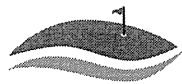


LANE COVE COUNTRY CLUB LTD

A.B.N. 50 000 361 142

(A Company Limited by Guarantee)

**Trading as
LANE COVE GOLF CLUB**



**LANE COVE
GOLF CLUB**

ANNUAL REPORT 2018/2019

**FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019**

PRESIDENT'S REPORT

Introduction

It is my pleasure to deliver the President's Report for 2018-19, our 55th year of golf at Lane Cove and my third as President.

No major developments this year at the Club but as referenced regularly in LINKS changes are likely to occur over the next few years. Most notably Land Cove Council (LCC) having commenced the long-awaited Precinct Redevelopment process LCC have now engaged Allen Jack Cottier AJ+C Architects & Urban Designers to prepare designs for the new golf clubhouse and multifunction sport facility.

Barry Watkin and I are still members of the Precinct Sports Development Committee; however there have been no further meetings so far this year. The Board will continue to monitor progress, advocate for the best outcomes and endeavour to reduce the impact felt by our Members. So much as last year it remains business as usual while we see the process unfold and continue to provide and expand the service to members which are consistent with our Mission Statement:

"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 2019-20 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 Golf Club 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:

Dermot Duncan
Maureen Dunn
Stuart McDonald
Barbara Oliver
Robyn Seale
Barry Watkin

As always special thanks to our Treasurer for undertaking what I and many consider to be the most onerous Board role. Despite travel and conflicting work commitments Stuart continues to provide an essential element of the Club's governance and his service in this area is much appreciated.

Similarly, our Robyn Seale and Maureen Dunn keep us all on track with agendas, minutes and many other important but often thankless tasks which ensure the effective administration of our Club, as well as providing a valuable conduit to the Women's Golf Committee.

Barry Watkin, whilst his initials aren't "BP" but like the petroleum giants branding logo, I consider Barry to be our "Quiet Achiever" as he regularly identifies house maintenance items, obtains quotes and simply gets things fixed. He also plays a pivotal role in many of the Club's successful grant applications and often alerts the Board to new grant opportunities to improve our facilities. It is good to see Barry back on 4 wheels and enjoying his golf again after some health and injury setbacks this year.

Barbara and Dermot are the newest members of the Board and both, but particularly Barbara, have been active in developing and expanding our social calendar. We have conducted a variety of events this year which have been well received and this could not have been done without their input.

Joan Weine and John Erasmus left the Board this year replaced by Barbara and Dermot, and again many thanks for your contribution to the Club during your time on the Board.

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 our regular golfing activities and competitions run smoothly making the golf outings on the course even more enjoyable.

Throughout the year we have many Volunteer Members providing back of house support and contributing to the club like Graham Webster who regularly assists Kent and Stuart with accounting issues & advice.

Thanks to Ralph Sadler as always who, helped by regular and interesting contributions from Sue Kallas, Wayne Belgre and Evan Jones publishes our Monthly Bulletin "Links" now I believe in its 14th year of publication thus providing us with news and results of our golfing activities.

Thanks also to our Pennants Managers for coordinating and selecting our best and finest for the annual inter club competitions. - Susan Ridd and Robyn Glover for the Women's Teams and the Gibson & Warren Team Managers, Peter Siapos and Evan Jones.

Many other Members are active on our Men's and Women's Golf Committees or are regularly involved with day to day maintenance. So to those people on behalf of all our members - we thank you all!

This year we have seen a number of staff changes amongst those personnel involved in running and maintaining the course, club house, bar and other facilities.

Kent Lipman remains our Club Administrator with a reduced work week having been joined by Angela Galipienzo as Club Administrator, also part time. We benefit greatly from the significant contribution our office personnel provide to the Club so thank you both for your loyalty, enthusiasm and efficiency.

Our bar management team also has a number of new faces this year particularly Jacinta Paton who has replaced Warwick and is joined by Dominic, Hugh, Matthew and Oliver who, in combination with member volunteer Gary Holmes, ensure our beer is cold and served with a smile and a comforting or congratulatory word after our days golf.

Thanks also to Green Options and the whole course maintenance team who battle the "Global Warming" challenges and yet continue to present the course in the best condition possible. I have not played for a few weeks due to injury, but I expect that following some recent coring activity, the course will soon be back to some of the best condition we've seen for quite a while.

Kasey Dive and her colleagues continue to expand the coaching facilities at Lane Cove and now boast a significant cohort of new junior golfers. We wish them all well in the Tyro and Encourage Shield and look forward to welcoming some of the other new recruits into our Membership ranks.

Finally, our thanks and appreciation should also go to the Mayor and Club Patron, Pam Palmer, for the interest and support shown to our Club and to her team including Craig Wrightson, General Manager - Martin Terescenko, Executive Manager Open Space and Urban Services - David Stevens, Manager Commercial Operations and Bryan Dempsey, Manager Civic Services. Council have been supportive with several issues this year and it was particularly nice to see David Stevens join us for the Nic Corish Memorial Day.

Planning

Your Board continues to navigate its way through the various issues guided by our Strategic Plan. The relationship between the Club, Council and Course Manager has always presented challenges but our relationship with Council continues to improve and there are significant opportunities to improve some of the traditional arrangements to achieve a more suitable structure in the future.

The Precinct Development process continues to present opportunities in this regard and we will seek to capitalise on this to grow our Membership and improve the golfing experience at Lane Cove.

Our Strategic Plan identified five key focus areas:

Lease – The objective here is to maintain the "Status Quo" and continue negotiations to protect our interests during and after the planned precinct development.

Clubhouse & Services – The redevelopment will see a whole new "landmark" facility for our Members and others. In the meantime, we will continue to work with Council to ensure a smooth transition.

Membership - Golf and Social Membership growth is a Key Performance indicator as we continue to explore ways to foster junior development; review of Membership categories and increase Members' patronage of the Club.

Golf – In partnership with Membership growth and the goal re-alignment the Board will continue to pursue opportunities with Council and the Pro-Shop to develop golfing products to best suit our membership.

Branding – Much of this work is now done with the new Club name and Brand Logo in place. We will however continue to enhance community awareness and Membership relations through our revamped website and various other contact points.

A revised or new plan will be required to reflect the precinct redevelopment mentioned above. This will be developed using these guiding principles to best manage any new arrangements once further and more specific details are known.

Key Issues for the Year

- **Golf**

- *Mixed Golf Competition*

- Following the decision to provide more flexibility to Members we now have mixed playing opportunities in a variety of competitive events on most Saturdays, Sundays, Tuesdays, Wednesdays and Thursdays apart from some Major Competition Events.

- *Junior Development*

- Kasey's continued success with the Junior Program continues to attract potential new Members and we now have 10 Juniors and the Board continues to work with Kasey in managing this opportunity.

- **Membership & Fees**

Membership remains steady and continues to be an area of key focus for the Board and the future redevelopment combined with our marketing activities in general should provide good opportunities to grow our Memberships in all categories.

The golfing fees for 2019-20 were kept at the same rate as last year to ensure that playing at LCGC remains affordable. The Board remains committed to ensuring value for money golf for our Membership and we are continuing discussions with LCC and benchmarking comparable Club Membership arrangements to achieve this and provide value for money golfing.

These arrangements are directly linked to the course and clubhouse access as detailed below and we are actively seeking ways to improve on the current arrangements.

- **Lease & BBT Arrangements**

Due to the re-development process, Council considers that the renewal of the current or modified lease would not be suitable, so we continue to operate under the pre-existing arrangements.

- **Finance**

I refer Members to our Treasurer's Report for 2018-2019 and thank Stuart, Kent, Graham Webster and our Auditors for the work done in compiling the Financial Reports for the year. Whilst a loss for the year is disappointing I note that many clubs are doing it very tough at the moment so it is rewarding to see that despite adverse conditions we are achieving a positive trend in loss reduction year on year.

- **Club House Precinct Redevelopment**

LCC has completed the initial EOI phase of the project and received a few submissions from interested parties. Following this outcome LCC decided to invite tenders for the design element of the proposed works and has now engaged an architect. The following project stages involving administrative planning approval and development processes which are expected to take 1-2 years to complete before construction work can start.

- **Course Improvements and Maintenance**

Council have re-engaged "Green Options" to maintain the course under a 2-year contract and their activities have not gone un-noticed. As a result the course continues to improve and is in the best condition we have seen for some years and we hope to see further improvements as their work progresses. There have also been some improvements to our practice facilities and training facilities paid for by Kasey Dive, I believe, so we should all be appreciative of that commitment and initiative.

- **Catering**

- Dave Martin's "Tee for Two" continues to provide the welcome sustenance before and after our golfing activities providing casual food options Thursday through to Sunday, including one of the best "Traditional English" breakfasts in our area.
 - "My Little Secret" – provides catering for our Friday Music Night and Special Events. Lyn is available for Function Catering to meet a variety of needs.

In addition, a panel of 4 external caterers are available for functions and special events as does the option to make your own arrangements and Angela has been very active and successful in expanding our function bookings over the past year.

I would invite all our membership to take full advantage and support these providers with our patronage. Simply give Angela a call to discuss your requirements.

- **Social Events**

Midweek Drag Bingo and Drag Trivia Nights have proven to be very popular with most evenings selling out within the first few days. We intend to continue and expand our social event calendar and I invite all members to offer any suggestions for events or functions you would like to see held at the Club.

The Friday Night Live Music with regular guest artists continues to be a popular event and, combined with Lyn's catering and the friendly atmosphere, it is a great value night out to start the weekend.

- **Special Events**

As usual, 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 Club Christmas Party.

- **Branding, Signage & Social Media**

Our 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 and publicity to some 7,000 residents via the ITC Facebook page, website and newsletters. I encourage all Members to sign up to these sites to stay informed on the important developments at our Club and the local community in general.

Outlook for 2019-20

Much like last year I expect this year will see not much change until the next stage of the Precinct Redevelopment is commenced.

Our club has successfully navigated many similar challenges over its 50+ year history and I remain confident that the next few years will provide interesting and beneficial outcomes for the club and our golfing activities. These changes will provide opportunities to expand our Membership base, maximise the use of the club facilities and offer a vibrant and fun sporting community.

With the support from Council and the community interest we can ensure that the Club will continue to provide a great golf and social offering to the Lane Cove and surrounding residents. Our responsibility as the Board and current members of the Club is to expand our golfing and social activities and this, as always, requires active engagement from all Members.

I wish you all a fun and rewarding year of golf.

ALAN MOSS

President

05 September 2019

TREASURER'S REPORT

CASH ASSETS

Cheque/Savings Account balances at 30 June 2019 were \$202,041. With Prepayments and Cash on hand (floats etc) that bring us to a total of \$219,168.

So we are in a reasonably comfortable position, keeping in mind the bulk of annual golf subscriptions are received the following month in July.

The Club's financial statements for the year are included in this report and to a large extent speak for themselves. Your attention is drawn to the year to year comparisons below which, hopefully, provide some insight into how we are progressing.

	2019	2018	2017
	\$	\$	\$
TOTAL REVENUE	485,377	492,412	465,385
EXPENSES			
Cost: Goods Sold	108,747	104,398	95,013
Trading Expenses	282,714	***	***
Overhead/Office Expenses	104,548	***	***
TOTAL EXPENSES	496,009	509,555	465,385
Net Trading Loss before Depreciation	10,632	17,143	24,900
Net Loss after Depreciation	14,222	19,568	46,892

*** Trading, Overhead/Office Expenses were re-categorised so the comparison between those components of Total Expenses is not conveniently available.

Bar Sales have been increasing gradually:

2019	\$291,253
2018	\$283,776
2017	\$263,995

Our Bar Sales pricing continues to be maintained at a competitive level.

Last year we called for Members to remit their Annual Membership Subscription payments sooner rather than later and a significant number did so before the end of the financial year for which we thank you. Accordingly our Cheque/Saving Account balances at 30 June 2018 were substantially greater than this year (\$212,741). Although Full Membership is slightly down on last year our overall Golf Subscriptions this year remain comparable, the majority of Members having finalised their subscription payments as usual in July.

Inventory (essentially Bar stock) was \$13,701 and remains fairly constant (2018 was \$13,771).

Bar, Office and other Staff Expenses, together with some associated expenses in 2019, were \$195,797. The same expense items in 2018 were \$167,354 and in 2017 \$170,499.

Our current staff expenses are however more realistic and appropriate to our present needs. Angela Galipienzo and Kent Lipman are now in a better position to promote Club activities and have done so - thank you again.

One of the indicators of these changes is the increase in Room Hire. This year we earned \$32,896 - last year \$25,586 and, in 2017, \$16,163. This increase is very encouraging and reflects the effort and attention invested in this revenue source.

In summary, whilst we incur losses each year, partially due to our charitable and community contributions, they are diminishing and despite the much needed increase in staff and consequent staff expenses, our trading outcomes are satisfactory and our financial position remains secure.

STUART McDONALD
Hon. Treasurer
9 September 2019

LANE COVE COUNTRY CLUB LTD
A.B.N. 50.000 361 142
(A Company Limited by Guarantee)

DIRECTORS' REPORT

Your Directors present their report on the Financial Statements of the Company for the year ended 30 June 2019.

NAME OF DIRECTORS

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

MOSS, Alan	MCDONALD, Stuart	
SEALE, Robyn	DUNCAN, Dermot	from 19/11/18
DUNN, Maureen	OLIVER, Barbara	from 19/11/18
WATKIN, Barry	ERASMUS, John	to 19/11/18
WEINE, Joan		to 19/11/18

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:

	2018/2019	2017/2018
Life Members & Honorary Members	4	4
Prepaid Member – Non-Active	2	2
Playing Members (Men)	99	100
Playing Members (Women)	46	40
Junior Members	11	4
Social Members	286	368
	<u>448</u>	<u>518</u>

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 amounted to a Loss \$14,222 (2018 Profit \$113,946), after charging Depreciation \$3,590 (2018 \$2,425). No income tax is payable.

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:-

	2019	2018	Increase/(Decrease)
Poker Machine Revenue	-	3,423	(3,423)
Bar Sales Net Profit	37,801	46,543	(8,742)
Membership Subscriptions	116,855	114,498	2,357
Occupancy Expenses	44,500	51,095	(6,595)
Employment Expenses	195,797	167,354	28,443

LANE COVE COUNTRY CLUB LTD
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DIRECTORS' REPORT
(Continued)

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;
- Adapting our golfing product and operations to meet emerging community requirements;
- Building and developing the Club to appeal to a wider audience whilst retaining the friendly atmosphere.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year there were no significant changes to the state of 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.

In respect to the current position of the lease:

We continue to occupy the clubhouse premises under the holding over provisions of our expired Lease. We have, over time, sought to negotiate a new lease however the Council for some years now has proposed a redevelopment of the clubhouse and adjoining premises. It remains at proposal stage. The extent of the development, its nature and design have yet to be decided. Essentially the position remains somewhat the same as last year. Council has not given Notice. We were assured at least 12 months' Notice followed by a number of interim steps before encountering interruption. We shall review the situation in the new year.

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 the 2018-2019 financial year.

MEETINGS OF DIRECTORS

Name	Position	Meetings Called	Meetings Attended
A Moss	Director/President	12	10
S McDonald	Hon. Treasurer	12	9
R Seale	Director/Hon. Secretary	12	11
D Duncan	Director	7	6
M Dunn	Director	12	12
B Oliver	Director	7	7
B Watkin	Director	12	9
J Erasmus	Director	5	4
J Weine	Director	5	5

LANE COVE COUNTRY CLUB LTD
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DIRECTORS' REPORT
(Continued)

INFORMATION ON DIRECTORS

Alan Moss	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.
Stuart McDonald	Director and Hon. Treasurer – joined the Club in 2015. Elected to the board in October 2016. Solicitor.
Robyn Seale	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.
Dermot Duncan	Director – joined Club 2017. Elected to the Board November, 2018. Solicitor.
Maureen Dunn	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.
Barbara Oliver	Director – joined the Club 2011. Elected to the Board November 2019. Marketing Manager.
Barry Watkin	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 Mechanical Engineer.

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 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 30th September 2019 in accordance with a Resolution of the Directors.

Alan Moss – Director/President

Stuart McDonald – Director/Treasurer

LANE COVE COUNTRY CLUB LTD

A.B.N. 50 000 361 142

(A Company Limited by Guarantee)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
REVENUE			
Revenue from sales of goods		291,253	283,775
Membership		116,855	114,497
Revenue from rendering of services		22,689	33,617
Other revenue		54,580	60,523
Total Revenue	2	<u>485,377</u>	<u>492,412</u>
EXPENSES			
Cost of sales		(108,746)	(104,398)
Donations - Sydney Community Services		-	(4,000)
Directors' expenses		-	-
Employee benefit expenses		(195,797)	(167,354)
Entertainment, marketing and promotional expenses		(6,144)	(6,880)
Legal and consultancy fees		(1,473)	-
Occupancy expenses		(44,500)	(51,095)
Other expenses from ordinary activities		(139,349)	(181,647)
Total Expenses		<u>(496,009)</u>	<u>(515,374)</u>
Profit (Loss) before borrowing costs, tax, depreciation and amortisation		<u>(10,632)</u>	<u>(22,962)</u>
Depreciation and loss on disposal of assets		(3,590)	(2,425)
Amortisation of Leasehold Improvements		-	-
Borrowing costs		-	-
		<u>(3,590)</u>	<u>(2,425)</u>
Profit (Loss) before income tax		<u>(14,222)</u>	<u>(25,387)</u>
Other Comprehensive Income	2(ii)	-	139,333
		<u>(14,222)</u>	<u>113,946</u>
Income tax expense		-	-
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		<u><u>(14,222)</u></u>	<u><u>113,946</u></u>

The accompanying notes form part of these financial statements.

LANE COVE COUNTRY CLUB LTD
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash Assets	3	212,741	253,285
Receivables	4	2,397	3,025
Inventories	5	13,701	13,771
Other	6	6,427	4,428
Total Current Assets		<u>235,266</u>	<u>274,509</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	<u>26,459</u>	<u>14,985</u>
Total Non-Current Assets		<u>26,459</u>	<u>14,985</u>
TOTAL ASSETS		<u>261,725</u>	<u>289,494</u>
CURRENT LIABILITIES			
Payables	8	35,177	42,236
Other	9	71,261	77,910
Total Current Liabilities		<u>106,438</u>	<u>120,146</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>1,598</u>	<u>1,437</u>
Total Non-Current Liabilities		<u>1,598</u>	<u>1,437</u>
TOTAL LIABILITIES		<u>108,036</u>	<u>121,583</u>
NET ASSETS		<u>153,689</u>	<u>167,911</u>
EQUITY		<u>153,689</u>	<u>167,911</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

Balance of Retained Earnings at 1 July 2018	167,911	53,965
Net Profit (Loss) from Operations	(14,222)	113,946
BALANCE OF RETAINED EARNINGS AT 30 JUNE 2019	<u>153,689</u>	<u>167,911</u>

The accompanying notes form part of these financial statements.

LANE COVE COUNTRY CLUB LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
		\$	\$
Cash Flow from Operating Activities			
Receipts from Members and Guests		400,515	412,271
Sale of Poker Machine Licences		-	139,333
Payments to Suppliers and Employees		(544,228)	(556,587)
Interest	2	1,378	-
Membership Subscriptions	2	116,855	114,497
Net Cash provided by (used in) Operating Activities		<u>(25,480)</u>	<u>109,514</u>
Cash Flow from Investing Activities			
Purchase of Plant and Equipment		(15,064)	(7,306)
Net Cash provided by (used in) Investing Activities		<u>(15,064)</u>	<u>(7,306)</u>
Cash Flow from Financing Activities			
Proceeds (Repayment) of Borrowings		-	-
Net Cash provided by (used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(40,544)	116,820
Cash at 1 July 2018		253,285	136,465
Cash at 30 June 2019	3	<u><u>212,741</u></u>	<u><u>253,285</u></u>

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; and
- (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	202,041	242,585
Cash on Hand	10,700	10,700
	<u>212,741</u>	<u>253,285</u>

Reconciliation of Cash Flows from Operations with

Operating Profit after Income Tax

Operating Profit (Loss) after Income Tax (including GST)	(14,222)	113,946
Non Cash Flows in Operating Profit		
Amortisation	-	-
Depreciation	3,590	2,425

Changes in Assets and Liabilities

Increase/(Decrease) in Payables	(7,059)	(706)
(Increase)/Decrease in Receivables	628	(1,788)
(Increase)/Decrease in Prepayments	(1,999)	(4,428)
(Increase)/Decrease in Inventories	70	464
(Increase)/Decrease in Provision for Long Service Leave	161	1,437
Increase/(Decrease) in Subscriptions in Advance/Green Fees	(4,351)	(5,766)
(Increase)/Decrease in Pre-paid functions	(1,500)	(2,800)
(Increase)/Decrease in member bar credits	(798)	6,730

Cash Flows from Operations	<u><u>(25,480)</u></u>	<u><u>109,514</u></u>
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The accompanying notes form part of these financial statements.

LANE COVE COUNTRY CLUB LTD
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019

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 2019 or 2017. 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.

LANE COVE COUNTRY CLUB LTD
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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019
(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 permanent casual employees and provisions have been made 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 31st March 2016.
- 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.

LANE COVE COUNTRY CLUB LTD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
2. REVENUE		
(i) Operating Revenue		
Bar Sales	291,253	283,775
Members' Subscriptions	116,855	114,497
Poker Machine Revenue	-	3,423
Pro AM	-	18,627
Club Functions, Catering and Rent	4,755	4,237
Interest received	1,378	-
Raffle	353	-
Competition Levy	22,292	22,596
Hall hire	32,985	25,586
Net surplus/loss from committees	(4,532)	(541)
Band donations & Entry fees	17,581	14,990
Sundry Income	2,457	5,222
	<u>485,377</u>	<u>492,412</u>
(ii) Other Comprehensive Income		
Sale of Poker Machine Entitlements	-	139,333
	<u>-</u>	<u>139,333</u>
3 CASH		
Bank	202,041	242,585
Cash on Hand	10,700	10,700
	<u>212,741</u>	<u>253,285</u>
4 RECEIVABLES		
Sundry receivables	<u>2,397</u>	<u>3,025</u>
5 INVENTORIES		
Inventories comprise of stock on hand as at 30 June 2019		
The stocktake of Finished Goods (at cost) was conducted by staff	<u>13,701</u>	<u>13,771</u>
6 OTHER		
Prepayments	<u>6,427</u>	<u>4,428</u>
	<u>6,427</u>	<u>4,428</u>
7 PLANT, PROPERTY & EQUIPMENT		
Fixed Assets		
Leasehold Improvements – at cost	395,975	395,975
Accumulated Amortisation	<u>(395,975)</u>	<u>(395,975)</u>
	<u>-</u>	<u>-</u>
Plant and Equipment – at cost	59,648	47,699
Accumulated Depreciation	<u>(33,189)</u>	<u>(32,714)</u>
	<u>26,459</u>	<u>14,985</u>
Total Fixed Assets – at cost	455,623	443,674
Total Accumulated Amortisation and Depreciation	<u>(429,164)</u>	<u>(428,689)</u>
	<u>26,459</u>	<u>14,985</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONT.)**

7 a. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Poker Machines	Plant & Equipment	Total
Balance at the beginning of the year	-	-	14,985	14,985
Additions	-	-	16,150	16,150
Disposal	-	-	(1,086)	(1,086)
Depreciation	-	-	(3,590)	(3,590)
Amortisation	-	-	-	-
	-	-	26,459	26,459

	2019 \$	2018 \$
7 b. PROPERTY PLANT AND EQUIPMENT	<u>455,623</u>	<u>443,674</u>

Leasehold improvements of \$395,975 (at cost) consist of Core Assets as defined under the Registered Club Act.

Plant & equipment of \$26,459 (at cost) consist of Non-Core Assets as defined under the Registered Clubs Act.

8. CURRENT LIABILITIES

Payables

Creditors and Accruals	<u>35,177</u>	<u>42,236</u>
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9. CURRENT LIABILITIES

Prepaid function deposits	-	1,500
Members' bar credits	5,932	6,730
Pre-paid fees and subscriptions	<u>65,329</u>	<u>69,680</u>
	71,261	77,910

10. PROVISIONS

Provision for Long Service Leave	<u>1,598</u>	<u>1,437</u>
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11. 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.

12. DIVIDENDS

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

13. CONTINGENT LIABILITIES

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

14. COMMITMENTS FOR EXPENDITURE

There were no financial lease commitments for the financial year ended 30 June 2019.

15. 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, R Seale, A Moss, S McDonald, J Erasmus, B Watkin, J Weine, D Duncan, and B Oliver.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2019 (CONT.)

	2019	2018
	\$	\$
14. KEY MANAGEMENT PERSONNEL COMPENSATION		
Salary	182,649	162,772
Superannuation	13,148	10,582
Total Compensation	<u>195,797</u>	<u>173,354</u>

Key Management Personnel

Kent Lipman (Administration)
 Angela Galipienzo (Administration)
 Warwick Bowman (Bar Supervisor)
 Jacinta Paton (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.

15. EVENTS OCCURRING AFTER THE REPORTING DATE

No significant events have occurred since 30 June 2019 which require disclosure in this report.

	2019	2018
	%	%
16. KEY PERFORMANCE INDICATORS		
Bar		
Gross profit percentage excluding bar expenses	62.67	63.21
Bar employment expenses to sales percentage	46.06	45.13
Bar wages only to sales percentage	41.54	40.70
Net profit percentage	12.98	15.71
Poker Machines		
Net clearances as a percentage of turnover	-	-
Employment costs		
Employment expenses as a percentage of total operating revenue	40.34	33.98
Earnings		
EBITDAD* as a percentage of net assets	(6.92)	71.50

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

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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 2019 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 30th day of September 2019 in accordance with a Resolution of the Directors.

Alan Moss – Director/President

Stuart McDonald – Director/Treasurer

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 2019 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 25th September 2019

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 2019, 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 2019, and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Emphasis of Matter

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.

At present your directors are awaiting receipt of information from Lane Cove Council detailing what development they propose to undertake to the Clubhouse and when they propose to do it. When that is to hand your Directors can relay the same to members and revisit the issue concerning a new lease of Premises after the works are completed.

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 2019, 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.

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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

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.

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 2ND DAY OF
OCTOBER 2019**


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HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered entity Auditor