

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 2019/2020

**FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020**

PRESIDENT'S REPORT

Introduction

It is my pleasure to deliver the President's Report for 2019-20, our 56th year of golf at Lane Cove and my first as Interim President.

As Members know, the Club has faced numerous challenges this year:

- COVID-19;
- Australia's first recession in 29 years; and
- the Lane Cove Council's (**Council**) proposed Lane Cove Council's Sport & Recreation Precinct – Concept Plan including the option to replace a third of the golf course with a driving range and putt-putt course (**Redevelopment Plan**).

One might say, it is and has been one of the most important years for the future of the Club as we face the real risk that our Club is destroyed by the Redevelopment Plan coupled with the COVID-19 pandemic that has severely disrupted the operations of the Club this year as well as the wider economy. It has taken real leadership and action on behalf of the Club to keep the Club running as smoothly as possible this year and I cannot be thankful enough for the efforts of my fellow Board Members and the wider Membership.

As you are all aware, the Council held two public consultation forums at the Clubhouse on Saturdays, 25 July and 1 August 2020 which many of you attended. Pleasingly, there were many residents who attended and voiced their objections to the proposed driving range, putt-putt course as well as the whole Redevelopment in some cases.

The Club's position was clearly spelt out at the first forum by me, namely: no driving range and no shortening of the first hole. I can reassure you that the Board has been very proactive in seeking to protect the interests of the Club and its Members at this very delicate stage of our history.

The Board aims to 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's and Board's activities throughout the past year and will continue to be our core focus for 2020-21 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

The Board

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:

Alan Moss
(immediate past
President)

Maureen Dunn
Stuart McDonald
Barbara Oliver

Robyn Seale
Barry Watkin

I need to make special thanks to **Alan Moss** who graciously decided to step-aside as President of the Club due to a conflict of interest.

As always special thanks to our **Treasurer** for undertaking what I and many consider to be the most onerous Board role. Stuart continues to provide an essential element of the Club's governance and his service in this area is much appreciated. Stuart has been diligent in working through with others the Cash Flow Boost and JobKeeper funding measures and ensuring the Club is both compliant and eligible for support which has been a very time consuming and challenging task.

Similarly, **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. This year, Maureen and Robyn have been successful in procuring \$14,000.00 in grant funding from the State Government and Golf NSW to support the Club during this difficult time. Thank you for your efforts Maureen and Robyn.

PRESIDENT'S REPORT (CONTINUED)

Barry has been busy managing the Petition objecting to the Redevelopment which was signed by 891 people which Barry presented on 4 September to Anthony Roberts to present to the Legislative Assembly and then to the Minister for Planning. Barry has also been instrumental in ensuring all Councillors received copies of all submissions (123 in total). Thank you, Barry, for all the hard work you have and continue to put in to saving our Club.

Barbara, has been active in developing and expanding our social calendar but as you can imagine, the emergence of COVID-19 has put a huge dent in the Club's ability to provide functions. Barbara nevertheless has been successful in bringing in local bands, "*Tequila Mocking Bird*" and "*The Road Captains*" for a fresh take on live music at the Club on Thursday nights. It has been a successful venture into the music scene for the Club.

Barbara has also been the driving force behind the registration of the Club as a "COVID-19 safe" venue and maintains the Clubs "COVID-19 Safe Plan". Barbara's knowledge and experience were vital during the two Saturday consultation days at the Club in this area.

Special Thanks

Special thanks need to be made to the following:

- To **Ralph** and **Jan Sadler** who paid for and installed the signage at the Club's entrance "Save our Golf Course: Save our Green Space". Thanks also to Ralph (with assistance from, Barbara Oliver, Susan Ridd, Wayne Belgre and Evan Jones) for his continued publishing of "Links" now I believe to be in its 15th year of publication; and
- To **Graham Webster** for his continuing assistance to Kent and Stuart in accounting matters.

Golf

The organisation of our numerous 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.

Pennants

Thanks also to our Pennants' Managers for coordinating and selecting our best and finest for the annual inter-club competitions.

Unfortunately, this year, which was looking like Lane Cove's year with both men's Warren and Gibson teams leading their divisions, after playing two of the three other Clubs, the event was cancelled due to COVID-19. I know as a player in the Gibson team we were greatly disappointed by this, but sacrifices need to be made for the greater good.

Committees

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!

Bar/Administrative Staff

This year we have consolidated the numerous staff changes made last year to those personnel involved in running and maintaining the course, clubhouse, bar and other facilities.

Kent Lipman our joint Club Administrator with Angela Galipienzo, provide invaluable support to the Club. We benefit greatly from the significant contribution our office personnel provide so thank you both for your loyalty, enthusiasm and efficiency.

Our bar management team has largely remained intact during the COVID-19 pandemic. Jacinta Paton, our Bar Supervisor, continues to manage and work effectively with the bar team of: Matthew, Hugh, Oliver and Amanda. In combination with member Gary Holmes, they ensure our beer is cold and served with a smile and a comforting or congratulatory word after our day's golf.

Thanks also to **Green Options** and the whole course maintenance team who present the course in the best condition possible. The green keeping team have maintained the course to a very high standard during COVID-19 with an increase in public players, which is a credit to them. Members will be aware that the course has probably become more difficult in parts due to the rough being a little longer resulting in a few more lost balls.

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 Shields and look forward to welcoming some of the other new recruits into our Membership ranks.

PRESIDENT'S REPORT (CONTINUED)

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. With COVID-19, we did see an increase in men playing in the women's competitions, however, this has now dropped off as restrictions have been eased in NSW.

Junior Development

Kasey's continued success with the Junior Program continues to attract potential new Members and we now have 14 Juniors and the Board continues to work with Kasey in managing this opportunity.

Membership and Fees

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

The golfing fees for 2020-21 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 Council and benchmarking comparable club membership arrangements to achieve this.

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 and BBT Arrangements

Due to the Redevelopment 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 2019-20 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

As noted above, the Council has now completed their consultation phase and a decision is awaited. The Board instigated a multi-pronged campaign including:

- Drafting a letter to residents that was letter box dropped by Members objecting to the Redevelopment;
- Drafting a Petition that was made available at the Club and some local businesses for residents to sign objecting to the Redevelopment. As mentioned above, 891 people signed the Petition which Barry presented to the Hon Anthony Roberts to be presented to the NSW Legislative Assembly;
- Barbara and I attended a joint consultation meeting with the Greenwich Community Association, meeting at the Club on 1 July 2020 where over 50 residents attended. We spoke to them about the proposed Redevelopment and the lack of consultation;
- Board Members attended the two consultation days at the Club where I and other Directors and Members clearly communicated the Club's objections to the Redevelopment;
- Various Board Members liaised directly with Councillors to clearly communicate the Club's objections to the Redevelopment; and
- The Board funded a short film from Benchmark Media & Entertainment (who worked on *Moulin Rouge*, *The Matrix Trilogy*, *Star Wars Episodes II & III* and *Danger Close*) in support of keeping the footprint and part of the course intact as well as the first hole. This was released via social media as a means of garnering support from the local community to submit responses to Council objecting to the destruction of our course. Many would have noticed Barbara and me filming Members which had to be filmed this way due to COVID-19 as well as keeping costs to a minimum.

PRESIDENT'S REPORT (CONTINUED)

Course Improvements and Maintenance

Council re-engaged "Green Options" last year 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.

Catering

Dave Martin's "Tee 4 Two" continues to provide 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.

Social Events

Social Events at the Club have suffered detrimentally due to COVID-19. However, as previously mentioned, Barbara Oliver has successfully organised bands for Thursday nights which we encourage Members to attend and support the Club. 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 Bill Burton and "Co" and regular guest artists has been halted due to COVID-19, mainly due to the age of the performers and attendees as they are largely in the higher risk age bracket.

Branding, Signage & Social Media

One Golf website provides a user-friendly portal for booking competition games and reviewing results. LCGC website enables us to obtain course status and social event information along with details of our membership, function and catering arrangements and links directly into the One Golf website.

The Club also remains a Gold Sponsor of "In The Cove" 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 2020-21

This year is crucial for the future of the Club following Council's consultation on the Redevelopment.

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 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.

Dermot Duncan
President
24 September 2020

TREASURER'S REPORT

Before addressing the Club's finances over the year and the effects of COVID-19, I would like to acknowledge Kent Lipman's loyalty and diligence in addressing tasks well beyond his job description; undertaking JobKeeper payments, making changes to account administration, suspending services and deliveries where possible to minimise expenses whilst the Club was closed, just to mention a few.

I would also like to mention the effort and success achieved by Angela Galipienzo in her role with Functions and Administration. She was achieving increasing results in the areas of function bookings and room hire over the year until the pandemic struck. It must have been frustrating for her to see bookings cancelled and necessarily declined when the Club was closed in late March only to be hampered upon re-opening by the restrictions imposed. Those restrictions are an ongoing challenge for Angela.

During the course of the year and more so shortly before and after 30 June, Graham Webster has over the years spent considerable time and effort assisting Kent with finalisation of accounts to ensure they comply and accurately reflect transactions. He also attended the office to meet with our auditor as necessary and undertook asset counts and inventory assessment. Many thanks Graham.

Many thanks to Dave Martin of Tee 4 Two fame who also voluntarily undertakes work in and around the Clubhouse.

Finally, all Board Members have, in differing ways, risen to the occasion which Dermot Duncan has addressed in the President's report. However it remains to acknowledge his contribution outside the normal scope of work. Dermot, as a Director and more recently as President, has liaised with Councillors and arranged for, contributed towards and, in my view, starred in the production of the video "Save Lane Cove Golf Course" supporting retention of the existing golf course footprint and par.

This year the Treasurer's report is a little more complex than usual – my apologies:

Profit and Loss Outcome:

Whilst COVID-19 has impacted on all of us, Lane Cove Golf Club has fared quite well.

The Profit and Loss Statement at 30 June 2020 shows:

We had a Trading Loss of **\$11,412** plus Depreciation of Plant and Equipment of **\$5,493** totalling **\$16,905** this year compared to a Trading Loss of **\$10,632** plus Depreciation of Plant and Equipment of **\$3,590**, totalling **\$14,222** last year.

Compared to last financial year:

- **Club Trading:** (Bar Sales, Room Hire, Functions etc) Total trading Income was down by \$86,429 but;
- **Bar Sales:** The cost of goods sold was down by \$33,224
- **Staff Expenses:** Staff expenses over the whole year (apart from JobKeeper reimbursements) were down by \$41,075 over the year;
- **Grants:** Maureen Dunn's and Robyn Seale's successful application for 2 Services NSW grants totalling \$13,000 and another grant from Golf NSW for \$1,000 were much appreciated;
- **General expenses:** Where possible services to the Club were suspended whilst we were closed and others were kept to a minimum.

In addition we received;

- **JobKeeper:** Over the period to 30 June we paid out \$18,000 in JobKeeper payments which the Australian Tax Office (ATO) subsequently reimbursed. Initially there was a lag in receiving JobKeeper reimbursements but they are now being received promptly.
- **Cash Boosts:** Our GST and PAYG (BAS) liabilities for quarters ended 31 March and 30 June totalled \$15,649 and were off-set by the first two ATO Cash Boosts of \$10,000 and \$5,000 received on 8 and 11 September, leaving us with a liability of only \$649.00 which was paid in September 2020.

TREASURER'S REPORT (CONTINUED)

Clubhouse Trading:

The uncertainty surrounding this epidemic and Lane Cove Council's proposals, of which you are all aware, had the effect of deterring Clubhouse improvements and development which might otherwise have been implemented.

The Clubhouse was reopened as soon as we were permitted to do so but, again, the limitation on numbers who can be admitted to the premises has an ongoing impact on trading.

JobKeeper Programme:

We engaged in the JobKeeper programme, initially in respect of two Bar staff (Matt and Oliver) and then in July we were permitted to increase that number by another two Bar Staff (Jacinta and Amanda) and one Club Administration staff member (Angela) taking us to five.

Men's and Women's Committees:

During the course of the year when we were well into the COVID-19 closure and later restrictions and at a time we had yet to receive any JobKeeper reimbursement from the ATO our Bank balance was such that we were in need of funds. Many thanks to the Men's and Women's Committees for their assistance in that regard.

Conclusion:

The JobKeeper and Cash Boosts provided by the ATO and the Grants provided by Services NSW and Golf NSW, together with so many of our Members and staff providing assistance and remaining loyal to the Club have led to a most satisfactory outcome in difficult times. It is fairly clear we shall survive COVID-19 and remain in a comfortable position over the ensuing year.

STUART MCDONALD
Hon. Treasurer
25 September 2020

LANE COVE COUNTRY CLUB LTD
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DIRECTORS' REPORT

Your Directors present their report on the Financial Statements of the Company for the year ended 30 June 2020.

NAME OF DIRECTORS

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

MOSS, Alan to 13/07/20	MCDONALD, Stuart
SEALE, Robyn	DUNCAN, Dermot
DUNN, Maureen	OLIVER, Barbara
WATKIN, Barry	

COMPANY SECRETARY

The Company Secretary up to the date of this report was Robyn Seale. Ms. Seale joined the Club in 2003 and was elected to the Board October 2012. She served two years on the Women's' Golf Committee and five years as Treasurer on that committee. She worked as an Executive Assistant prior to her retirement.

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:

	2019/2020	2018/2019
Life Members & Honorary Members	5	4
Prepaid Member	1	2
Playing Members (Men)	96	99
Playing Members (Women)	38	46
Junior Members	12	11
Social Members	294	286
	<hr/>	<hr/>
	446	448

SIGNIFICANT CHANGES

Aside from the effects of COVID-19 causing the closure of the Club for approximately two months and suspension of some accounts servicing the Club over that period, during the year there was no significant change in the nature of the principal activities of the Company.

EFFECT OF COVID-19 ON CLUB OPERATIONS

The balance of the Club's Bank Accounts has diminished by only \$5,000 as at 30 June 2020 compared to 30 June 2019, which in the circumstances is most satisfactory.

OPERATING RESULTS

The Net Profit/(Loss) from Trading for the year amounted to a Loss \$16,905 (2019 Loss \$14,222), after charging Depreciation \$5,493 (2019 \$3,590). No income tax is payable.

MEMBERS LIMITED LIABILITY

In accordance with the Constitution of the Company, every member of the company undertakes to contribute an amount limited to \$2.00 per member in the event of the winding up of the company during the time that he/she is a member or within one year thereafter. The total liability in the event of winding up is \$892 (2019 - \$896).

LANE COVE COUNTRY CLUB LTD
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DIRECTORS' REPORT
(Continued)

REVIEW OF OPERATIONS

Movements in significant items are as follows:-

	2020	2019	Increase/ (Decrease)	%
Bar Sales	204,824	291,253	(86,429)	(29.67)
Membership Subscriptions	116,318	116,855	(537)	(0.46)
Occupancy Expenses	44,060	44,500	(440)	(0.98)
Employment Expenses	109,284	195,797	(86,513)	(44.19)

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.

FUTURE DEVELOPMENTS

It is intended to make continued 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 of the current position of the Clubhouse lease of premises:

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 finally decided or approved. Essentially the position remains somewhat the same as last year. Council has not given notice. It appears the Council's proposals should not interrupt Club activity during the course of the current financial year and probably well beyond. We expect to gain further information in this regard over the ensuing months and shall keep members informed. We shall review the position 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 2019-2020 financial year.

LANE COVE COUNTRY CLUB LTD
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DIRECTORS' REPORT
(Continued)

MEETINGS OF DIRECTORS

Name	Position	Meetings Called	Meetings Attended
D Duncan	Director/President	13	11
A Moss	Director/President	13	11
S McDonald	Hon. Treasurer	13	11
R Seale	Director/Hon. Secretary	13	11
M Dunn	Director	13	12
B Oliver	Director	13	13
B Watkin	Director	13	11

INFORMATION ON DIRECTORS

Dermot Duncan	President and Director – joined Club 2017. Elected to the Board November, 2018. Elected President on 13 th July 2020. Solicitor.
Alan Moss	President (resigned 13 th July 2020) 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.
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 2018. 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. Elected as a Life Member at AGM in 2019. Retired Mechanical Engineer.

KEY PERFORMANCE INDICATORS

Performance is assessed regularly against relevant internal and industry benchmarks enabling assessment as to whether strategic initiatives have been effective in achieving company short and long term objectives. These relevant benchmarks are detailed below and are monitored by senior management and the Board on a regular basis.

LANE COVE COUNTRY CLUB LTD
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DIRECTORS' REPORT
(Continued)

KEY PERFORMANCE INDICATORS (CONTINUED)

	2020	2019
	%	%
Bar		
Gross profit percentage excluding bar expenses	63.12	62.67
Bar employment expenses to sales percentage	57.71	46.06
Net profit percentage	1.01	12.98
Employment costs		
Employment expenses as a percentage of total operating revenue	30.49	40.34
Earnings		
EBITDAD* as a percentage of net assets	(8.34)	(6.92)

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

AUDITORS INDEPENDENCE DECLARATION

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

Dated at Lane Cove this 28th September 2020 in accordance with a Resolution of the Directors.

Dermot Duncan – 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 2020 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 10th September 2020

LANE COVE COUNTRY CLUB LTD

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 \$	2019 \$
REVENUE			
Revenue from sales of goods		204,824	291,253
Membership		116,318	116,855
Revenue from rendering of services		24,267	22,689
Other revenue		42,279	54,580
Total Revenue	2	387,688	485,377
EXPENSES			
Cost of sales		(75,522)	(108,746)
Directors Expenses		-	-
Employee benefit expenses		(118,221)	(195,797)
Entertainment, marketing and promotional expenses		(17,012)	(6,144)
Legal and consultancy fees		(1,513)	(1,473)
Occupancy expenses		(44,060)	(44,500)
Other expenses from ordinary activities		(173,772)	(139,349)
Total Expenses		(430,100)	(496,009)
Profit (Loss) before borrowing costs, tax, depreciation and amortisation		(42,412)	(10,632)
Depreciation and loss on disposal of assets		(5,493)	(3,590)
		(5,493)	(3,590)
Profit (Loss) before income tax		(47,905)	(14,222)
Other Comprehensive Income	2(ii)	31,000	-
		(16,905)	(14,222)
Income tax expense		-	-
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		(16,905)	(14,222)

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 2020

	Notes	2020	2019
		\$	\$
CURRENT ASSETS			
Cash Assets	3	170,041	212,741
Receivables	4	943	2,397
Inventories	5	13,178	13,701
Other	6	<u>21,687</u>	<u>6,427</u>
Total Current Assets		<u>205,849</u>	<u>235,266</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	<u>20,597</u>	26,459
Total Non-Current Assets		<u>20,597</u>	26,459
TOTAL ASSETS		<u>226,446</u>	<u>261,725</u>
CURRENT LIABILITIES			
Payables	8	14,822	35,177
Other	9	<u>73,239</u>	<u>71,261</u>
Total Current Liabilities		<u>88,061</u>	<u>106,438</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>1,598</u>	1,598
Total Non-Current Liabilities		<u>1,598</u>	1,598
TOTAL LIABILITIES		<u>89,659</u>	<u>108,036</u>
NET ASSETS		<u>136,787</u>	<u>153,689</u>
EQUITY		<u>136,787</u>	<u>153,689</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

Balance of Retained Earnings at 1 July 2019	153,689	167,911
Net Profit (Loss) from Operations	<u>(16,905)</u>	<u>(14,222)</u>
BALANCE OF RETAINED EARNINGS AT 30 JUNE 2020	<u>136,784</u>	<u>153,689</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020	2019
		\$	\$
Cash Flow from Operating Activities			
Receipts from Members and Guests		303,461	400,515
Payments to Suppliers and Employees		(377,079)	(544,228)
Interest	2	-	1,378
Membership Subscriptions	2	<u>116,318</u>	<u>116,855</u>
Net Cash provided by (used in) Operating Activities		<u><u>42,700</u></u>	<u><u>(25,480)</u></u>
Cash Flow from Investing Activities			
Purchase of Plant and Equipment		<u>-</u>	<u>(15,064)</u>
Net Cash provided by (used in) Investing Activities		<u><u>-</u></u>	<u><u>(15,064)</u></u>
Cash Flow from Financing Activities			
Proceeds (Repayment) of Borrowings		<u>-</u>	<u>-</u>
Net Cash provided by (used in) Financing Activities		<u><u>-</u></u>	<u><u>-</u></u>
Net Increase (Decrease) in cash held		(42,700)	(40,544)
Cash at 1 July 2019		<u>212,741</u>	<u>253,285</u>
Cash at 30 June 2020	3	<u><u>170,041</u></u>	<u><u>212,741</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	169,341	202,041
Cash on Hand	<u>700</u>	<u>10,700</u>
	<u><u>170,041</u></u>	<u><u>212,741</u></u>

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

Operating Profit (Loss) after Income Tax	(16,905)	(14,222)
Non Cash Flows in Operating Profit		
Asset Write-Off	369	-
Depreciation	5,493	3,590
Changes in Assets and Liabilities		
Increase/(Decrease) in Payables	(20,355)	(7,059)
(Increase)/Decrease in Receivables	1,454	628
(Increase)/Decrease in Prepayments	(1,525)	(1,999)
(Increase)/Decrease in Inventories	526	70
(Increase)/Decrease in Membership Cards	(735)	-
(Increase)/Decrease in Accrued Income	(13,000)	-
(Increase)/Decrease in Provision for Long Service Leave	-	161
Increase/(Decrease) in Subscriptions in Advance/Green Fees	(465)	(4,351)
(Increase)/Decrease in Pre-Paid Functions	-	(1,500)
(Increase)/Decrease in Member Bar Credits	<u>2,443</u>	<u>(798)</u>
Cash Flows from Operations	<u><u>(42,700)</u></u>	<u><u>(25,480)</u></u>

The accompanying notes form part of these financial statements.

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 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Lane Cove Country Club Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tier 2 of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

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 2020. 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 2020

(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. Presently there is no lease in place.
- 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 2020

	2020	2019
	\$	\$
2. REVENUE		
(i) Operating Revenue		
Bar Sales	204,824	291,253
Members' Subscriptions	116,318	116,855
Golf Shed	1,643	
Club Functions, Catering and Rent	3,232	4,755
Interest received	-	1,378
Raffle	-	353
Competition Levy	24,267	22,292
Hall hire	23,454	32,985
Net surplus/loss from committees	-	(4,532)
Band donations & Entry fees	13,950	17,581
Fees	-	2,457
	387,688	485,377
(ii) Other Comprehensive Income		
Cash Flow Boost - State Government	13,000	-
JobKeeper ATO	18,000	-
	31,000	-
<p>Subsequent to 30 June 2020 the club received two Cash Flow Boosts from the ATO, \$10,000 on 8th September 2020 and \$5,000 on 11th September 2020, that have not been included in 30 June 2020 financial accounts.</p> <p>Also there is a grant from the State Government of \$10,000 that has been received.</p>		
3 CASH		
Bank	169,341	202,041
Cash on Hand	700	10,700
	170,041	212,741
4 RECEIVABLES		
Sundry receivables	943	2,397
5 INVENTORIES		
<p>Inventories comprise of stock on hand as at 30 June 2020</p> <p>The stocktake of Finished Goods (at cost) was conducted by staff</p>		
	13,178	13,701
6 OTHER		
Income Accrued	13,000	-
Membership Cards	735	-
Prepayments	7,952	6,427
	21,687	6,427
7 PLANT, PROPERTY & EQUIPMENT		
Fixed Assets	-	-
Plant and Equipment – at cost	58,249	59,648
Accumulated Depreciation	(37,652)	(33,189)
	20,597	26,459

LANE COVE COUNTRY CLUB LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020 (CONT.)

7a MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment	Total
Balance at the beginning of the year	<u>26,459</u>	<u>26,459</u>
Additions	-	-
Disposal	(369)	(369)
Depreciation	(5,493)	(5,493)
Amortisation	-	-
	<u><u>20,597</u></u>	<u><u>20,597</u></u>

	2020	2019
	\$	\$

8. CURRENT LIABILITIES

Payables

Creditors and Accruals

	<u>14,822</u>	<u>35,177</u>
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9. CURRENT LIABILITIES

Members' bar credits

	8,375	5,932
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Pre-paid fees and subscriptions

	<u>64,864</u>	<u>65,329</u>
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	<u>73,239</u>	<u>71,261</u>
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10. PROVISIONS

Provision for Long Service Leave

	<u>1,598</u>	<u>1,598</u>
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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 2020.

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, R Seale, A Moss, S McDonald, B Watkin, D Duncan, and B Oliver.

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

LANE COVE COUNTRY CLUB LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020 (CONT.)

	2020	2019
	\$	\$
14. KEY MANAGEMENT PERSONNEL COMPENSATION		
Salary	104,318	182,649
Superannuation	4,966	13,148
Total Compensation	<u>109,284</u>	<u>195,797</u>

Key Management Personnel

Kent Lipman (Administration)
Angela Galipienzo (Administration)
Jacinta Paton (Bar Supervisor)

Administrative services are provided by Kent Lipman on a contract basis.

Bar management services are provided on casual rates.

15. EVENTS OCCURRING AFTER THE REPORTING DATE

No significant events have occurred since 30 June 2020 which require disclosure in this report.

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 2020 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 28th day of September 2020 in accordance with a Resolution of the Directors.

Dermot Duncan – Director/President

Stuart McDonald – Director/Treasurer

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 2020, 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 2020, 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 2020, 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.

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

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 2020

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HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered entity Auditor