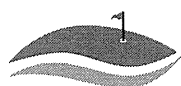


# **LANE COVE COUNTRY CLUB LTD**

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

**(A Company Limited by Guarantee)**

**Trading as  
LANE COVE GOLF CLUB**



**LANE COVE  
GOLF CLUB**

## **ANNUAL REPORT 2020/2021**

**FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2021**

# PRESIDENT'S REPORT

## Introduction

It is my pleasure to deliver the President's Report for 2020-21, our 57th year of golf at Lane Cove and my second as President.

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

- 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**); and
- COVID-19.

Like last year, it is and has been one of the most important years for the future of the Club as we faced 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.

Negotiations started in earnest between the Club and Council in late January 2021 as the Board had been made aware that the Council viewed their financial subsidy of the Golf Course as unsustainable and, unless the Club negotiated with the Council, it was likely that we would lose out to other interests. Between January and September 2021 Directors held 22 meetings (in addition to our normal monthly board meetings) with Council, Northbridge Pro Shop, Kasey Dive, the Men's and Women's Committees and Members.

The Board held many protracted discussions with Council and put forward several proposals including the preferred submission (approved by Members) in which our Club would take over full management and maintenance of the Golf Course and Pro-shop. This proposal would have given the Club a bigger voice in the future of the course and contained the financial operations risk for the Council. Unfortunately, it became clear during further discussions that Council preferred our first option put to them in February 2021 (with amendments) which included a significant increase in the annual payment to Council per member for our BBT and an additional contribution for each 18-hole golf round played by members in the BBT. As you know, membership subscriptions increased from \$1000 to \$1400 and \$300 of that increase was directed to Council. A significant increase but our first significant increase in 5 years.

A key element of our proposals to Council was a change in the Pro-Shop Operator from SSMG, whose focus is tennis, to the team from the Northbridge Pro-Shop, who have made great improvements at that course in the short time they have been managing it. We are pleased to see that Council has taken the initiative to implement this change, with the new operators set to commence in early October.

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 have 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 2021-22 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:

Maureen Dunn  
 Stuart McDonald  
 Barbara Oliver  
 Robyn Seale  
 Barry Watkin  
 Sharon Johnson  
 Cindy Brown

During the year, we had a change of Treasurer from **Stuart McDonald** to **Sharon Johnson**. I would like to extend our sincere gratitude to Stuart for his hard work over the years as Treasurer. Sharon has kindly stepped into Stuart's shoes and has been working very hard in her new role as Treasurer. Thank you both.

**Cindy Brown** has been instrumental in every aspect of the Board's functions. As President, I could not have done the job without her tireless efforts. Cindy was the key driver in preparing the Board's various proposals to Council and has been working closely with Council since to finalise our arrangements and assist in the transition to the new Pro-Shop operators from Northbridge.

**Robyn Seale** and **Maureen Dunn** keep us all on track with agendas, minutes, statutory reporting and many other important but often thankless tasks which ensure the effective administration of our Club. 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. Both Robyn and Maureen are stepping down from the Board after 9 and 11 years respectively of dedicated and selfless service. We will sorely miss their deep knowledge of the history of the club as well as processes and administration and we thank them both for their service.

**Barry Watkin** has stepped down from the Board after 5 years. Barry's work is always done without fanfare and often behind the scenes. Thank you, Barry, for all the hard work you have put into the running and saving of our Club.

**Barbara Oliver** continued her previous successful efforts from last year in promoting the club for use by local bands and has recently put much effort into the catering plan for when we can reopen the club premises. Barbara maintains the Clubs "COVID-19 Safe Plan" and will also be taking up the responsibility as Licensee for the Club now that Barry has stepped down. Thank you Barbara.

## Special Thanks

Special thanks need to be made to **Graham Webster** for his continuing assistance to Kent and the Board (in particular the Treasurer) in accounting matters.

## Golf Committees

The organisation of our numerous competition events each year, plus 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. The Committee's will be working closely with the new Pro-Shop operators from Northbridge in what we hope will be a great new chapter for our Club.

## Pennants

Unfortunately, this year, once again due to COVID-19 all pennants' competitions were cancelled.

## Bar/Administrative Staff

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. Many of you have commented to me about the refreshed look in parts of the Club with fresh paint and lighting: many thanks to Angela for her initiative and drive.

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: Amanda, Michelle and Hugh. 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.

**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. Kasey now has a contract with Council and will be continuing to provide her coaching services.

## Key Issues for the Year

### Golf

#### *Mixed Golf Competition*

During the past year golf has enjoyed a huge boon in popularity and competition play has increased significantly as options for holidays and other activities have been severely constrained. We continue to offer five competition days each week and feel very fortunate to have been able to play golf continuously during the COVID-19 crisis.

The decision we took several years ago to declare the majority of our competitions to be mixed has been of great assistance during the past few months particularly with Saturday and Sunday spaces at a premium. The weekday competitions have also been very well attended.

As part of our new arrangement with Council, the Sunday medley block booking time was relinquished.

### **Junior Development**

Kasey's continued success with the Junior Program continues to attract potential new Members and we now have 30 Juniors (up from 14 last year) and the Board continues to work with Kasey in managing this opportunity. The Women's Committee sponsored 5 girls through the Australian Golf Foundation Junior Girls Scholarship program.

### **Membership and Fees**

Overall Membership (which includes Social Members) has increased from 446 (EOFY 2020) to 467 (EOFY 2021). Golfing membership has increased from 151 (2020) to 178 (2021). Some well-known/liked members did not renew their membership this year for a variety of reasons. Some did not because they were outside of the 5km limit; others cited affordability concerns.

Membership subscriptions were increased for the first time in five years from \$1000 to \$1400 as part of our new arrangements with Council.

We are also paying Council \$5 for each 18-hole competition round played by members.

### **Lease and BBT Arrangements**

The Board is working with Council to finalise our arrangements by way of Lease or Agreement.

### **Finance**

I refer Members to our Treasurer's Report for 2020-21 and thank Sharon, Kent, Graham Webster and our Auditors for the work done in compiling the Financial Reports for the year. Whilst the Club made a profit of \$33,259 (FY20 loss \$16,905) this was due to the financial assistance provided through JobKeeper and the State Government: otherwise, the Club would have made a loss \$36,241 (FY20 loss \$47,905). Note JobKeeper was for a specific purpose: to keep paying our casual staff wages.

### **Club House Precinct Redevelopment**

As you all know, the Council held a second round of Consultation this year by holding a "Citizens Assembly" and our very own Rosemary Hurford was selected as a member of the Assembly. I, with five others, presented to the Assembly and I was verily informed that I was the only voice speaking to keep the golf course. I have no doubt that the effort and care Rosemary put into her role as an Assembly Member was a big contribution to the Assembly's final vision statement including the word "golf" as noted below:

*"Lane Cove Golf Course provides an accessible, sustainable golf and greenspace for the current and evolving community to enjoy for generations to come."*

I think most members thought that the outcome of the Citizen's Assembly would be the death-knell of the Club. However, through all our work in writing submissions, presenting, and participating, it seems that we have kept the principle alive that the Lane Cove community deserves to have a golf course.

As noted above, members of the Board have attended over 22 meetings since January 2021 with Council and stakeholders about the future of the golf course. The Board acknowledges that there have been complaints about a lack of communication at times about this process. The Board listened to these complaints and increased its communication. I can only say that the amount of work required this year by Board members was astronomical and in my view the Board did a fantastic job in very difficult circumstances.

### **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.

### **Functions**

Over the course of the last 12 months demand for the club's function facilities has predictably fluctuated in response to the impact of COVID-19. After an initial lag period following the first lockdown in 2020, hirer interest in functions steadily grew throughout the year but was interrupted by several COVID-19 outbreaks which saw a return to tighter restrictions and the cancellation of many planned events. Pleasingly, after each period of interruption, function bookings resumed with confidence and the year ended well despite the difficult circumstances under which it began.

The appeal of Lane Cove Golf Club has always been its warm, friendly atmosphere and hirers often compliment the Club on this. We are delighted to welcome new guests to experience the charm of our Club while acknowledging the long-term support of our regular patrons, particularly the WGC and MGC, who use our function and meeting room facilities. Despite the challenges presented by COVID-19 the Club was pleased to secure several new regular hirers and welcome back previous ones. The introduction of live music nights also saw the Club open its doors to many new locals.

The Board anticipates income from room and venue hire to be significantly impacted by the second lockdown of Greater Sydney. With the Club unable to trade in the first quarter of 2021-22 much work will be required post-lockdown to promote functions and expand our social calendar. We look forward to the continued support of our members and the local community as we build on the great work achieved over the last 12 months and look for new opportunities to grow.

### **Catering**

Dave Martin's *Tee-4-Two* continues to provide welcome sustenance before and after our golfing activities providing casual food options, including one of the best "Traditional English" breakfasts in our area. We look forward to him resuming when health orders permit, and I also wish to thank Dave for his efforts in providing food for some of the music evenings which helped to promote their popularity.

As noted previously, through Barbara's hard work and initiative, a new caterer will commence operations at the Club and will provide take-away services until the Club re-opens after which they will be catering for functions at the Club as well as providing food for members and casual patrons. We hope you will all support the new caterer as this will be key to the improved financial viability of the Club.

### **Social Events**

Social Events at the Club have suffered detrimentally due to COVID-19. However, we hope the work Barbara did last year in organising bands for Thursday nights will recommence and 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.

### **Branding, Signage & Social Media**

OneGolf 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 OneGolf 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 2021-22**

This year is a new beginning. We have a new Pro-Shop operator run by golfers. We have (will have shortly) a new agreement in place with Council. We will not have to fight for the survival of the Club this year: that makes a huge change and relief.

I want to thank all of you for all the dedication and support you have provided to the Board and the Club during the past two years because it has been huge.

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

**Dermot Duncan**  
**President**  
24 September 2021

## TREASURER'S REPORT

The past year has been challenging due to the disruptions caused by COVID-19.

The Club's total revenue for the year was \$410,910. In addition, other comprehensive income of \$69,500 from COVID-19 related assistance from the NSW and Federal Governments was received. The Government assistance through JobKeeper and Grants resulted in a significant turnaround of the Club's financial position, resulting in a reported profit for the year of \$33,259 (FY20 - \$16,905).

Without the benefit of the Government assistance packages, the Club would have generated a trading loss of \$36,241 (FY20 loss \$47,905). JobKeeper was paid out in bar wages, adjusting for this the trading loss would have reduced by approximately \$15,000.

	2021	2020	% Var
Revenue	410,901	387,688	6%
Expenditure	(441,181)	(430,100)	3%
Depreciation	(5,961)	(5,493)	
<b>Profit/(loss) pre-COVID-19 support</b>	<b>(36,241)</b>	<b>(47,905)</b>	
COVID-19 Gov Support	69,500	31,000	
<b>Net Profit/(Loss)</b>	<b>33,259</b>	<b>(16,905)</b>	

A detailed breakdown of the Clubs revenue and expenditure is provided on pages 11 - 12.

Net Equity at 30 June 2021 was \$170,000. However, since balance date, the Club has written off obsolete trading stock, which would have otherwise been sold but for the current lockdown in place. The Club's Net Equity as shown at the end of the Balance Sheet is effectively the Reserve Funds of our Club. Not all assets will realise their book value - particularly trading stock and depreciable assets in the event the Club closed. Allowing for other costs, realisable and usable net equity would be less than \$140,000.

The Board has responded to the deteriorating financial situation of the Club by developing a plan to reduce costs and increase clubhouse revenue. Unfortunately, these plans have been adversely impacted from reduced economic activity from actions taken by the NSW Government in trying to control the spread of the COVID-19 virus. The Board expects that there will be increased utilisation of the clubhouse once the economy reopens. The facilities for room hire have been upgraded and hire rates will increase to reflect the better facilities now on offer.

A greater uptake of golf has resulted in increased membership and increased frequency of play by members during the year. The renewal rate demonstrated in the table below was impacted by the significant increase in annual subscriptions and the lockdown restrictions which prevented members from playing if they lived beyond the 10km, then 5km radius.

Men's Golf	FY21	Aug21	Ladies Golf	FY21	Aug 21
Golf Full	100	74	Golf Full	32	26
Golf Concessional	5	5	Golf Concessional	8	7
Life Members	3	3	Life Members	1	1
Student	0	1	Student	0	0
Junior	24	13	Junior	6	6
Pre-paid			Pre-paid	1	0
Temporary Members		4	Temporary Members		4
<b>Total Men's Golf</b>	<b>132</b>	<b>100</b>	<b>Total Ladies Golf</b>	<b>48</b>	<b>44</b>

**FUTURE OUTLOOK** – The 2021/22 budget has been challenging to prepare given the uncertainties in the current operating environment. Trading losses of the licensed bar/clubhouse are expected to continue for the financial year 2022 but with strategic initiatives being put in place and a lifting of restrictions, a turnaround in trading revenue is expected in the long term.

An update of financial year 2022 trading conditions will be presented at the AGM.

Finally, I would like to thank Kent Lipman for looking after our accounts so diligently and Graham Webster for stepping in as the interim Treasurer during the year and for all his help and guidance.

**Sharon Johnson**  
**Treasurer**  
**21 September 2021**

**LANE COVE COUNTRY CLUB LTD**  
**A.B.N. 50.000 361 142**  
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**DIRECTORS' REPORT**

Your Directors present their report on the Financial Statements of the Company for the year ended 30 June 2021.

**NAME OF DIRECTORS**

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

DUNCAN, Dermot	*	MCDONALD, Stuart
** MOSS, Alan		OLIVER, Barbara
SEALE, Robyn	+	JOHNSON, Sharon
DUNN, Maureen	+	BROWN, Lucinda
WATKIN, Barry		
+ <i>Appointed 12 July 2021</i>	*	<i>Resigned 2 June 2021</i>
x <i>Appointed 26 October 2020</i>	**	<i>Resigned 13 July 2020</i>

**COMPANY SECRETARY**

The Company Secretary up to the date of this report was Robyn Seale. Ms. Seale joined the Company 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:

	<b>2021</b>	<b>2020</b>
Life Members & Honorary Members	4	5
Prepaid Member	1	1
Playing Members (Men)	105	96
Playing Members (Women)	40	38
Junior Members	30	12
Social Members	286	294
	<hr/>	<hr/>
	466	446

**SIGNIFICANT CHANGES**

Aside from the effects of COVID-19 causing the closure of the Company for approximately two months and suspension of Bar and other services over that period. 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 Profit \$33,259 (2020 Loss \$16,905), after charging Depreciation \$5,916 (2020 \$5,493) and receiving JobKeeper \$49,500 (2020 \$18,000) Cash Flow Boost \$20,000 (2020 \$13,000) with no income tax payable.

**LANE COVE COUNTRY CLUB LTD**  
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**DIRECTORS' REPORT**  
(Continued)

**REVIEW OF OPERATIONS**

Movements in significant items are as follows:-

	2021	2020	Increase/ (Decrease)	%
Bar Sales	234,420	204,824	29,596	14.44
Membership Subscriptions	122,799	116,318	6,481	5.57
Occupancy Expenses	42,515	44,060	(1,545)	(3.50)
Employment Expenses	125,662	118,221	7,441	6.29

**OBJECTIVES**

**SHORT TERM**

To provide a social Company for members and guests with the usual facilities of a Company, 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 Company and to increase our involvement with community groups.

The Strategic Plan for achieving the long term objectives includes:

- Working constructively with Lane Cove Council to continue the Company'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 Company 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 Company with increased usage by members and guests and the promotion of the Company 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 Company 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 Company, the results of those operations or the state of affairs of the Company.



**LANE COVE COUNTRY CLUB LTD**  
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**DIRECTORS' REPORT**  
(Continued)

**MEETINGS OF DIRECTOR**

<b>Name</b>	<b>Position</b>	<b>Meetings Called</b>	<b>Meetings Attended</b>
D Duncan	Director/President	13	13
A Moss	Director/President	1	1
S McDonald	Hon. Treasurer	13	11
R Seale	Director/Hon. Secretary	13	13
M Dunn	Director	13	12
B Oliver	Director	13	13
B Watkin	Director	13	12
L Brown	Director	8	7
S Johnson	Hon. Treasurer	-	-

**INFORMATION ON DIRECTORS**

<b>Dermot Duncan</b>	President and Director – joined Company 2017. Elected to the Board November, 2018. Elected President on 13 <sup>th</sup> July 2020. Solicitor.
<b>Alan Moss</b>	President (resigned 13 <sup>th</sup> July 2020) and Director – joined Company in 2014. Elected to the Board in October 2015. Also a member of Men's Golf Committee. Managing Director EARTHTEC Pty Limited. BSC Hons. Civil Engineering, MBA Technology.
<b>Stuart McDonald</b>	Director and Hon. Treasurer – joined the Company in 2015. Elected to the board in October 2016. Solicitor. Resigned 2 June 2021
<b>Robyn Seale</b>	Director and Secretary – joined the Company in 2003. Elected to the Board October 2012. Served two years on the Women's' Golf Committee and five years as Treasurer on that committee. Retired Executive Assistant.
<b>Maureen Dunn</b>	Director – joined Company in 1987 – 3 years on Women's Golf Committee – 3 years as Secretary of Women's Golf Committee. – Secretary now retired. Elected to Board in November 2010.
<b>Barbara Oliver</b>	Director – joined the Company 2011. Elected to the Board November 2018. Marketing Manager.
<b>Barry Watkin</b>	Director – former Company 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.
<b>Lucinda Brown</b>	Director – joined the Company 2016. Elected to the Board 2020. Currently Vice President WGC. Retired Information Architect.
<b>Sharon Johnson</b>	Director – appointed Treasurer on 12 July 2021. Accountant and CPA.

**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)**

	<b>2021</b>	<b>2020</b>
	%	%
<b>Bar</b>		
Gross profit percentage excluding bar expenses	62.61	63.12
Bar employment expenses to sales percentage	53.60	57.71
Net profit percentage	6.01	5.41
<b>Employment costs</b>		
Employment expenses as a percentage of total operating revenue	30.58	30.49
<b>Earnings</b>		
EBITDAD* as a percentage of net assets	23.06	(8.37)

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

**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 \$932 (2020 - \$892).

**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 28<sup>th</sup> September 2021 in accordance with a Resolution of the Directors.

**Dermot Duncan – Director/President**

**Robyn Seale – Director/Secretary**

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 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**

Registered Company Auditor

Dated 10<sup>th</sup> September 2021

**LANE COVE COUNTRY CLUB LTD**  
**A.B.N. 50 000 361 142**  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
<b>REVENUE</b>			
Revenue from sales of goods		234,420	204,824
Membership		122,799	116,318
Revenue from rendering of services		27,219	24,267
Other revenue		<u>26,463</u>	<u>42,279</u>
<b>Total Revenue</b>	2	<u><b>410,901</b></u>	<u>387,688</u>
<b>EXPENSES</b>			
Cost of sales		(87,639)	(75,522)
Directors Expenses		-	-
Employee benefit expenses		(125,662)	(118,221)
Entertainment, marketing and promotional expenses		-	(17,012)
Legal and consultancy fees		(5,000)	(1,513)
Occupancy expenses		(42,515)	(44,060)
Other expenses from ordinary activities		<u>(180,365)</u>	<u>(173,772)</u>
<b>Total Expenses</b>		<u><b>(441,181)</b></u>	<u>(430,100)</u>
<b>Profit (Loss) before borrowing costs, tax, depreciation and amortisation</b>		<u><b>(30,280)</b></u>	(42,412)
Depreciation and loss on disposal of assets		<u>(5,961)</u>	<u>(5,493)</u>
		<u><b>(5,961)</b></u>	<u>(5,493)</u>
<b>Profit (Loss) before income tax</b>		<u><b>(36,241)</b></u>	<u>(47,905)</u>
<b>Other Comprehensive Income</b>	2(ii)	<u><b>69,500</b></u>	31,000
Income tax expense		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR</b>		<u><u><b>33,259</b></u></u>	<u><u>(16,905)</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 2021**

	Notes	2021	2020
		\$	\$
<b>CURRENT ASSETS</b>			
Cash Assets	3	177,136	170,041
Receivables	4	2,015	943
Inventories	5	14,649	13,178
Other	6	9,437	21,687
Total Current Assets		203,237	205,849
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	14,636	20,597
Total Non-Current Assets		14,636	20,597
<b>TOTAL ASSETS</b>		<b>217,873</b>	<b>226,446</b>
<b>CURRENT LIABILITIES</b>			
Payables	8	43,334	14,825
Other	9	2,963	73,239
Total Current Liabilities		46,297	88,064
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	1,533	1,598
Total Non-Current Liabilities		1,533	1,598
<b>TOTAL LIABILITIES</b>		<b>47,830</b>	<b>89,662</b>
<b>NET ASSETS</b>		<b>170,043</b>	<b>136,784</b>
<b>EQUITY</b>		<b>170,043</b>	<b>136,784</b>

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Balance of Retained Earnings at 1 July 2020	136,784	153,689
Net Profit (Loss) from Operations	33,259	(16,905)
<b>BALANCE OF RETAINED EARNINGS AT 30 JUNE 2021</b>	<b>170,043</b>	<b>136,784</b>

*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)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
<b>Cash Flow from Operating Activities</b>			
Receipts from Members and Guests		386,412	334,461
Payments to Suppliers and Employees		(502,116)	(493,479)
Membership Subscriptions	2	122,799	116,318
<b>Net Cash provided by (used in) Operating Activities</b>		<b>7,095</b>	<b>(42,700)</b>
<b>Cash Flow from Investing Activities</b>			
Purchase of Plant and Equipment		-	-
<b>Net Cash provided by (used in) Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds (Repayment) of Borrowings		-	-
<b>Net Cash provided by (used in) Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>		<b>7,095</b>	<b>(42,700)</b>
Cash at 1 July 2020		170,041	212,741
<b>Cash at 30 June 2021</b>	3	<b>177,136</b>	<b>170,041</b>

**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	177,136	169,341
Cash on Hand	-	700
	<b>177,136</b>	<b>170,041</b>

**Reconciliation of Cash Flows from Operations with**

**Operating Profit after Income Tax**

Operating Profit (Loss) after Income Tax	33,259	(16,905)
Non Cash Flows in Operating Profit		
Asset Write-Off	-	369
Depreciation	5,961	5,493

**Changes in Assets and Liabilities**

Increase/(Decrease) in Payables	28,509	(20,355)
(Increase)/Decrease in Receivables	(1,072)	1,454
(Increase)/Decrease in Prepayments	12,250	(1,525)
(Increase)/Decrease in Inventories	(1,471)	526
(Increase)/Decrease in Membership Cards	-	(735)
(Increase)/Decrease in Accrued Accrual	(18,181)	(13,000)
(Increase)/Decrease in Provision for Long Service Leave	(65)	-
Increase/(Decrease) in Subscriptions in Advance/Green Fees	(44,470)	(465)
(Increase)/Decrease in Member Bar Credits	(7,625)	2,443
<b>Cash Flows from Operations</b>	<b>7,095</b>	<b>(42,700)</b>

*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 2021**

**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 company 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 to members and other patrons of the Company. 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 Company. 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 Company 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 asset's 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 Company did not have any finance leases in the year 2020 or 2021. 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 2021**  
(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 Company 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 Company does not have any permanent employees.
  - (ii) **Long Service Leave**  
The Company 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) **Segment Information**  
The business operates in the sporting, leisure and entertainment industry in Australia.
- j) **Income Tax**  
The Income Tax Assessment Act (amended) provides that under the concept of mutuality, Company are only assessed for income tax on that proportion of income derived from non-members and other external sources. The Company is applying the exemption from tax under Section 50-45.
- k) **Impairment of Assets**  
At each reporting date the Company 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 Company estimates the recoverable amount of the cash generating unit to which the asset belongs.
- l) **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**

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

*(A Company Limited by Guarantee)*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>2. REVENUE</b>		
<b>(i) Operating Revenue</b>		
Bar Sales	<b>234,420</b>	204,824
Members' Subscriptions	<b>122,799</b>	116,318
Golf Shed	<b>1,182</b>	1,643
Club Functions, Catering and Rent	<b>2,800</b>	3,232
Competition Levy	<b>27,219</b>	24,267
Hall hire	<b>17,359</b>	23,454
Other Income	<b>5,122</b>	13,950
	<b><u>410,901</u></b>	<b><u>387,688</u></b>
<b>(ii) Other Comprehensive Income</b>		
Cash Flow Boost - State Government	<b>20,000</b>	13,000
Job Keeper ATO	<b>49,500</b>	18,000
	<b><u>69,500</u></b>	<b><u>31,000</u></b>
<b>3 CASH</b>		
Bank	<b>177,136</b>	169,341
Cash on Hand	<b>-</b>	700
	<b><u>177,136</u></b>	<b><u>170,041</u></b>
<b>4 RECEIVABLES</b>		
Sundry receivables	<b><u>2,015</u></b>	<b><u>943</u></b>
<b>5 INVENTORIES</b>		
Inventories comprise of stock on hand as at 30 June 2021		
The stocktake of Finished Goods (at cost) was conducted by staff	<b><u>14,649</u></b>	<b><u>13,178</u></b>
<b>6 OTHER</b>		
Income Accrued	<b>-</b>	13,000
Membership Cards	<b>-</b>	735
Prepayments	<b>9,437</b>	7,952
	<b><u>9,437</u></b>	<b><u>21,687</u></b>
<b>7 PLANT, PROPERTY &amp; EQUIPMENT</b>		
Plant and Equipment – at cost	<b>58,249</b>	58,249
Accumulated Depreciation	<b><u>(43,613)</u></b>	<b><u>(37,652)</u></b>
	<b><u>14,636</u></b>	<b><u>20,597</u></b>

*The accompanying notes form part of these financial statements.*



LANE COVE COUNTRY CLUB LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021 (CONT.)

7a MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment	Total
Balance at the beginning of the year	20,597	26,459
Additions	-	-
Disposal	-	(369)
Depreciation	(5,961)	(5,493)
	<u>14,636</u>	<u>20,597</u>
	2021	2020
	\$	\$
<b>8. CURRENT LIABILITIES</b>		
<b>Payables</b>		
Creditors and Accruals	43,334	14,825
<b>9. CURRENT LIABILITIES</b>		
Members' bar credits	750	8,375
Pre-paid fees and subscriptions	2,213	64,864
	2,963	73,239
<b>10. PROVISIONS</b>		
Provision for Long Service Leave	1,533	1,598

**11. DIVIDENDS**

Under the Company'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 2021.

**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, B Oliver, L. Brown, and S. Johnson.

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

*The accompanying notes form part of these financial statements.*

**LANE COVE COUNTRY CLUB LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 2021 (CONT.)**

	<b>2021</b>	2020
<b>14. KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>\$</b>	<b>\$</b>
Salary	<b>114,442</b>	107,321
Superannuation	<b>11,220</b>	10,900
Total Compensation	<b><u>125,662</u></b>	<b><u>118,221</u></b>

**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 2021 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 2021 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 13<sup>th</sup> day of September 2021 in accordance with a Resolution of the Directors.

**Dermot Duncan – Director/President**

**Robyn Seale – Director/Secretary**

**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 Club), which comprises the statement of financial position as at 30th June 2021, 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 Company's financial position as at 30th June 2021, 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. The Lane Cove Council is now in the process of approving a massive multisports re development facility on the current site of the Clubhouse, car park and tennis courts. The timing of this is unknown but it is thought likely to be at least 3 years continued golf course use during construction is unclear, Council's intentions and communication on this have been vague.

**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 Company 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 Company's annual report for the year ended 30th June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

In preparing the financial report, the directors are responsible for assessing the registered Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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

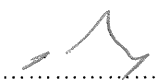
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 Company'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 Company'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 Company 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 24<sup>TH</sup> DAY OF  
SEPTEMBER 2021**

  
.....  
**HARLEY, RUSSELL & DAY**  
Chartered Accountants  
**GARRY WILLIAM DAY**  
Registered Company Auditor