract the Board's attention. We have been advised that the liaison committee will be re-established later in the year to obtain input from the various stakeholders. In keeping with the outcome of the EGM on this and the Lease issues, the Board will be using this forum and the support of Councillors to ensure that the golf space is not affected by this development and that the new facilities will meet the Club's requirements for our social activity.

It is likely that there will be some temporary disruption during re-development but the extent of any disruption remains unknown until a construction plan is developed and approved.

- **Course Improvements**

Tree work has continued in areas identified throughout the course to address safety concerns and improve playability. It was particularly encouraging to see Council's immediate response to our request for the urgent car park tree work to be completed in readiness for the Pro-Am last month.

We have also witnessed the completion of the new 4<sup>th</sup> Bridge, also in time for the Pro-Am Event, thanks to the intervention of Craig Wrightson on the Club's behalf, to ensure that the final concrete works were done without delay.

During the year we have been working with Council trying to get the issue of overhanging tree branches on fairways addressed as well as member-owned golf carts and mid-week membership. These issues remain unresolved despite our best endeavours. Now that the bridge is complete further representations will be made to Council to allow access for motorised carts.

- **Catering**

"My Little Secret" - The provision of Friday Night and Special Event catering has now been resolved and the new arrangements being provided by Lyn Doherty are reported to be working well. Lyn is available for Function Catering to meet a variety of needs.

In addition, the panel of 4 external caterers established last year remain available for functions and special events as does the option to make your own arrangements.

"Tee for Two" - To complement the above arrangements Dave Martin has made a great success of the enhanced facility and his extended opening hours providing Casual Food options Thursday through to Sunday including one of the best and well-priced "Traditional English" breakfasts in our area.

- **Friday Night Entertainment**

The Friday Night Live Music formerly "Jazz Night" has enjoyed 10 years of regular patronage and continues this success with a new focus on introducing a wider variety of artists to cater for a broader range of musical interests. Combined with "My Little Secret" catering it's a great value night out with friends.

- **Special Events**

Another highly successful Charity Pro-Am was held on the 20<sup>th</sup> September 2017. There was a tie for 1<sup>st</sup> place between 4 Professionals - Matthew Millar, Troy Moses, Andrew Evans and James Nitties. We are pleased to be able to continue our support for Sydney Community Services (previously Lane Cove Community Aid) as the beneficiary of the event with an increased donation to this very deserving local community charity.

Lots of fun was had on our other special days, including the Ladies Mixed Charity Days. And we can all look forward to the upcoming Legacy Day, Melbourne Cup, and the annual President's Christmas Party.

- **Branding, Signage & Social Media**

The new LCGC Logo, branding & website program has now been completed after much concerted effort by our past President Michael Meade. All that remains is to complete a refresh of the club signage at the entrance to the club house which is currently under review by the Board and will be funded by the proceeds of the Pro-Am after the Charity Donation to Sydney Community Services.

The new website provides a user-friendly portal for booking competition games, reviewing results, getting course status and social event information along with details of our membership, function and catering arrangements.

The Club also remains a Gold Sponsor of *In The Cove* <https://inthecove.com.au/> a local community website run by Jackie Barker which allows us to distribute our news & publicity to some 7,000 residents via the ITC Facebook page, website and newsletters.

I invite all members to sign up to these sites to stay informed of the important developments at our club and the local community in general.

## **Outlook for 2017-18**

The key focus areas identified above will continue to apply for the New Year.

2017-18 will be very interesting and we may well see the beginning of a new era for our Club if not this year then quite likely soon thereafter.

The timing and eventual outcome of the proposed change is largely out of our hands and is much dependent on a variety of external influences and outside agencies. However, with the Board's strong commitment and the substantial community support we should remain confident that the Club will rise to the challenge and emerge stronger than ever.

This of course will be up to us as members. The Club has encountered and prospered through other similar challenges over its 50+ year history entirely due to the commitment and support of its members. I would therefore encourage you to continue and if possible increase your support for the Club by encouraging others to join as Golfing or Social Members. This will grow our membership base, maximise the use of the club facilities and provide a thriving and fun community at our golf and associated social functions.

This active engagement of all members will secure a bright future for the Club and preserve our marvellous sporting community for future generations.

And finally, in case you didn't already know a recent Australia Golf Industry Report has indicated the following benefits of Golf:

### **Social benefits**

- *Golf teaches valuable life lessons and principles such as respect, honesty, etiquette and self-discipline*
- *Golf provides a foundation to build a strong and connected community*
- *Participation in golf provides regular and cross-generational social interaction across the life span*
- *The game of golf and golf courses provide a strong connection to the outdoors and natural environment*
- *A lifelong contribution to reducing the healthcare burden on society through the prevention of disease*

### **In addition ...**

- *On average, Australian golfers have a life satisfaction score of 7.4, compared to the Australian population at 7.3 and the average of OECD countries at 6.6.*
- *On average, Australian golfers' scores for social capital are eight percentage points higher than Australian sports participants, and 16 higher than non-sport participants*
- *Australian golfers have a higher self-assessed health status (59%) than both general sport participants (57%) and non-sport participants (40%)*

So, on that note the outlook for the club and its membership looks very promising.

**ALAN MOSS**

**President**

10 October 2017

## TREASURER'S REPORT

- Club Revenue was down compared to last year, notably due to Bar Sales which fell by 20%.
  - Membership Subscriptions increased by \$908.
  - Competition Levies were down by \$2,572.
  - General Income was down by \$4,717 and
  - Poker Machine Revenue by \$4,815.
  - Against that compared to the prior year Employment Expenses were down by \$17,537.
  - Overheads by \$11,400 and
  - Utilities were \$21,090 less than the prior year.
- 
- The Club recorded a net decrease of \$4,178 in Cash Flow from Operations this year.
  - Cash Assets were reduced accordingly and stood at \$136,465 at 30 June, 2017.

In summary, the Club made a Loss before depreciation and amortisation of \$24,900 this year (compared to \$15,378 last year).

The wet weather which the Club encountered for several weeks and its aftermath caused a substantial loss of revenue this year:

- Bar Sales were down \$30,716 in the second half compared to the first.
- Overall Bar Sales less Purchases for the whole year were \$41,187 less than the prior year.

Hopefully we will not see those extreme weather conditions again for some time.

Nevertheless, it appears the Bank balances were only slightly diminished by years end.

Restaurant rental – during the financial year we wrote off the remaining unpaid "Fairway 9" rent of \$9,983.

In this year's report Membership Subscriptions are shown in the P & L statement as a gross figure before deducting payment to Council of green fees. In prior years the net figure was shown.

The Social Membership is a 2 year subscription and therefore cyclical.

Donations reflected in this report are those made by the Club from its accounts as distinct from donations made by the Men's Committee and the Women's Committee of \$5,300 and not recorded in these accounts.

Depreciation Schedules have recently been brought up to date and there was a bit of catch up required covering the past three financial years. Depreciation and loss on disposal of assets is therefore \$15,864 taken into this year's accounts compared to \$5,320 last year. Whilst they are paper entries the \$15,864 write off as depreciation and \$6,128 as amortisation of leasehold improvements are entered as expenses and set off against Revenue Income in the Profit & Loss Statement depicting an overall Loss of \$46,892. Club Equity (the difference between the value of Total Assets and Total Liabilities) has been reduced accordingly as demonstrated in the Statement of Financial Position.

Discussion has been held at Board Meetings regarding ways of increasing Club revenue. Club expenses appear reasonably priced.

**STUART McDONALD**

**Hon. Treasurer**

24 October 2017

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**DIRECTORS' REPORT**

Your Directors present their report on the Financial Statements of the Company for the year ended 30 June 2017.

**NAME OF DIRECTORS**

The Directors who have held office during the financial year and up to the date of the report are:

DUNN, Maureen	MEADE, Michael – to 20.02.17
SEALE, Robyn	MUTTON, Giovanna – to 24.10.16
LIMMER, Andrew – to 24.10.16	STALEY, Robert – to 24.10.16
MOSS, Alan	MCDONALD, Stuart – from 24.10.16
ERASMUS, John – from 24.10.16	WATKIN, Barry – from 24.10.16

**PRINCIPAL ACTIVITIES**

The principal continuing activity of the Company consisted of the conduct and promotion of golfing activities for the Members of the Lane Cove Country Club Ltd and the provision of entertainment and social activities on licensed premises.

**MEMBERS**

The number of Members of the Lane Cove Country Club Ltd registered in the Register of Members for the year was:

	<b>2016/2017</b>	<b>2015/2016</b>
Life Members - Playing	2	2
Life Members – Non-playing	2	2
Prepaid Member	1	1
Playing Members (Men)	94	100
Playing Members (Women)	45	48
Junior Members	9	13
Social Members	330	599
	<hr/>	<hr/>
	483	765

**SIGNIFICANT CHANGES**

During the year, there was no significant change in the nature of the principal activities of the Company.

**OPERATING RESULTS**

The Net Profit/(Loss) from Trading for the year (after no Provision for Income Tax) amounted to a Loss \$46,892 (2016 loss \$27,431) after charging Depreciation \$15,864 (2016 \$5,320) and amortisation of \$6,128 (2016 \$6,733).

**DIVIDENDS**

The Company is a Non-Profit Organisation and is prevented by its Constitution from paying a Dividend.

**REVIEW OF OPERATIONS**

Movements in significant items are as follows:-

	<b>2017</b>	<b>2016</b>	<b>Increase/(Decrease)</b>
Poker Machine Net Profit	9,560	14,091	(4,531)
Bar Sales Net Profit	51,769	80,599	(28,830)
Membership Subscriptions	112,100	111,192	908
Occupancy expenses	99,877	107,099	(7,222)
Employment Expenses	170,499	181,463	(10,964)

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**OBJECTIVES**

**SHORT TERM**

To provide a social club for members and guests with the usual facilities of a club, to promote the game of golf to golfing members, to provide a centre for holding functions and to provide a meeting place for community groups.

**LONG TERM**

The long term objectives are to maintain and upgrade facilities to attract new golf and social members to enjoy the facilities of the club and to increase our involvement with community groups.

The Strategic Plan 2015-19 for achieving the long term objectives includes:

- Working constructively with Lane Cove Council to continue the Club's lease and aim for new membership categories appropriate to market demand
- Continuing to improve the amenities and services offered to members in the Clubhouse
- Growing our social and golfing membership base, including junior golfers
- Adapt our golfing product and operations to meet emerging community requirements
- Build and develop the Club to appeal to a wider audience whilst retaining the friendly atmosphere

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

During the year no significant changes occurred in the state of the financial affairs of the Company.

**ENVIRONMENTAL REGULATION**

The Company's operations are subject to various environmental regulations under both Commonwealth and State legislation.

The Directors are not aware of any breaches of the legislation during the financial year, which are material in nature.

**FUTURE DEVELOPMENTS**

It is intended to make concerted efforts to promote and build the turnover of the club with increased usage by members and guests and the promotion of the club as a function centre.

**EVENTS SUBSEQUENT TO BALANCE DATE**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

**MEETINGS OF DIRECTORS**

<b>Name</b>	<b>Position</b>	<b>Meetings Called</b>	<b>Meetings Attended</b>
M Meade	President until 20.02.17	12	10
M Dunn	Director	12	11
R Seale	Director/Hon. Secretary	12	11
R Staley	Director/Hon. Treasurer until 24.10.16	4	4
A Limmer	Director until 24.10.16	4	3
A Moss	Director/President from 20.02.17	12	9
G Mutton	Director until 24.10.16	4	2
S McDonald	Director/Hon. Treasurer from 24.10.16	12	7
J Erasmus	Director from 24.10.16	12	7
B Watkin	Director from 24.10.16	12	6



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**DIRECTORS' REPORT**  
(Continued)

**INFORMATION ON DIRECTORS**

<b>Michael Meade</b>	Director – joined the Club in 2001. Elected to the Board in November 2013. Previously a marketing executive in the international hotel industry and now a consultant in hospitality and tourism.
<b>Maureen Dunn</b>	Director – joined Club in 1987 – 3 years on Women's Golf Committee – 3 years as Secretary of Women's Golf Committee. – Secretary now retired. Elected to Board in November 2010.
<b>Alan Moss</b>	President and Director – joined Club in 2014. Elected to the Board in October 2015. Also a member of Men's Golf Committee. Managing Director EARTHTEC Pty Limited. BSC Hons. Civil Engineering, MBA Technology.
<b>Robyn Seale</b>	Director and Secretary – joined the Club in 2003. Elected to the Board October 2012. Served two years on the Women's' Golf Committee and five years as Treasurer on that committee. Retired Executive Assistant.
<b>Stuart McDonald</b>	Director and Hon. Treasurer – joined the Club in 2015. Elected to the board in October 2016. Solicitor.
<b>John Erasmus</b>	Director – joined the Club in 2014. Elected to the Board October 2016. IT Systems Administrator.
<b>Barry Watkin</b>	Director – former Club President and Board Member for 10 years. Men's Golf Captain 6 years. Vice-Captain 1 year. Re-elected to the Board in October 2016. Retired.

**DIRECTORS INTEREST AND BENEFITS**

The Company does not have a Share Capital nor does it have any related corporations, hence no Director has an interest required to be declared by Section 307C.

**DIRECTORS AND AUDITORS INDEMNIFICATION**

The Company has not, during or since the financial year, in respect to any person who has been an Officer or Auditor of the Company:-

- \* Indemnified or made any relevant agreement for indemnifying against a liability as an Officer or Auditor, including costs and expenses in successfully defending legal proceedings; or
- \* Paid or agreed to pay a premium in respect of a contract ensuring against a liability incurred as an Officer or Auditor for the costs or expenses to defend proceedings;

Director's indemnity premiums have been provided for and paid by the Company during the year for Director's and Officer's Liability Insurance. The insurance is in respect of legal liability for damages and legal costs to a maximum of \$2,000,000 arising from claims made by reason of any omissions or acts (other than dishonesty) by them, whilst acting as Directors or Officers of the Company. No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

**AUDITORS INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is included in this report.

Dated at Lane Cove this 26<sup>th</sup> October 2017 in accordance with a Resolution of the Directors.

**Stuart McDonald – Director/Hon. Treasurer**

**Robyn Seale – Director/Hon. Secretary**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

		<b>2017</b>	2016
		<b>\$</b>	<b>\$</b>
<b>REVENUE</b>	Note		
Revenue from sales of goods		<b>263,995</b>	330,852
Membership		<b>112,100</b>	65,780
Revenue from rendering of services		<b>44,094</b>	41,088
Other revenue		<b>25,911</b>	71,132
<b>Total Revenue</b>	2	<b>446,100</b>	508,852
<b>EXPENSES</b>			
Cost of sales		<b>(95,013)</b>	(120,663)
Donations - Sydney Community Services		<b>(3,500)</b>	(7,856)
Directors' expenses		-	-
Employee benefit expenses		<b>(170,499)</b>	(181,463)
Entertainment, marketing and promotional expenses		<b>(32,196)</b>	(33,188)
Legal and consultancy fees		-	(9,790)
Provision for doubtful debt		-	1,500
Occupancy expenses		<b>(99,877)</b>	(107,099)
Other expenses from ordinary activities		<b>(69,915)</b>	(65,671)
<b>Total Expenses</b>		<b>471,000</b>	(524,230)
<b>Profit (Loss) before borrowing costs, tax, depreciation and amortisation</b>		<b>(24,900)</b>	(15,378)
Depreciation and loss on disposal of assets		<b>(15,864)</b>	(5,320)
Amortisation of Leasehold Improvements		<b>(6,128)</b>	(6,733)
Borrowing costs		-	-
<b>Profit (Loss) before income tax</b>		<b>(46,892)</b>	(27,431)
Income tax expense		-	-
<b>TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR</b>		<b>(46,892)</b>	(27,431)

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash Assets	3	136,465	140,643
Receivables	4	1,237	6,058
Inventories	5	14,235	17,266
Other	6	-	5,624
Total Current Assets		<u>151,937</u>	<u>169,591</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	<u>24,716</u>	<u>46,708</u>
Total Non-Current Assets		<u>24,716</u>	<u>46,708</u>
<b>TOTAL ASSETS</b>		<u>176,653</u>	<u>216,299</u>
<b>CURRENT LIABILITIES</b>			
Payables	8	42,942	38,883
Other	9	<u>79,746</u>	<u>76,559</u>
Total Current Liabilities		<u>122,688</u>	<u>115,442</u>
<b>TOTAL LIABILITIES</b>		<u>122,688</u>	<u>115,442</u>
<b>NET ASSETS</b>		<u>53,965</u>	<u>100,857</u>
<b>EQUITY</b>		<u>53,965</u>	<u>100,857</u>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

Balance of Retained Earnings at 1 July 2016	100,857	128,288
Net Profit (Loss) from Operations	<b>(46,892)</b>	(27,431)
<b>BALANCE OF RETAINED EARNINGS AT 30 JUNE 2017</b>	<u><b>53,965</b></u>	<u>100,857</u>

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>Cash Flow from Operating Activities</b>			
Receipts from Member and Guests		<b>385,018</b>	433,810
Payments to Suppliers and Employees		<b>(511,769)</b>	(595,796)
Interest		<b>283</b>	743
Membership Subscriptions		<b>112,290</b>	121,300
<b>Net Cash provided by (used in) Operating Activities</b>		<b>(4,178)</b>	(39,943)
<b>Cash Flow from Investing Activities</b>			
Payment for Plant and Equipment		-	(4,767)
<b>Net Cash provided by (used in) Investing Activities</b>		-	-
<b>Cash Flow from Financing Activities</b>			
Proceeds (Repayment) of Borrowings		-	-
<b>Net Cash provided by (used in) Financing Activities</b>		-	-
<b>Net Increase (Decrease) in cash held</b>		<b>(4,178)</b>	(44,710)
Cash at 1 July 2016		<b>140,643</b>	185,353
<b>Cash at 30 June 2017</b>		<b>136,465</b>	140,643

**Notes to the Statement of Cash Flows**

**Reconciliation of Cash**

For the purposes of this statement of cash flows, cash includes:-

- (i) cash on hand and in 'at call' deposits with banks or financial institutions
- (ii) investments in money market instruments maturing within less than two months

Cash at the end of the year is shown in the balance sheet as:

Cash at Bank	119,465	123,643
Cash on Hand	17,000	17,000
	<b>136,465</b>	<b>140,643</b>

**Reconciliation of Cash Flows from Operations with Operating Profit after Income Tax**

Operating Profit (Loss) after Income Tax (including GST)	(46,892)	(27,431)
Non Cash Flows in Operating Profit		
Amortisation	6,128	6,733
Depreciation	15,864	5,320
Loss on Disposal of Assets	-	-
Changes in Assets and Liabilities		
Increase/(Decrease) in Payables	4,059	(8,862)
(Increase)/Decrease in Receivables	4,821	(974)
(Increase)/Decrease in Prepayments	5,624	7,124
(Increase)/Decrease in Inventories	3,031	(872)
(Increase)/Decrease in Grants	-	(17,259)
(Increase)/Decrease in Pro-Am sponsorships	-	(3,537)
Increase/(Decrease) in Subscriptions in Advance/Green Fees	3,617	(2,603)
(Increase)/Decrease in Pre-paid functions	(430)	1,170
(Increase)/Decrease in member bar credits	-	1,248
<b>Cash Flows from Operations</b>	<b>(4,178)</b>	<b>(39,943)</b>

**LANE COVE COUNTRY CLUB LTD**  
**A.B.N. 50 000 361 142**  
*(A Company Limited by Guarantee)*

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**BASIS OF PREPARATION**

These general purpose financial statements have been prepared in accordance with Accounting Standards – Reduced Disclosure requirements and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements do not comply with International Financial reporting Standards as issued by the International Accounting Standards Board.

**ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARDS**

The Club has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2013:  
- AASB 1053 application of *Tiers of Australian Accounting Standards* and AASB 2010 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The early adoption of AASB 1053 enables the Club to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements and has adopted the requirements of the standard effective for the financial year ended 30 June 2013.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**a) Revenue Recognition**

**Sales Revenue**

Sales Revenue comprises revenue earned from the provision of catering, beverage and poker machine facilities to members and other patrons of the Club. Sales revenue is recognised when the goods and services are provided.

**Asset Sales**

The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

**Interest Income**

Interest income is recognised as it accrues.

**Members Subscriptions**

Members' subscriptions are brought to account in the year to which the members' entitlements and benefits accrue. Subscriptions received as at 30 June for the following year are treated as in advance and are brought to account as income in the following year.

**b) Principal Activities**

The Company operates as a golf club to provide golfing activities for its members. For this purpose, it also conducts social activities in licensed premises.

**c) Plant and Equipment**

Plant and equipment are measured on a cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors 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. All repairs and maintenance are charged to the income statement during the financial period in which they were incurred. Fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

**d) Leases**

The club did not have any finance leases in the year 2017 or 2016. Lease payments under 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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**  
(Continued)

- e) **Depreciation of Plant and Equipment**  
Depreciation is calculated on a diminishing value basis and prime cost basis to write off the net cost or revalued amount of each item of plant and equipment over its expected useful life. The exception is glassware, crockery and cutlery, which are expensed in the year of purchase. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.
- f) **Trade and Other Payables**  
These amounts represent unpaid liabilities for goods and services provided to the Club prior to the end of the financial year. The unsecured amounts are usually paid within 30 days of recognition.
- g) **Maintenance and Repairs**  
The costs of maintenance, repairs and minor renewals are charged as expenses as incurred.
- h) **Employee Entitlements**  
(i) Wages and salaries, annual leave and sick leave  
Liabilities for wages are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. No provision is made for annual or sick leave as the Club does not have any permanent employees.  
(ii) Long Service Leave  
The club has no permanent employees and no provisions to date for its casual employees.  
(iii) Superannuation  
The Company contributes 9.5% of base salary to the fund nominated by the employee. The Company has a legal obligation to contribute to a Fund.
- i) **Leasehold Improvements**  
The Club had a lease of land for 20 years from 1 April 1993 from Lane Cove Council. The Council extended the lease for a further three years, which has enabled the Club to amortise the remaining unamortised leasehold improvements on a straight line basis to 31<sup>st</sup> March 2016. Negotiations are in progress for a new lease from April 2016. Further improvements were made to the BBQ/café area during the year.
- j) **Segment Information**  
The business operates in the sporting, leisure and entertainment industry in Australia.
- k) **Income Tax**  
The Income Tax Assessment Act (amended) provides that under the concept of mutuality, clubs are only assessed for income tax on that proportion of income derived from non-members and other external sources. The club is applying the exemption from tax under Section 50-45.
- l) **Impairment of Assets**  
At each reporting date the club reviews the carrying values of its 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 the 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 income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the club estimates the recoverable amount of the cash generating unit to which the asset belongs.
- m) **Goods and Services Tax (G.S.T.)**  
Revenue, expenses, assets and liabilities are recognised net of the amount of any G.S.T.
- n) **Critical Accounting Estimates and Judgments**  
The directors evaluate estimates and judgments incorporated into the financial report 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. The club assesses impairment of assets at each reporting date by evaluating conditions specific to the club that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations are performed in assessing recoverable amounts incorporating a number of key estimates. No impairment has been recognised in this financial year for any of the club's assets including the leasehold improvements. The current carrying values are estimated to be approximately the same as the assets' fair values. No increase in value has been recognised for any value attributable to the club's poker machine licences due to the uncertainty of the market value of those licences. The licences have not been shown as a separate asset as there was no historical cost to the club.

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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
<b>2. REVENUE</b>		
<b>Operating Revenue</b>		
Bar Sales	263,995	330,832
Members' Subscriptions	112,100	65,780
Poker Machine Revenue	10,527	15,343
OSR Rebate	1,043	1,647
Club Functions and Catering and Rent	5,244	13,176
Interest received	283	743
Raffle	1,293	442
Competition Levy	20,739	23,311
Hall hire	16,163	12,000
Net surplus/loss from committees	(3,903)	1,226
Band donations	10,867	12,142
Sundry Income	7,749	32,210
	<u>446,100</u>	<u>508,852</u>
<b>3. CASH</b>		
Bank	119,465	123,643
Cash on Hand	17,000	17,000
	<u>136,465</u>	<u>140,643</u>
<b>4. RECEIVABLES</b>		
Sundry receivables	1,237	6,058
	<u>1,237</u>	<u>6,058</u>
<b>5. INVENTORIES</b>		
Inventories comprise of stock on hand as at 30 June 2017		
The stocktake of Finished Goods (at cost) was conducted by staff	14,235	17,266
	<u>14,235</u>	<u>17,266</u>
<b>6. OTHER</b>		
Prepayments	-	4,239
Stock of other stationery items	-	1,385
	<u>-</u>	<u>5,624</u>
<b>7. PLANT, PROPERTY &amp; EQUIPMENT</b>		
Fixed Assets -		
Leasehold Improvements – at cost	395,975	395,975
Accumulated Amortisation	395,975	(389,847)
	<u>-</u>	<u>6,128</u>
Poker Machines – at cost	81,639	81,639
Accumulated Depreciation	(81,381)	(81,252)
	<u>258</u>	<u>387</u>
Plant and Equipment – at cost	301,998	301,998
Accumulated Depreciation	(277,540)	(261,805)
	<u>24,458</u>	<u>40,193</u>
Total Fixed Assets – at cost	779,612	779,612
Total Accumulated Amortisation and Depreciation	(754,896)	(732,964)
	<u>24,716</u>	<u>46,708</u>

**LANE COVE COUNTRY CLUB LTD**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**  
**(Continued)**

**7 a. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Improvements	Poker Machines	Plant & Equipment	Total
Balance at the beginning of the year	6,128	387	40,193	46,708
Additions	-	-	-	-
Disposal	-	-	-	-
Depreciation	-	(129)	(15,735)	(15,864)
Amortisation	(6,128)	-	-	(6,128)
	-	258	24,458	24,716

	2017 \$	2016 \$
<b>7b. PROPERTY PLANT AND EQUIPMENT (Continued)</b>	<b>779,612</b>	<b>779,612</b>
Leasehold improvements of \$395,975 (at cost) consist of Core Assets as defined under the Registered Club Act.		
Plant & equipment of \$383,637 (at cost) consist of Non-Core Assets as defined under the registered Club Act.		
<b>8. CURRENT LIABILITIES</b>		
<b>Payables</b>		
Creditors and Accruals	<b>42,942</b>	38,883
<b>9. CURRENT LIABILITIES</b>		
Prepaid function deposits	<b>4,300</b>	3,870
Members' bar credits	-	5,468
Pre-paid Pro-Am sponsorships	-	4,418
CDP grant	-	1,730
Pre-paid fees and subscriptions	<b>75,446</b>	61,073
	<b>79,746</b>	76,559

**10. MEMBERS' GUARANTEE**

The Club is a company limited by guarantee. If the Club is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations to the Club.

**11. DIVIDENDS**

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

**12. CONTINGENT LIABILITIES**

The directors are not aware of the existence of any contingent liabilities as at the date of this report.

**13. COMMITMENTS FOR EXPENDITURE**

There were no financial lease commitments for the financial year ended 30 June 2017.

**14. RELATED PARTIES**

**Directors**

The names of persons who were directors of Lane Cove Country Club Ltd at any time during the financial year are as follows: M Dunn, M Meade, R Seale, R Staley, G Mutton, A Limmer, A Moss, S McDonald, J Erasmus and B Watkin.

No Director received any remuneration or retirement benefit for being a Director



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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**  
**(Continued)**

**15. KEY MANAGEMENT PERSONNEL COMPENSATION**

	<b>2017</b>	2016
Salary	<b>157,970</b>	167,351
Superannuation	<b>10,220</b>	15,062
Total Compensation	<b>168,190</b>	182,413

**Key management personnel**

Kent Lipman (Administration)  
Warrick Bowman (Bar Supervisor)

Administrative services are provided on a contract basis.  
Bar management services are provided on casual rates.

**Remuneration and Retirement Benefits**

No remuneration was paid to Directors for the financial year.

**16. EVENTS OCCURRING AFTER THE REPORTING DATE**

No significant events have occurred since 30 June 2017, which require disclosure in this report.

**17. KEY PERFORMANCE INDICATORS**

	<b>2017</b>	2016
	%	%
<b>Bar</b>		
Gross profit percentage excluding bar expenses	<b>64.01</b>	63.5
Bar employment expenses to sales percentage	<b>45.24</b>	39.83
Bar wages only to sales percentage	<b>41.37</b>	35.57
Net profit percentage	<b>13.94</b>	24.36
<b>Poker machines</b>		
Net clearances as a percentage of turnover	<b>24.24</b>	37.34
<b>Employment costs</b>		
Employment expenses as a percentage of total revenue	<b>38.22</b>	35.66
<b>Earnings</b>		
EBITDAD* as a percentage of net assets	<b>(46.14)</b>	(7.85)

\* Earnings before interest, tax, depreciation, amortisation and donations.

**LANE COVE COUNTRY CLUB LTD**  
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**DIRECTORS' DECLARATION**

The Directors of the company declare that –

1. The financial statements and notes are in accordance with the Corporations Act 2001, and:
  - (a) comply with Accounting Standards – reduced disclosure requirements and the Corporations Regulations 2001,
  - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Lane Cove this 26<sup>th</sup> day of October 2017 in accordance with a Resolution of the Directors.

**Stuart McDonald – Director/Hon. Treasurer**

**Robyn Seale – Director/Hon. Secretary**

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**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there has been:

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

**HARLEY RUSSELL & DAY**

Chartered Accountants

Address: Suite 16, 2 Catherine Street, Rockdale NSW 2216

**GARRY WILLIAM DAY**

Partner

Dated 10<sup>th</sup> September 2017

**LANE COVE COUNTRY CLUB LTD**  
**A.B.N. 50 000 361 142**  
*(A Company Limited by Guarantee)*

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LANE COVE COUNTRY CLUB LTD**

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

**Opinion**

We have audited the financial report of Lane Cove Country Club Ltd (the Registered entity), which comprises the statement of financial position as at 30th June 2017, the statement of profit and loss, 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.

In our opinion the accompanying financial report of Lane Cove Country Club Ltd, has been prepared in accordance with the Corporations Law – Reduced Disclosure Requirements under the Corporations Law and the Registered Clubs Act, including:

- (a) Giving a true and fair view of the registered entity's financial position as at 30th June 2017, and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

**Emphasis of Matter**

Each year the Company has incurred losses. If this trend continues in the future years the Company may not be able to continue as a going concern.

The current lease has expired, and the Company occupies the premises under a holding over provision of the lease. At present your directors are negotiating the terms of a new lease, which will be subject to approval by an extra ordinary meeting of members.

**Basis of Opinion (Subject to the Forgoing)**

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

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

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30th June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Report**

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements under the Corporations Law and Registered Clubs Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**LANE COVE COUNTRY CLUB LTD**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
LANE COVE COUNTRY CLUB LTD (CONT.)**

**Responsibilities of the Directors for the Financial Report (Cont.)**

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**DATED AT SYDNEY  
THIS 28<sup>TH</sup> DAY OF  
OCTOBER 2017**

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

**GARRY WILLIAM DAY**  
Registered entity Auditor