

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 2021/2022

**FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022**

PRESIDENT'S REPORT

Introduction

It is my pleasure to deliver the President's Report for 2022, our 58th year of golf at Lane Cove and my first as President. This has been a year of many changes, some welcome and some very challenging.

The closure of the clubhouse during the COVID lockdown and new regulations when we reopened

When the 2022 membership year began, we were playing golf in groups of two and our clubhouse was closed. Some members were unable to play because they lived outside the 10km, then 5km boundary. Most of our staff were covered by government support, but there was great uncertainty and like everyone else, the Board had to just wait it out.

While we were grateful to be able to play golf during the lockdown period, we all greatly missed the social interaction in the clubhouse and there was a real buzz of excitement when we reopened in mid-October 2021. The requirement to verify the vaccination status of all patrons was a burden on our staff and we needed the help of volunteers to manage large functions and busy club times. It was essential that we complied with these government regulations, or we could have been closed down and heavily fined. The Board is grateful to those volunteers and to all members for their patience and cooperation during that difficult period.

A new Pro-shop Operator

During our protracted negotiations with the Council last year, an important outcome was Council's agreement to negotiate with the Northbridge Golf Shop operators, Clinton Russell and Todd Brown to run the Pro Shop at Lane Cove. They took over after the long weekend in October 2021 using a small demountable building at the rear of the first tee. A later working bee by club members to remove the overgrown garden and accumulated rubbish at the old pro shop site was the catalyst for a new dialogue with Council about using the old building. Finally in June 2022, the refurbishment of the old pro shop building was completed and the demountable was removed, returning our full elevated first tee.

I am happy to report to members that the relationship between the Council, the Pro Shop and our teaching professional, Kasey Dive is a constructive partnership and we communicate frequently. There have been issues to resolve in bedding down the routines and managing the expectations of all parties, which is common in all business relationships. Having a team in the Pro Shop who understand golf and are proactive in supporting the needs of both the members and the social players has been a huge improvement for golf in Lane Cove. Together we negotiated and launched the Lifestyle Membership offering early in 2022 which gives financial benefit for the Club with very little administrative overhead and provides an alternative pathway for social players to consider playing in competition.

In recent months, the Club and Council have traded drafts of a Block Booking Time (BBT) agreement and a Clubhouse Lease and despite the recent decision about the new facility, the Council officers are still intent on finessing this agreement.

Changes to Junior Membership entitlements

The Club has always offered a generous discounted rate for junior memberships, in accordance with the policies of both Lane Cove Council and Golf NSW. During the past year, we have experienced some issues with juniors playing in the adult competitions without the appropriate skill level and knowledge of golf etiquette. We have adjusted our conditions of membership for Juniors, such that they do not have automatic access to the adult competitions until they have demonstrated to the Junior Golf Committee that they are ready. To offset this restriction, we have endeavoured to provide some dedicated Junior competitions that will be fun and educational and support the golf journey for young players. The weather has not been at all helpful in achieving this, but the much-postponed inaugural event was finally staged. The Pro Shop is keen to manage a Sunday afternoon Junior event and we are in continual conversation with them about promoting opportunities for Juniors. There were 30 junior members as of 30th June, including five girls who are sponsored by the Women's Golf committee in conjunction with the AGF Golf Scholarship program.

A new evening restaurant and weekend cafe

Having served as a director for two years now, I can assure members that the Board is very focussed on our financial performance and the need to reverse the trend of annual losses. A key strategy is to attract members of the local community beyond the golfing fraternity to use our clubhouse and that requires the serving of food. We were approached by Kailash Bhandary, who is a neighbour to the Club and was keen to open a new restaurant. Most importantly, he was prepared to do this without the security of a lease, which we could not offer him. We invested \$5,000 in a new kitchen floor and Cinnamon Klub has been trading from Wednesday to Sunday evenings since November 2021.

In February, Dave Martin decided he no longer wanted to operate his Tee for Two business and the Board took the decision to run a Friday to Sunday café business using staff, rather than outsourcing to another operator. A Health and Safety inspection from the Council revealed a number of irregularities in the kiosk infrastructure and the cost to upgrade the kiosk so that it was safe, legal and functional cost in the order of \$10,000. Kooka's Café was officially launched on Mother's Day and the menu continues to evolve.

The post-lockdown period saw a huge surge in pent-up demand for functions and the Club was able to take great advantage of this because we now have two in-house catering options. We have hosted everything from weddings, wakes, birthday celebrations, fund raising dinners, conferences, dance lessons, an easter egg hunt and our very popular Friday night live music. The course closures have greatly interrupted the patronage, but the Board is confident that our investment in establishing both the restaurant and the café has not only provided amenity for our members and visitors, but when normal times resume it will provide the intended revenue streams.

Unprecedented rainfall in Sydney that resulted in many weeks of course closure and difficult course conditions

The volume of rain that has fallen in 2022 in New South Wales and Southern Queensland is beyond everyone's wildest imagination. The Council was moved to close the course a total of twelve weeks over a five month period because the conditions were unsafe and the ground so saturated it was difficult to access with the groundskeeping machinery. Those of us that ventured on to the course when it first re-opened were covered in mud and lost countless balls that simply disappeared. Many other courses were also closed for similar durations.

The rain also invaded the clubhouse through the aging roof and we had to make a claim on our insurance policy to replace floor coverings and other fittings.

The course closure period has had a significant impact on our financial position. We lost our competition income as well as clubhouse income, but our outgoings remained the same. We made a difficult choice to keep the clubhouse open on roughly the same hours in order to retain our valuable bar staff. The Hospitality industry is in crisis with severe shortages of workers and if we had not supported our staff by guaranteeing their shifts, we would have been unable to re-open. I would like to thank our staff for their loyalty and also the members who made an effort to come to the club for lunch during this period as it helped significantly.

The continued process of determination of the future usage of the golf club site

The local council election in December 2021 saw several new faces become councillors for the Lane Cove Municipality. As a result, the DA for the new indoor court facility to be constructed on the current clubhouse and tennis court site was withdrawn from the Sydney North Planning Panel in early March, just days before the panel was to consider it. Since then, the Council has engaged in further community consultation, considered alternative sites and commissioned a new concept design that is a much lesser intrusion on the golf course and the surrounding bushland. I spoke at several Council meetings to bring attention to the priorities of the club members and social golfers and during my absence the Club was represented on the Council's Sport and Recreation Precinct Committee by Paul Johnson and Sharon Johnson (who are not related).

In August, the Lane Cove Council voted to proceed with new concept that provides four indoor courts and four outdoor courts with a budget of \$72 million. \$5 million of the budget is to come from a NSW Government grant, to qualify for which the project must commence before the end of June 2023. The Council are now progressing the detailed design and the Club has provided input directly to the Councillors to request features that will support the members' needs, the many varied functions for which the community use our current clubhouse and to preserve the outlook over the fairways.

Acknowledgements and Thanks

The Board

There are two clear groups in the current Board – those that are retired and can give a lot of time to the role and those that are still in paid employment and very time poor. **Sharon Johnson, Barbara Oliver** and myself belong to the first group and **Dermot Duncan, Ralph Graydon and Jo Cunningham** to the second. While Sharon, Barbara and myself may be more visible on the ground, we greatly value the counsel and support of Dermot, Jo and Ralph and the reality check that comes from our needing to account to them.

I would like to particularly thank **Sharon** for her diligence in the role of Treasurer. Each month she provides a concise summary of our financial position, making it easy for the Board to focus on the key points. She applied for three government grants this year, two of which were successful and handled the complex insurance claim from our roof leakage. She has also become highly conversant in the financial processes of the club, shadowing Kent Lipman in his tasks, so that we no longer have a “single person risk” in Kent, which had been a concern for the previous Board.

Barbara stepped into the role of licensee and has been very thorough in ensuring that we comply with the many regulations that are in force for our premises. She managed the Covid Safety Planning and takes the lead in our relationship with Cinnamon Klub.

Both Sharon and Barbara covered for me in various ways during my nine week holiday and I am very thankful to them.

Ralph is leading the Junior's Golf Committee and although the weather conspired to derail our attempts to hold the inaugural junior's competition, it did eventually happen and we will increase our focus on junior golf in the coming year.

Dermot has provided guidance and continuity in our negotiations with Lane Cove Council, especially now we are at the stage of finessing a legal document and also prepared a submission for the Energy and Water Ombudsman.

Jo has undertaken the role of Secretary and is very efficient at documenting agendas and minutes.

I have taken the lead in our relationship with Council, the Pro Shop and our Men's and Women's Golf Committees.

I am proud to lead this small team of directors and I thank them for stepping up. We have good camaraderie and demonstrate mutual respect for each other's views and contributions and so far, have managed to keep our sense of humour. We would welcome another male member to join our ranks to better reflect the profile of membership,

Special Thanks

Graham Webster has been assisting Kent and the Board for many years in the preparation of budgets and accounts. He has also spent many hours prosecuting a complex issue with our energy provider that I know has been exasperating. His perseverance is extraordinary and greatly appreciated.

Graham and his friends, **Ralph and Jan Sadler, Bill Edmondson and Dave Haugh** have executed several working bees during the year around the course, the pro shop and the clubhouse. Ralph also continues to edit and publish our monthly Links newsletter.

Jeff Back regularly ascends a ladder and cleans out our gutters.

Craig Waterworth provides IT support to our admin staff when issues arise.

Golf Committees

The organisation of our numerous competition events each year, plus special events, takes a lot of hard work and dedication. This year has been little short of a nightmare for our Men's and Women's Golf Committees, especially our Captains **Robyn Glover** and **Wayne Belgre**, as rain and course closures meant a constant state of reshuffling the program. They also needed to liaise with the greenkeepers and pro shop to agree the playing rules to match the course conditions.

We are all indebted to them for their efforts that have enabled us to play the game we love, even in conditions we do not love.

Pennants

Unfortunately, the Women's Weekend Pennants competition could not proceed due to multiple courses being unfit for play, however two social rounds were played, including one at Lane Cove and our team played well.

The Women's Bronze IV was more successful in completing the scheduled rounds and again our club had some successful results.

The Warren and Gibson Pennants rounds saw the Gibson Team win their home and away division and are scheduled now to play in the quarter finals.

Bar and Administrative Staff

We sadly said goodbye to our function's administrator **Angela Galipienzo** in December 2021, but were thrilled that **Amanda Wilesmith** stepped up to replace her as well as continuing her bar shifts. Amanda is truly the glue that keeps our club together. She presents a calm and helpful face of the club to our function clients and sorts out endless daily issues, always with a smile.

Kent Lipman works in tandem with Amanda with more focus on accountancy and membership management, but like her deals with many administrative "bits and pieces" that need to be resolved to ensure our efficiency and due diligence.

We have recently farewelled **Mish Straub** who played a pivotal role this year in providing food for daytime functions as well as being a key member of our bar staff. Through Mish we acquired **Andy Chirgwin** who has slotted in well as the chief cook in Kooka's Café.

Jacinta Paton as our Bar Supervisor, takes on the roster challenge and works effectively with the bar team of Hugh, Lawson, Dylan, Andy and Amanda. In combination with member Gary Holmes, they ensure our beer and wine are cold or our coffee is hot and all served with a smile and a comforting or congratulatory word after our day's golf.

Finance

I refer Members to our Treasurer's Report for 2021-22 and thank Sharon, Kent, Graham and our auditors for the work done in compiling the Financial Reports for the year. Whilst it is common practice to make comparisons between "this year" and "last year", the extraordinary circumstances of both 2021 (with government support for the Covid lockdown) and 2022 (with rain induced course closures) render this comparison problematic. In 2021, the Club made a profit of \$33,259 which was largely due to the financial assistance provided through JobKeeper and the State Government. Our result this year of a loss of \$26,581 is disappointing, but reasonable considering the long period of course closure which reduced our income from golf play and clubhouse patronage.

Outlook for 2022-23

2021 and 2022 have demonstrated the truism that "Change is Inevitable" and the year ahead looks to be even more challenging.

From our recent renewal process, our membership numbers are down by approximately one third. It is hard to know the motivation of each individual in their choice to not renew, but the Board has assumed that the course closures led many people to feel that they did not receive good value for their annual subscription.

The drop in income from golfer subscriptions and golf play would create a significant financial challenge if we were to continue to operate the current clubhouse, whose overheads are largely static. Thus, the Council's decision to demolish and replace the building, while sad for all of us who have a fondness for the existing building, relieves us from this financial crisis.

Although the Council process may have further twists and turns, the Board has to assume that we will be required to vacate the premises before the end of June 2023 and we have begun to plan for the liquidation of our physical assets.

The primary question that is currently unresolved is whether or not the Golf Course will be accessible for play during the period of construction. There are meetings scheduled, both private and public where we will be pressing for a commitment from Council to keep the course open for as much time as practical.

Given both the drop in membership numbers and the disruption from construction, several scenarios are emerging:

- If the course will be available, we can offer normal membership at a reduced subscription given the drop in our outgoings and the likely compromised course.
- If the course will not be available, we could offer a "holding" membership which would give members a Golf Link number to continue their handicap history and enable them to play in competition at other courses during the construction period with the hope that they will return when construction is completed.
- The Golf Club could be wound up at the end of current membership year, which involves some legal and financial processes.

We have several months to determine which of these scenarios to choose. We can commence the conversation at our AGM on 31st October and progress to a vote at a later date.

A key factor considering the future will be whether or not any members are prepared to step up to play the role of Director. The current Board have worked hard during the past year and we will quite likely be exhausted from the efforts in the year ahead to liquidate the clubhouse assets. A vote to carry on with the club will not be viable if there are no office bearers to manage it.

I thank you for your loyalty as members and hope we can all enjoy some fun on the course and in the clubhouse in the year to come.

Lucinda Brown
President
9th September 2022

TREASURER'S REPORT

This report should be read in conjunction with the audited financial statements.

FY2022 has been a challenging and difficult time for the Club with COVID lockdowns and significant rainfall causing closure of the course over a significant period of the year.

The financial results, while disappointing were not unexpected. Revenue was down and the Club was unable materially reduce fixed costs. Government assistance ceased in October 2021 but the adverse financial impact resulting from the prevalence of COVID in the community continued. There were no golf competitions for most of the last quarter as the course was closed due to the wet weather. Through that period of course closure, the Clubhouse maintained the same opening hours and staff.

Rising costs of wages with an increase in the Award and Super Guarantee, an increase in wastage (COVID shutdown) and utilities costs resulted in an increase in expenditure for the Club. Costs are expected to continue to increase due to inflationary pressures.

One-off costs during the years included the café refurbishment; all costs incurred were expensed.

The heavy rainfall has caused considerable damage to the conference room and auditorium in the Clubhouse and, while a large portion of the cost to repair were covered by insurance, the Club had to meet other related out-of-pocket expenses.

A review on the carrying value of assets resulted in a write down of those assets to reflect their current values.

I would like to thank the members that visited and supported the Clubhouse for a meal and/or drinks during the time the course was closed.

Total Revenue

Total revenue was \$400,792 down 2% from previous year. Other comprehensive income of \$33,000 relates to Covid related assistance from the NSW and Federal Government. Job Keeper payments from the Government ceased at the end of FY21.

Comparison with the previous year

	FY22	FY21	%
Income			
Bar Sales	188,464	234,420	(20%)
Clubhouse Income	11,164	6,069	84%
Functions	15,604	17,359	(10%)
Golf Income	184,001	147,932	24%
Other General Income	1,559	5,122	(70%)
Total Income	400,792	410,902	(2%)
Cost of Goods Sold	(72,696)	(87,639)	(17%)
Gross Profit	328,096	323,263	1%
Expense			
Bar Expenses			
Employment Expenses *	106,979	76,162	
Other	2,628	2,002	31%
Stock Adjust & Wastage	8,905	5,023	77%
Total Bar Expenses	118,512	83,187	42%
Clubhouse & Office	175,544	174,247	1%
Golf Expense	99,276	52,569	89%
Total Expense	393,332	310,003	27%
Net Income	(65,236)	13,260	(25%)
Other Income			
COVID Payments	33,000	20,000	65%
Net Profit/Loss	(32,236)	33,260	(25%)
* Less Job Keeper FY21 in Employment expenses		(49,500)	
	(32,236)	(16,240)	

Net Equity at 30 June 2022 was \$137,807 down from \$170,044 reflecting difficult trading conditions and write down of assets.

The Club's Net Equity as shown at the end of the Balance Sheet is effectively the reserve funds of our Club. It should be noted that not all assets may realise their book value - particularly trading stock, if they were to be liquidated.

The Board is responding to the proposed demolition of the clubhouse and reviewing the options for the Club.

Membership renewal for the year is down due to the closure of the course from the substantial rain and the uncertainty of the future of the course.

Men's Golf	FY21	FY22	Aug22
Golf Full	100	90	67
Golf Concessional	5	5	4
Life Members	3	3	3
Student	0	1	0
Junior	24	22	9
Pre-paid			
Trial Members		4	
Total Men's Golf	132	121	83

Ladies Golf	FY21	FY22	Aug22
Golf Full	32	31	27
Golf Concessional	8	7	4
Life Members	1	1	1
Student	0	0	0
Junior	6	8	5
Pre-paid	1	0	0
Trial Members		3	0
Total Ladies Golf	48	50	37

An update of Financial Year 2023 trading conditions and budget will be presented at the Annual General Meeting on 31st October 2022.

The 2022/23 budget has been challenging to prepare given the uncertainties in the current operating environment. Trading losses of the licenced bar/Clubhouse are expected to continue and the reduction in memberships revenue has added further pressure.

Sharon F Johnson
Treasurer
 9th September 2022

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DIRECTORS' REPORT

Your Directors present their report on the Financial Statements of the Company for the year ended 30 June 2022.

NAME OF DIRECTORS

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

BROWN, Lucinda	++	CUNNINGHAM, Joanne
DUNCAN, Dermot	*	DUNN, Maureen
++ GRAYDEN, Ralph	+	JOHNSON, Sharon
OLIVER, Barbara	*	SEALE, Robyn
** WATKIN, Barry		
+	<i>Appointed 12 July 2021</i>	
++	<i>Appointed 25 October 2021</i>	
	*	<i>Resigned 25 October 2021</i>
	**	<i>Resigned 13 September 2021</i>

COMPANY SECRETARY

The Company Secretary up to the date of this report was Joanne Cunningham, who was appointed Director and Company Secretary on 25th October 2021. Joanne is an Engineer and General Manager for a large construction firm.

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:

	<u>2022</u>	<u>2021</u>
Golf	121	132
Golf Concessional	12	13
Life Members	4	4
Student	1	0
Junior	30	30
Pre-Paid	0	1
Trial Members	3	0
Total Golfing Members	<u>171</u>	<u>180</u>
Social Members	<u>260</u>	<u>286</u>
Total Members	<u>431</u>	<u>466</u>

SIGNIFICANT CHANGES

The company was forced to close the clubhouse from 26th June 2021 to 11th October 2021 in line with the NSW Government's response to the COVID-19 pandemic. The La Nina weather pattern brought a large volume of rain that resulted in the golf course being closed by Lane Cove Council for eight weeks during March and April and when the course reopened the conditions were heavy and unattractive for players. The income from golf play and the clubhouse were significantly reduced during this period, but otherwise there was no significant change to the nature of the principal activities of the Company.

OPERATING RESULTS

The Net Profit/(Loss) from Trading for the year amounted to a Loss \$32,236 (2021 Profit \$33,259), after charging Depreciation \$10,784 (2021 \$5,961) and receiving JobKeeper \$NIL (2021 \$49,500) and Cash Flow Boost \$NIL (2021 \$20,000), JobSaver \$18,000 (2021 \$NIL), and Small Business Grant \$15,000 (2021 \$NIL), with no income tax payable.

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DIRECTORS' REPORT
(Continued)

REVIEW OF OPERATIONS

Movements in significant items are as follows:-

	2022	2021	Increase/ (Decrease)	%
Bar Sales	188,464	234,420	(45,956)	(19.60)
Membership Subscriptions	153,831	122,799	31,032	25.27
Occupancy Expenses	45,036	42,515	2,521	5.92
Employment Expenses	106,978	125,662	(18,684)	14.86

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.

FUTURE OR LIKELY DEVELOPMENTS

On 18th August, the council voted to progress the design and construction of a Sport and Recreational Facility, with a maximum of 8 courts (4 indoor and four multi-purpose outdoor courts) at 180 River Road Lane Cove. It will cost around \$75 million to design and construct the facility. Commencement of the project is expected June 2023.

The Board are engaging with the Council to determine if the Golf Course will be available for play during the construction period. Options for the future of the club will be discussed with members at the AGM.

RELATED PARTY TRANSACTIONS

All Directors are members of the Club and pay membership and green fees. No other transactions exist between the Club and the Directors.

EVENTS SUBSEQUENT TO BALANCE DATE

Apart from the Council's decision on the Sport and Recreational Facility described above, 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 significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

MEETINGS OF DIRECTORS

Name	Position	Meetings Called	Meetings Attended
D Duncan	Director/President	12	10
L Brown	Director/President	12	12
S Johnson	Director/Treasurer	12	12
R Seale	Director/Secretary	5	5
M Dunn	Director	5	5
B Oliver	Director	12	11
B Watkin	Director	3	3
R Grayden	Director	7	5
J Cunningham	Director/Secretary	7	7

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DIRECTORS' REPORT
(Continued)

INFORMATION ON DIRECTORS

Dermot Duncan	President and Director. Joined Company 2017. Elected to the Board in November 2018. Elected President on 13 th July 2020. Solicitor. President until November 2021.
Lucinda Brown	President and Director. Joined the Company 2016. Elected to the Board 2020. Elected President in November 2021. Retired Information Architect.
Sharon Johnson	Director. Appointed Treasurer on 12 th July 2021. CPA retired Analyst.
Joanne Cunningham	Director and Secretary. Appointed 25 th October 2021. Engineer - General Manager Project Management.
Robyn Seale	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. Retired from the Board on 25 th October 2021.
Maureen Dunn	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. Retired from the Board on 25 th October 2021.
Barbara Oliver	Director. Joined the Company 2011. Elected to the Board November 2018. Marketing Manager.
Barry Watkin	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. Resigned 13 th September 2021.
Ralph Grayden	Director. Appointed 25 th October 2021. LLB Content Strategist and Copywriter.

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.

	2022	2021
	%	%
Bar		
Gross profit percentage excluding bar expenses	61.42	62.61
Bar employment expenses to sales percentage	56.76	53.60
Net profit percentage		6.01
Employment costs		
Employment expenses as a percentage of total operating revenue	26.79	30.58
Earnings		
EBITDAD* as a percentage of net assets	(15.56)	23.06

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

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DIRECTORS' REPORT
(Continued)

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 \$862 (2021 - \$932).

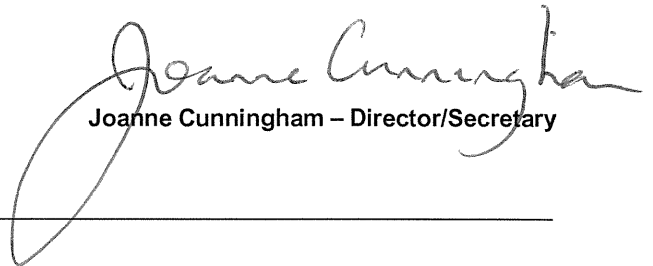
AUDITORS INDEPENDENCE DECLARATION

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 13th September 2022 in accordance with a Resolution of the Directors.



Lucinda Brown – Director/President



Joanne Cunningham – Director/Secretary

**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 2022 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 13th September 2022

LANE COVE COUNTRY CLUB LTD

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 \$	2021 \$
REVENUE			
Revenue from sales of goods		188,464	234,420
Membership		153,831	122,799
Revenue from rendering of services		32,412	27,219
Other revenue		24,526	26,463
Total Revenue	2	<u>399,233</u>	<u>410,901</u>
EXPENSES			
Cost of sales		(72,696)	(87,639)
Directors Expenses		-	-
Employee benefit expenses		(106,978)	(125,662)
Entertainment, marketing and promotional expenses		-	-
Legal and consultancy fees		(2,277)	(5,000)
Occupancy expenses		(45,036)	(42,515)
Other expenses from ordinary activities		(226,698)	(180,365)
Total Expenses		<u>(453,685)</u>	<u>(441,181)</u>
Profit (Loss) before borrowing costs, tax, depreciation and amortisation		<u>(54,452)</u>	<u>(30,280)</u>
Depreciation and loss on disposal of assets		(10,784)	(5,961)
		<u>(10,784)</u>	<u>(5,961)</u>
Profit (Loss) before income tax		<u>(65,236)</u>	<u>(36,241)</u>
Other Comprehensive Income	2(ii)	<u>33,000</u>	<u>69,500</u>
		<u>(32,236)</u>	<u>33,259</u>
Income tax expense		-	-
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE YEAR		<u><u>(32,236)</u></u>	<u><u>33,259</u></u>

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**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 \$	2021 \$
CURRENT ASSETS			
Cash Assets	3	164,332	177,136
Receivables	4	2,835	2,015
Inventories	5	20,236	14,649
Other	6	8,269	9,437
Total Current Assets		<u>195,672</u>	<u>203,237</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	<u>3,852</u>	<u>14,636</u>
Total Non-Current Assets		<u>3,852</u>	<u>14,636</u>
TOTAL ASSETS		<u>199,524</u>	<u>217,873</u>
CURRENT LIABILITIES			
Payables	8	59,917	43,334
Other	9	-	2,963
Total Current Liabilities		<u>59,917</u>	<u>46,297</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>1,800</u>	<u>1,533</u>
Total Non-Current Liabilities		<u>1,800</u>	<u>1,533</u>
TOTAL LIABILITIES		<u>61,717</u>	<u>47,830</u>
NET ASSETS		<u>137,807</u>	<u>170,043</u>
EQUITY		<u>137,807</u>	<u>170,043</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

Balance of Retained Earnings at 1 July 2021	170,043	136,784
Net Profit (Loss) from Operations	<u>-32,236</u>	<u>33,259</u>
BALANCE OF RETAINED EARNINGS AT 30 JUNE 2022	<u>137,807</u>	<u>170,043</u>

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 2022**

	Notes	2022 \$	2021 \$
Cash Flow from Operating Activities			
Receipts from Members and Guests		269,942	386,412
Payments to Suppliers and Employees		(435,857)	(502,116)
Membership Subscriptions	2	153,831	122,799
Net Cash provided by (used in) Operating Activities		(12,084)	7,095
Cash Flow from Investing Activities			
Purchase of Plant and Equipment		-	-
Net Cash provided by (used in) Investing Activities		-	-
Cash Flow from Financing Activities			
Proceeds (Repayment) of Borrowings		-	-
Net Cash provided by (used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(12,084)	7,095
Cash at 1 July 2021		177,136	170,041
Cash at 30 June 2022	3	165,052	177,136

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	164,332	177,136
	164,332	177,136

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

Operating Profit (Loss) after Income Tax	(32,236)	33,259
Non Cash Flows in Operating Profit (Loss)		
Depreciation	10,784	5,961
Changes in Assets and Liabilities		
Increase/(Decrease) in Payables	13,620	28,509
(Increase)/Decrease in Receivables	(820)	(1,072)
(Increase)/Decrease in Prepayments	1,168	12,250
(Increase)/Decrease in Inventories	(5,587)	(1,471)
(Increase)/Decrease in Accrued Accrual	-	(18,181)
(Increase)/Decrease in Provision for Long Service Leave	267	(65)
Increase/(Decrease) in Subscriptions in Advance/Green Fees	-	(44,470)
(Increase)/Decrease in Member Bar Credits	-	(7,625)
Cash Flows from Operations	(12,804)	7,095

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 2022**

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Lane Cove Country Club Ltd is a Company Limited by Guarantee and incorporated and domiciled in Australia.

Lane Cove Country Club Ltd is a not-for-profit entity for the purpose of preparing the financial report.

The principal activities of the Company consist of maintaining and operating a golf club and its associated activities.

Registered Office:

180 River Road,
NORTHWOOD NSW 2066

Principal Place of Business:

180 River Road,
NORTHWOOD NSW 2066

BASIS OF PREPARATION

Lane Cove Country Club Ltd financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements - Simplified Disclosures for Not-for-Profit Tier 2 Entities.

This is the first financial report of the Club prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The prior year financial report was prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The transition from the previous financial reporting framework to Australian Accounting Standards - Simplified Disclosures has not affected Lane Cove Country Club's reported financial position, financial performance, and cash flows.

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.

The Financial statements were authorised for issue on 13th September 2022 by the Directors of the Company.

ACCOUNTING POLICIES

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.

LANE COVE COUNTRY CLUB LTD
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(A Company Limited by Guarantee)

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT.)

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 2021 or 2022. 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.

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 10.5% 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 2022**

	2022	2021
	\$	\$
2. REVENUE		
(i) Operating Revenue		
Bar Sales	188,464	234,420
Members' Subscriptions	153,831	122,799
Golf Shed	1,059	1,182
Club Functions, Catering and Rent	7,862	2,800
Competition	32,412	27,219
Hall hire	15,605	17,359
Other Income	-	5,122
	<u>399,233</u>	<u>410,901</u>
(ii) Other Comprehensive Income		
Cash Flow Boost - State Government	-	20,000
Job Keeper ATO	-	49,500
Job Saver	18,000	-
NSW Small Business Grant	15,000	-
	<u>33,000</u>	<u>69,500</u>
3 CASH		
Bank	<u>164,332</u>	<u>177,136</u>
	<u>164,332</u>	<u>177,136</u>
4 RECEIVABLES		
Sundry receivables	<u>2,835</u>	<u>2,015</u>
5 INVENTORIES		
Inventories comprise of stock on hand as at 30 June 2022		
The stocktake of Finished Goods (at cost) was conducted by staff	<u>20,236</u>	<u>14,649</u>
6 OTHER		
Prepayments	<u>8,269</u>	<u>9,437</u>
	<u>8,269</u>	<u>9,437</u>
7 PLANT, PROPERTY & EQUIPMENT		
Plant and Equipment – at cost	58,249	58,249
Accumulated Depreciation	<u>(54,397)</u>	<u>(43,613)</u>
	<u>3,852</u>	<u>14,636</u>

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 2022 (CONT.)

7a MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment	Total
Balance at the beginning of the year	14,636	20,597
Additions	-	-
Disposal	-	-
Depreciation	(10,784)	(5,961)
	<u>3,852</u>	<u>14,636</u>

2022	2021
\$	\$

8. CURRENT LIABILITIES

Payables

Creditors and Accruals	59,917	43,334
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9. CURRENT LIABILITIES

Members' bar credits	-	750
Pre-paid fees and subscriptions	-	2,213
	<u>-</u>	<u>2,963</u>

10. PROVISIONS

Provision for Long Service Leave	<u>1,800</u>	<u>1,533</u>
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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 2022.

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, B Watkin, D Duncan, B Oliver, L. Brown, S. Johnson, J. Cunningham, and R. Grayden.

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 2022 (CONT.)

	2022	2021
	\$	\$
15. AUDITOR REMUNERATION		
Auditing financials	6,000	5,900
Other services	-	-
	<u>6,000</u>	<u>5,900</u>
16. KEY MANAGEMENT PERSONNEL COMPENSATION		
Salary	86,297	114,442
Superannuation	5,161	11,220
Total Compensation	<u>91,458</u>	<u>125,662</u>

Key Management Personnel

Kent Lipman (Administration)
Angela Galipienzo (Administration) - resigned December 2021 and replaced by Amanda Wilesmith
Amanda Wilesmith (Administration)
Jacinta Paton (Bar Supervisor)

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

17. EVENTS OCCURRING AFTER THE REPORTING DATE

No significant events have occurred since 30 June 2022 which require disclosure in this report.

18. NOTE ON COVID AND WET WEATHER IMPACT

The financial year ended 30th June 2022 has been a challenging and difficult time for the club, with COVID lockdowns and significant rainfall causing the closure of the course. As a result revenue was down while expenses were up.

Bar Sales

The closure of the Club due to COVID from July - October lead to sales down by (\$56,123).

The closure of the Club due to rainfall from March - April lead to sales down by (\$7,231).

Total reduction in sales from closure was (\$63,354)

Golf Income

Golf income was up on PCP due to the increase in membership fees and golf prize donation. Golf was not affected by COVID, however closure of the course due to wet weather conditions in March to May led to a reduction in golf prize donations.

LANE COVE COUNTRY CLUB LTD
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DIRECTORS' DECLARATION

The Directors of the company declare that –

1. The financial statements and notes are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standards – simplified disclosures requirements and the Corporations Regulations 2001,
 - (b) give a true and fair view of the financial position as at 30 June 2022 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 13th day of September 2022 in accordance with a Resolution of the Directors.



Lucinda Brown – Director/President



Joanne Cunningham – 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 2022, 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 – Simplified Disclosures 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 2022, and of its financial performance for the year then ended; and

(b) Complying with Australian Accounting Standards – Simplified Disclosures 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 in June 2023, 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 2022, 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 – Simplified Disclosures Requirements under the Corporations Law and Registered Clubs Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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 15TH DAY OF
SEPTEMBER 2022**


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

GARRY WILLIAM DAY
Registered Company Auditor