

LORNE COUNTRY CLUB Inc. A625

REPORT & FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 2016

LORNE COUNTRY CLUB INC.

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OFFICE BEARERS

President

C. Goldsworthy

Vice-President

Treasurer

D. Ridgeway

Secretary

G. Matthews

Golf Captain

D. Wyles

Tennis Captain

J. Ford

Committee

G. Balderas, L. Goldsworthy, M. Dandy, G. Meadows, G. Watkins,
K. Diviny

Handicapper

G. Couper, P. White

Auditor

Barkley & Associates Pty. Ltd.

SUB COMMITTEES 2015/16

Executive

C. Goldsworthy (Chair), G. Matthews, D. Ridgeway

Finance

D. Ridgeway (Chair), M. Dandy, G. Matthews

Course

P. Wheal (Chair), D. Wyles, G. Balderas, J. Ford,

House & Social

M. Dandy (Chair), L. Goldsworthy, J. Stafford
S. Crowe, J. McMenemy

Strategic Review

C. Goldsworthy (Chair), G. Meadows, D. Ridgeway, G. Matthews,
G. Watkins

Tennis

J. Ford (Chair), K. Diviny, W. Jarratt, S. Balderas, A. Lowe, L. Massoud, D. Jarratt,
S. Diviny, J. Chapman, A. Svikers

Ladies Golf

L. Goldsworthy (President), C. Bartholomew (Captain),
W. Hutchinson (Vice-President/Secretary), J. Stafford (Treasurer), S. Sloan (Handicapper)

Marketing

K. Diviny (Chair), C. Goldsworthy, I. Macrae, J. McMenemy

President to be ex-officio member of all sub-committees with power to vote.

Annual General Meeting
November 27th 2016 11.00am

PRESIDENT'S REPORT

The past year has certainly been challenging for not only the Lorne Country Club but also the whole community. The devastating bush fires on Christmas Day have and continue to challenge the communities of Wye River & Separation Creek whilst there was significant property damage there was no loss of human life due to a vigilant community and the enormous focus and commitment by all the emergency Services. The bush fires impacted the township of Lorne significantly with an estimated economic loss of \$25 million across retail traders, accommodation & service providers. The Club also felt the impact with green fees down by 20% over January 2016 and food & beverage also reporting significant downturns.

The course remained in fantastic condition right throughout the summer period and despite the wettest winter in many years members were still able to play despite soggy conditions. The grounds staff and a number of regular volunteers cleared drains and regularly cleared the course of fallen trees and limbs. All dams are at their capacity which should ensure the course remains in great condition throughout summer. Volunteers are an important factor in ensuring we keep overheads down, and I would personally like to thank all volunteers however there is always a need for more.

2015/16 has been a very disappointing year in regard to the Clubs financial position as reflected in the Treasurers report. Income is down 23% and Expenses have increased by a modest 6%.

The most significant impact on Income has been Green Fees & Landfill. In late January after consultation with a number of contractors in the area, the Executive Committee agreed to adjust the landfill fees to a more competitive level. Despite the wet weather we have seen an uplift in landfill activity. The volatility in landfill revenue continues to highlight the significant risk in relying on this source of opportunistic revenue for the Club.

The Committee has began a strategic review of all aspects of the Club however there is certainly no easy solution to identifying opportunities or solutions for the long term sustainability of the Club. There are a number of opportunities the Committee is considering to assist an increase in revenue and a reduction in costs.

The Ladies section continues to grow in numbers and it is fantastic to see they will be entering a team from Lorne in the 2017 Otway Pennant. Well done ladies. The Men's section also attracted some new faces which is also great to see.

I would like to acknowledge and thank the Committee members especially Dale Ridgeway & Greg Matthews for their tireless commitment to the Club. I would also like to acknowledge Peter Wheal and Sheryll Crowe, Jenny McMenemy and thank them for their assistance in operations of the Club.

A number of improvements are planned for the Clubhouse over summer including external painting which will require additional volunteers, a request for your assistance will be advised to all members via email.

Looking forward to Summer, the festive season and welcoming back our non-permanent members.

Clive Goldsworthy
Club President.

GOLF / MATCH REPORT

This year we have experienced very wet conditions on competition days which resulted in low numbers competing each Sunday. Hopefully conditions will improve and members are encouraged to continue to support Sundays' competitions.

Once again the special events over Easter and the Queen's Birthday weekends proved very popular and resulted in full fields on both days. This year we visited Kingswood Golf Club in March where the Lorne members mixed with our members from other areas. Another successful day.

Special thanks to the Course sub-committee and to P. Wheal for the way they presented the course for competitions, considering the inclement weather during the season.

MAJOR CLUB TROPHY WINNERS FOR THE 2015 / 16 SEASON

PRESIDENT'S TROPHY	D. WYLES
SUMMER CUP	C. DOWNEY
CAPTAINS CUP / SINGLES KNOCKOUT	D. WYLES
DOUBLES KNOCKOUT	C. HAVRE & A. BALLOCH
CLUB CHAMPION 2014	E. DARCY
B GRADE	Not Contested
C GRADE	Not Contested
JUNIOR	Not Contested
STAN COUPER MEMORIAL	E. DARCY

Congratulations to all the major trophy winners.

David Wyles
Club Captain

LADIES REPORT

It is with pleasure I present my second report as Lady President Lorne Country Club.

Otway Pennant

The Pennant season was in full swing throughout March/April. Lorne Country Club and Colac ladies joined together to form a combined team and was successful in becoming runners up in the competition.

I am very proud of our ladies who travelled far and wide to not only participate in the Otway Pennant, but to also play in many inter-club competitions.

We have entered our own team for the 2017 Otway Pennant as we now have enough ladies who have committed to play for Lorne.

Port Fairy Golf Trip

In April a number of lady members travelled to Port Fairy for a 2 day golf trip. A fun time was had by all, we plan to make this an annual event.

Miss Lascelles Silver Salver Tournament

Our major event for the year was Miss Lascelles. It was terrific to see a full field of 63 players. Congratulations to Anglesea who were the winning team. The numbers were double from the previous year due to moving the event away from the Mothers Day weekend.

Membership

Our Tuesday ladies group is slowly growing. We have had a very wet winter/autumn but where possible the ladies still played. On most Tuesdays we have 9 to 12 ladies playing in our weekly competition.

We continue to promote the club with lessons from Vicki Thomas throughout the year. We intend to hold a number of golf clinics in the new year. Vicki is a terrific coach and well supported by the ladies.

Acknowledgements

Our 2015 Christmas lunch was well supported by 19 attending. Thank you to Caleb and his team from Don's kitchen for his delicious meals not only for Xmas but for all the events throughout this year.

The Ladies division would not operate as successfully without the support of all the lady members. I thank you all for your friendship and assistance throughout the year, from baking cakes to running raffles and providing gifts for Miss Lascelles to mention a few. Your generosity is very much appreciated.

A special thank you to Caz Bartholomew our captain who not only encourages the Otway Pennant but also the many interclub competitions. She is a driving force.

Thank you for the ongoing support of the Executive Committee.

Finally but with great importance thank you to all the staff and volunteers who contribute to the Lorne Country Club.

Lesley Goldsworthy
Lady President.

LADIES GOLF/MATCH REPORT

MAJOR CLUB TROPHY WINNERS FOR THE 2015 / 2016 SEASON

CLUB CHAMPION	CAROL TUTUNGI
SNOWY BAR	CAROL TUTUNGI
OPEN WEEK ASSOCIATES SHIELD	LORNE
SUMMER CUP	LESLEY GOLDSWORTHY

We entered a joint team with Colac in Otway Pennant and were pleased with our results, just missing out on getting the flag

This year The Ladies have represented our club at:

- Anglesea
- Apollo Bay
- Torquay
- 13TH Beach
- The Sands
- Inverleigh
- Winchelsea
- Barwon Valley
- Point Lonsdale (bring home The Bowl)

Caz. Bartholomew
Ladies Golf Captain

COURSE REPORT

The past 12 months has been very challenging, with an extremely dry summer which left the dam on the 8th hole failing to fill for the first time ever. Watering of tees and greens was kept to a bare minimum to get through the dry period.

The winter has been a contrast to the summer, and the extreme wet weather and strong winds has seen the loss of over 10 large trees on the course in the last few months.

Individual solenoid valves have been installed progressively to tees and greens, which will save many hours of labour in the dry months.

A working bee was held in September and thanks to all those who helped to clean up areas around the course. Much was achieved in a short time. Anyone who has any spare time to help on the course, around the clubhouse or tennis courts is most welcome as there is always work to be done.

Peter Wheal
Course Superintendent.

TENNIS REPORT

Junior Tennis Season

Lorne fielded a Section 1 team in the Geelong Coast Junior Tennis Association summer season. The team had a very good year until being defeated in a very close Elimination Final. Sue Balderas and Alvis Svikers did a great job co-ordinating this team.

Senior Tennis Team

We fielded a mixed team in the Tennis Geelong winter pennant season for the first time since 2009. The team won many sets and was quite competitive despite struggling to win matches. The players enjoyed the competition and having a team provides a pathway for the stronger juniors to step up into senior competition.

Easter Tournament

The annual Easter Tournament was held on Monday 28th March – (Easter Monday). Twenty four players (17 men and 7 women) played in two groups. The youngest player was 9 years old and the oldest 79 years. The winners were Paul Byers from Black Rock and Rhiannon White from Deans Marsh. Jillian Chapman and Deb. Jarratt tied as Female Member winner. In a very close competition, Alvis Svikers, Andrew Ricardo and Chris Langdon tied as Male Member winner. Again we are grateful to Murphy Transport Solutions for sponsoring the tournament.

Maintenance and Upgrades

The tennis courts are still requiring continued maintenance to be in a safe playing condition. The Committee and grounds staff are to be praised for their efforts as well as those members who have joined in working bees during the year. The Strategic Review of the Club will consider the viability of maintaining and keeping all six courts. We are still applying for funding from various sources to refurbish and possibly upgrade the surfaces.

Conclusions

The Tennis Section continues to offer a broad range of tennis opportunities for players of all ages including social play, team competition, tournaments and coaching. I believe that we have a close working relationship with all areas of the Club and the Country Club Committee. I am again grateful for the support of those players who have assisted with the Tennis Committee and the functioning of the Club as a whole.

John Ford

Tennis Captain.

HOUSE & SOCIAL REPORT

The past year has seen a few challenges for the Club, bar takings and profit was severely affected by first the Christmas Bushfires and during January fewer visitors for both golf and bar patronage. A long cold wet winter saw a sharp decline in diners and this prompted the use of volunteers to man the bar in the quiet times. Thank you to all who assisted with making this work.

Sheryll and her staff ensure all visitors and members receive a warm and friendly welcome. Thank you to Sheryll once again for all her hard work in both running the bar and keeping our clubhouse and surrounds so very tidy.

To Jenny who tends the office and day to day queries from the public, visitors and staff , thank you.

To our lady members who raid their and other gardens to supply floral decorations when required, thank you, they always look great.

Maureen Dandy

Chairperson, House Committee

MEMBERSHIP STATISTICS

	2015	2016
1. Golf Senior	221	215
2. Golf Junior	15	15
3. Golf/Tennis Senior	34	31
4. Golf/Tennis Junior	15	12
5. Tennis Senior	37	42
6. Tennis Junior	16	16
7. Non Playing	85	73
8. Holding/Interstate	13	12
9. Life Members	3	3
	<u>439</u>	<u>419</u>

FINANCE REPORT.

2016 has been a very difficult year for the Club. We have returned a loss this year of \$66,801 compared with a profit last year of \$37,784, an adverse turnaround of \$104,585. There are a number of reasons for this which I summarise as follows:

INCOME

1. Green fee income has decreased by \$12,700. No doubt the bushfire crisis was the main contributor here.
2. Subscription income is down by \$2,600. It is becoming increasingly more difficult to collect subs from members, particularly where there is no rejoining fee if they are removed from our members list for failing to pay their previous years subscriptions.
3. The huge reduction in income from Landfill dumping of \$82,669, from \$114,230 last year to only \$31,561 this year is the main reason for our adverse result this year. It has come to the attention of the committee that our price was excessive when compared to other sites in the vicinity, so we have reduced our price to meet the market accordingly. As at the date of writing this report, we are encouraged to see the contractors starting to return with their landfill.
4. Bar income has also decreased by \$13,258. Again the bushfire crisis would be a contributing factor here.

EXPENSES

1. A book write off of nearly \$9,000 was done to remove old fixed assets in the books which we no longer have or use. This is a one off book entry which unfortunately has a negative effect on our result for the year, while conversely does not affect our bank balance.
2. The cost of maintaining our landfill site is down by \$8,721. This is as we would expect given the large reduction in the fill being deposited at our site.
3. Golf affiliation fees are a constant source of aggravation to the committee. 2015 saw only 6 months fees being charged to the clubs following the failure of Golf Victoria invoicing system last year. This year, as a result we were required to pay 18 months worth of affiliation fees to compensate for it. This is evidenced by our affiliation fees for 2016 being \$14,202 higher than last year. And what also places further constraints on our cash flow, we are forced by Golf Victoria to pay affiliation fees for all golf members, including those golf members who are also members of other clubs, even if that other club has paid affiliation fees for them as well.
4. Employment expenses have remained constant at \$161,000 for both years.

As I reported last year, the Club is totally free of any external debt. Issued debentures remain in the books at \$23,050 and are repaid only on request.

With Lorne's small population it is ever more difficult to find ways to generate revenue. We are looking at some innovative ways to exploit our site, and to gain our fair share of the tourist dollar, but these will take a long time to materialize. Our membership base continues to fall every year. At 30th June, 2015 we had 439 members, whereas at 30th June, 2016 this had fallen by 20 to 419. An increase in subscriptions is the most obvious short term way of increasing revenue, and I would like to foreshadow a sizeable increase in your subs for the 2017/18 financial year. It has been approx. 3 years since we imposed a very small subscription increase, so we don't think it unreasonable to increase our subs next year.

In closing, I believe the financial success of the Club in the coming years relies heavily on finding alternative sources of revenue, while containing costs. Our ever declining membership base is not sufficient to sustain our Club going forward. It is difficult to envisage a reverse of this trend in the short term, so with our decision to lower our landfill charges, increase our subs next year, perhaps have a good year with respect to green fees, maybe 2017 might see a better result.

Dale Ridgeway
Honorary Treasurer

Lorne Country Club Inc

ABN 41 868 191 597

Annual Report For the Year Ended 30 June 2016

Lorne Country Club Inc

ABN 41 868 191 597

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Lorne Country Club Inc

ABN 41 868 191 597

Committees' Report

For The Year Ended 30 June 2016

Your committee members present their report for the financial year ended 30 June 2016.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Clive Goldsworthy (President)
Dale Ridgeway (Treasurer)
Greg Matthews (Secretary)
David Wyles (Golf Captain)
John Ford (Tennis Captain)
Greg Meadows

Lesley Goldsworthy
Maureen Dandy
Geoff Balderas
George Watkins
Kevin Diviny

Committee members have been in office since the start of the financial year to the date of report unless otherwise stated.

Principal Activities

The principal activity of the entity during the financial year was to provide social facilities, primarily a golf course, tennis courts, and clubhouse and other things incidental to the playing of golf and tennis, for its members.

Operating result

	2016	2015
The total comprehensive profit/loss for the year was:	(60,322)	37,784

Significant events

No significant change in the nature of these activities occurred during the year.

Indemnity and insurance of officers

The Association has indemnified the committee of the company for costs incurred, in their capacity as committee members, for which they may be held personally liable; except where there is a lack of good faith. The Association has paid a premium to insure the committee member against a liability.

Indemnity and insurance of auditors


The Association has not during or since the financial year, indemnified the auditor of the company against liability incurred by the auditor.

Environmental regulation

The Association is subject to complying with the relevant environmental requirements of the Local, State and Federal Government.

Signed in accordance with a resolution of the Members of the committee


Clive Goldsworthy
President


Dale Ridgeway
Treasurer

Dated this 31st day of October 2016.

Lorne Country Club Inc

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Statement of profit or loss and other comprehensive income

For The Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue From Ordinary Activities			
Subscriptions		111,359	113,951
Green Fees and Tennis Fees		106,819	112,714
Competition Fees		5,380	4,815
Social Functions		3,056	1,076
Sponsorship/Donations		2,455	(2,519)
Take Away Food/Sundries		3,104	9,567
Trading Loss - Bar	2	(26,193)	(24,041)
Interest Earned		2,309	5,163
Landfill Dumping		31,434	114,230
Profit/(Loss) on Sale of Assets		(8,949)	2,000
Raffle Income - Golf Clubs		1,765	2,000
Balls & Tees		3,706	4,069
Miscellaneous Income		232	870
		<u>236,477</u>	<u>344,255</u>
Expenditure			
Club House Maintenance			
Cleaning/Cleaning Articles, etc		887	2,274
Repairs/Replace/Maintenance		2,901	3,640
Depreciation - Furn & Fittings		2,765	3,954
Sundries		8,136	8,388
Utilities		6,087	12,978
		<u>20,776</u>	<u>31,234</u>
Course Maintenance			
Course Contractor		38,636	32,016
Course Maintenance - Wages		25,515	32,358
Course Maintenance - Superannuation		3,670	2,973
Machinery/Repairs/Fuel/Accessories/Hire		24,404	19,904
Seed/Fertiliser/Cartage/Loam/Sand		14,267	12,643
Utilities/Improvements		18,611	21,258
Depreciation - Course Maintenance		36,576	41,493
Interest Paid		1,082	6,245
Motor Vehicle Expenses		267	759
Tennis Maintenance		4,595	4,407
Miscellaneous Expenses		2,048	1,645
		<u>169,671</u>	<u>175,701</u>

Lorne Country Club Inc

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Statement of profit or loss and other comprehensive income

For The Year Ended 30 June 2016

	Notes	2016 \$	2015 \$
General Administration			
Auditors Remuneration		8,412	4,370
General Administration - Wages		19,863	18,033
General Administration - Superannuation		1,433	1,657
Workcover		653	1,420
Interest/Bank Charges		2,246	2,454
Insurance		13,500	12,782
Website/Computer Expenses		1,150	155
Printing/Stationery/Advertising/Office supp		4,042	7,461
Telephone/Postage		3,616	5,122
Entertainment/Social Functions		1,209	913
AGCSA Subscription		332	-
Water/Municipal Rates		13,061	11,661
Affiliation/Fees/Subs/Training		19,797	5,922
Legal Fees		-	4,684
Lease Expenses - Kitchen		-	1,093
Licences and Permits		1,093	1,083
Trophies/Medals		8,054	7,960
Security		2,387	-
Team Entry Fees		306	143
Landfill Dumping Expenses		4,265	11,446
Depreciation - Office Equip		66	431
Raffles		409	-
Other Administration Expenses		458	746
		<u>106,352</u>	<u>99,536</u>
Other Expenses			
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Profit/(Loss) Before Income Tax		<u>(60,322)</u>	<u>37,784</u>
Income Tax Expense/(Credit)	1(g)	-	-
Profit/(Loss) After Income Tax		<u>(60,322)</u>	<u>37,784</u>
Other Comprehensive Income After Income Tax			
Comprehensive income/expense items		-	-
Total Comprehensive Income/(Loss) For The Year		<u>(60,322)</u>	<u>37,784</u>

Lorne Country Club Inc

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Statement of financial position

As at 30 June 2016

	Notes	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	3	25,826	77,979
Trade and other receivables	4	12,485	33,693
Inventory		14,579	11,932
Total Current Assets		52,890	123,604
Non Current Assets			
Property, Plant and Equipment	5	771,290	820,509
Total Non-Current Assets		771,290	820,509
Total Assets		824,180	944,113
Current Liabilities			
Trade and Other Liabilities	6	15,231	26,758
Financial Liabilities	7	-	48,089
Total Current Liabilities		15,231	74,847
Non Current Liabilities			
Financial Liabilities	7	23,050	23,050
Total Non Current Liabilities		23,050	23,050
Total Liabilities		38,281	97,897
Net Assets		785,899	846,216
Members Funds			
Retained Surplus		785,899	846,216
Total Members Funds		785,899	846,216

Lorne Country Club Inc
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 Statement of changes in equity

As at 30 June 2016

	Retained surplus \$	Total \$
Balance at 1 July 2014	808,437	808,437
Comprehensive income		
Profit/(Loss) for the year attributable to members of the entity	37,784	37,784
Total comprehensive profit attributable to members of the entity	<u>37,784</u>	<u>37,784</u>
Balance at 30 June 2015	<u>846,221</u>	<u>846,221</u>
Comprehensive Income		
Loss for the year attributable to members of the entity	(60,322)	(60,322)
Total comprehensive loss attributable to members of the entity	<u>(60,322)</u>	<u>(60,322)</u>
Balance at 30 June 2016	<u>785,899</u>	<u>785,899</u>

Lorne Country Club Inc

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Statement of cashflow

As at 30 June 2016

	Notes	2016 \$	2015 \$
Cash flow from operating activities			
Receipts from customers		255,376	500,563
Payments to suppliers and employees		(269,597)	(432,846)
Interest paid		(1,101)	(6,245)
Interest received		2,309	5,332
Net cash generated from operating activities	8	<u>(13,013)</u>	<u>66,804</u>
Cashflow from investing activities			
Payments for property, plant and equipment			(18,427)
(Profit)/Loss from sale of assets		8,949	-
Net cash used in investing activities		<u>8,949</u>	<u>(18,427)</u>
Cash flow from financing activities			
Repayment of Financial Liabilities		(48,089)	(41,723)
Proceeds from Financial Liabilities			-
Net cash used in financing activities		<u>(48,089)</u>	<u>(41,723)</u>
Net increase/(decrease) in cash held		(52,153)	6,654
Cash at the beginning of the financial year		77,979	71,325
Cash and cash equivalents at the end of the financial year	8	<u><u>25,826</u></u>	<u><u>77,979</u></u>

Lorne Country Club Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Statement of Significant Accounting Policies

Note 1 Summary of Significant Accounting Policies

The financial statements are for the Lorne Country Club Inc, an individual entity incorporated in Victoria under the Associations Incorporation Reform Act 2012. The Committee have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Incorporation Reform Act 2012.

The financial report has been prepared in accordance with the measurement and recognition requirements of the Australian Accounting Standards, with the exception of:

- AASB 112 Income Taxes
- AASB 118 Revenue

The disclosure requirements of the Australian Accounting standards have not been applied.

The directors have determined the accounting policies appropriate to meet the needs of members. Such accounting policies are consistent with those of the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting policies

a) Revenue

Revenue from Subscriptions is recognised in the year to which it relates.

Bar Revenue is recognised on a cash basis upon receipt.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All other revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the society and there is an unconditional right to receive the revenue.

All revenue is stated net of the amount of goods and services tax (GST).

b) Inventories on hand

Inventories, including all bar inventories representing finished products, are measured at the lower of cost and net realisable value.

c) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated, less, where applicable accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the assets useful life to the entity commencing from the time the asset is available for use.

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For the Year Ended 30 June 2016

c) Plant and Equipment (*continued*)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciable Rate
Furniture and Fittings	5% to 33%
Motor Vehicles	20%
Office Equipment	2.50% to 33%
Plant and Equipment	10% to 20%
Course Improvements	10% to 20%

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Where the residual values are determined to be less than the carrying value, the write down is recorded through the income statement.

d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from landfill contractors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

g) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

h) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

i) Employee Entitlements

No staff are entitle to, and therefore no accrual has been recognised, for employee entitlements (provisions).

j) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

k) Interest Expense - Debentures

Interest accrued on debentures is recognised when paid

Lorne Country Club Inc

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For the Year Ended 30 June 2016

2016

\$

2015

\$

l) Financial Assets

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument, being the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial assets are measured at cost and relate to term deposits with financial institutions with a fixed maturity date.

Financial assets are included in current assets when the maturity date is less than 12 months.

Interest revenue for financial assets is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

m) Statement of Cash Flows

For the purpose of the Statement of Cash Flows, cash includes cash on hand and deposits held with banks, net of bank overdrafts. Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

2 Trading statement (Bar)

Bar sales	147,969	152,883
Cost of Sales		
Opening Stock	11,932	6,599
Purchases	70,214	74,978
Less: Closing Stock	14,579	11,932
	<u>67,567</u>	<u>69,645</u>
Gross Profit	<u>80,402</u>	<u>83,238</u>
Expenses		
Bar Repairs	671	452
Beer Gas	567	933
Sundries	849	802
Bar Staff - Wages	96,004	95,249
Bar Staff - Superannuation	7,641	8,751
Bar Depreciation	863	1,092
	<u>106,595</u>	<u>107,279</u>
Trading Profit/(Loss) from Bar	<u>(26,193)</u>	<u>(24,041)</u>

3 Cash and Cash Equivalents

Cash on Hand	598	1,655
Cash at Bank - WBC	25,228	5,800
Interest Bearing Deposits - WBC	-	70,524
	<u>25,826</u>	<u>77,979</u>

Lorne Country Club Inc

ABN 41 868 191 597

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
4 Trade and other receivables		
Trade Debtors	5,950	28,287
Unamortised Borrowing Expenses	-	265
GST Paid	6,535	4,982
Miscellaneous Debtors	-	159
Total trade and other receivables	12,485	33,693
5 Property, Plant and Equipment		
Land and Buildings	449,284	449,284
Tennis Court Development (cost)	108,910	108,910
Tennis Court Development (accum. depreciation)	(44,600)	(37,454)
	64,310	71,456
Golf Course Development (cost)	251,934	251,934
Golf Course Development (accum. depreciation)	(104,716)	(88,359)
	147,218	163,575
Furniture & Fittings - Clubhouse (cost)	95,301	95,301
Furniture & Fittings - Clubhouse (accum. depreciation)	(56,642)	(53,015)
	38,659	42,286
Machinery & Plant (cost)	265,909	265,909
Machinery & Plant (accum. depreciation)	(194,156)	(181,082)
	71,753	84,827
Office & Miscellaneous Equipment (cost)	2,268	11,756
Office & Miscellaneous Equipment (accum. depreciation)	(2,202)	(2,675)
	66	9,081
Total Property, Plant and Equipment	771,290	820,509
6 Trade and Other Liabilities		
Trade Creditors	822	6,867
Accrued Expenses	3,400	2,771
Deposits	500	500
GST Received	5,772	9,102
PAYG Payable	4,648	5,222
Undeposited Funds	-	2,115
Superannuation Payable	89	181
Total Trade and Other Liabilities	15,231	26,758

Lorne Country Club Inc
 ABN 41 868 191 597

For the Year Ended 30 June 2016

	2016	2015
	\$	\$

7 Financial Liabilities

Current:

John Deere Machinery Loan	-	40,329
Bank Loans	-	7,760
	<u>-</u>	<u>48,089</u>

Non Current:

Debentures	23,050	23,050
	<u>23,050</u>	<u>23,050</u>

8 Cash Flow Information

Cash at the end of the period for the statement of cashflows is as follows:

Cash on Hand	598	1,655
Cash at Bank - WBC	25,228	5,800
Interest Bearing Deposits - WBC	-	70,524
	<u>25,826</u>	<u>77,979</u>

Reconciliation of Cashflow from Operations with Profit and Income Tax

Profit/(Loss) after income tax	(60,322)	37,784
Non cash flows		
Depreciaton	40,270	46,970
Changes in assets and liabilities		
(Increase)/Decrease in Receivables	21,208	(15,284)
(Increase)/Decrease in Inventories	(2,647)	(5,334)
Increase/(Decrease) in Creditors/Accruals	(11,522)	2,668
Total Cash flow	<u>(13,013)</u>	<u>66,804</u>

Lorne Country Club Inc

ABN 41 868 191 597

For the Year Ended 30 June 2016

2014

2013

\$

\$

9 Contingent Liabilities

(a) Development & Management Agreement

Lorne Country Club Inc entered into a Development & Management Agreement (DMA) in 2003 to redevelop the Country Club, including (but not limited to) expanding to an 18 hole golf course and developing both a hotel and an 88 apartment complex. Commercial pre-conditions required to commence the redevelopment have, at balance date, yet to be satisfied. The Planning Permit expired on 22 March 2014. Any application to renew the permit must be made within 12 months of the expiry date. As at balance date and at the date of this report, funding for the project has not been secured by the Developer and the Club does not intend to renew the planning permit. The Club's position is that the agreement has been frustrated and the Developer is in breach of the DMA. The Club is currently obtaining legal advice as to the Club's position and is monitoring the situation with the developer. At the date of this report, the developer has asserted a material amount of funds have been spent to pursue the development but no claim has been made by the developer. A contingent liability under the agreement will be dependent on the future outcome of any potential action taken by the Developer.

(b) Accrued interest payable

The Club has issued debentures. Individual issued debentures range from \$50 to \$1,000. The total value of debentures issued at 30 June 2016 is \$23,050 (2015: \$23,050), with interest rates between 4.00% to 6.00%. The club recognises the interest expense when paid to the debenture holders. Historically, most debenture holders have elected to forgive the interest accrued on their debenture holding. The last payment of interest was on 31 March 2011, where 14% of the accrued interest was actually paid.

At 30 June 2016 a contingent liability for accrued interest of \$9,387 exists. This liability is contingent upon debenture holders requesting the interest to be paid.

10 Related Parties

The only related parties of the Club are the Committee members who receive no remuneration. There were no commercial transactions with Committee members.

Lorne Country Club Inc

ABN 41 868 191 597

Committee Members' Declaration

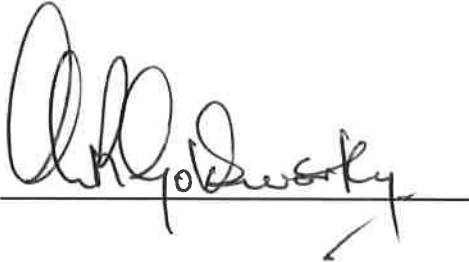
The committee members declare that the Club is not a reporting entity. The directors determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The committee members declare that:

1. the financial statements and notes presents fairly the Club's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the committee members' opinion there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the committee members.

President



Treasurer



Date:

31/10/16



BARKLEY

& ASSOCIATES PTY LTD

Chartered Accountants

LORNE COUNTRY CLUB INC.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LORNE COUNTRY CLUB INC.**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Lorne Country Club Inc. which comprises the balance sheet as at 30 June, 2016, the statement of profit or loss and other 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 notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of Lorne Country Club Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (Victoria) and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Qualification

As is common in organisations of this type, it is not practicable to maintain an effective system of internal control over income such as green fees, fund raising and other similar activities until their initial entry in the accounting records. Accordingly, our audit in relation to income was limited to amounts recorded.

Opinion

In our opinion, except for the above, the financial report presents fairly, in all material aspects, the financial position of Lorne Country Club Inc. as at 30 June, 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Reform Act 2012.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Lorne Country Club Inc. to meet the requirements of the Associations Incorporations Reform Act 2012 (Victoria). As a result, the financial report may not be suitable for another purpose.

Lester Barkley

Barkley & Associates Pty Ltd
Dated this 31st day of October, 2016

Director

J. Lester Barkley B.Com., CA, CFP

Associate

Angela Hurren B.Com., CPA

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