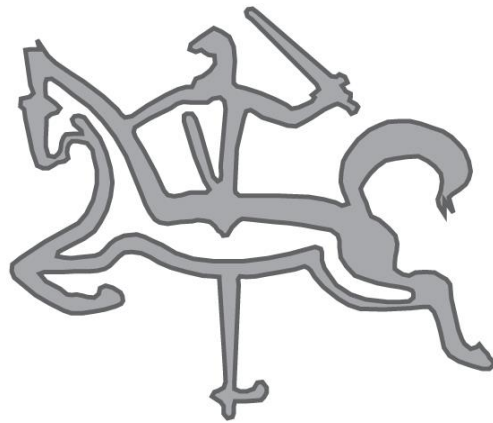


LITHUANIAN CLUB LIMITED

ABN 68 000 410 622

**ANNUAL
REPORT**

2 0 1 9



OFFICE BEARERS 2018/19

PRESIDENT

R. CIBAS

TREASURER/SECRETARY

J. PENKAITIS

DIRECTORS

J. CERNAUSKAITE, M. CIBAS, G. GILVYDIS – APPOINTED 23 JUNE 2019,
E LENCIAUSKAS - RESIGNED 23 JUNE 2019, G SAUKA, R ZAKAREVICIUS.

—

CLUB PROFESSIONAL SERVICES

AUDITOR

PETER KRUPSKI

P A TAX & ACCOUNTING PTY LTD

—

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the

57th ANNUAL GENERAL MEETING OF THE LITHUANIAN CLUB LIMITED
ABN 68 000 410 622

Will be held at the premises of the Lithuanian Club Limited ('the Club') located at 16-20 Meredith Street, Bankstown, NSW 2200 on

SUNDAY 29 SEPTEMBER 2019 AT 2:30PM

In the Clubhouse

THE BUSINESS OF THE MEETING IS

- A. To confirm the Minutes of the 2018 Annual General Meeting.
- B. To receive and consider the Financial Report, the Directors' Report and the Report of the Auditor for the year ended 30 June 2019.
- C. To appoint the auditor. The Board recommends the reappointment of Peter Krupski of P.A Tax & Accounting Pty Ltd.
- D. To declare the result of the election of the Board of Directors. (Note: The Directors will hold office until the conclusion of the Annual General Meeting after this Meeting.)
- E. To consider and if thought fit, pass the special resolution contained in the 'Notice of Special Resolution'
- F. To consider and if thought fit, pass the ordinary resolution contained in the 'Notice of Ordinary Resolution'.
- G. To allow the Members as a whole to ask questions about or make comment on the management of the Club.

IMPORTANT INFORMATION TO MEMBERS

The Registered Clubs Act 1976 prohibits proxy voting at any General Meeting (including Annual General Meeting) and at any election of the Board of Directors.

All current directors (7) have agreed to nominate for election to the Board. They are Jurgita Cernauskaite, Maritsa Cibas, Romualdas Cibas, Gita Gilvydis, John Penkaitis, Gediminas Sauka and Ramutis Zakarevicius.

Members must be financial to vote at the meeting. Renewal fee of \$10 can be paid at the Club or directly into Club's bank account: Lithuanian Club Ltd. ANZ Bank, BSB 012226 Account No. 484530752 (ensure your name is used as reference).

The Club's Annual Report will be available not less than 21 days before the Meeting on the Club's website at www.lithuanianclub.org.au for members to access and download. A member may elect to receive, free of charge, a hard copy of the Annual Report by giving the Club a notice in writing to that effect. An election to receive a hard copy of the Annual Report will be a standing election for each later financial year until the member changes that election. Please contact the Club's office (either in person or telephone 9708 1414) if you need assistance in completing a notice in writing to elect to receive a hard copy of the Annual Report.

Please submit any questions relating to the Club's accounts to the President by 5:00pm on Thursday 26 September 2019 to allow time for the Club and the Club's Auditor to give a suitably researched response.

By Direction of the Board

Dated: 25 August 2019

Notice to Members

Nomination forms for the Board of Directors may be obtained from the Club office, completed and left at the office, not later than 8th September, 2019 for collection by the Secretary.

NOTICE OF SPECIAL RESOLUTION

Notice is hereby given that at the Annual General Meeting of the Lithuanian Club Limited ('the Club') to be held on Sunday 29 September 2019 commencing at 2:30pm in the Club's premises at 16-20 Meredith Street, Bankstown NSW 2200, members will be asked to consider and if thought fit, pass the following special resolution:

Special Resolution

That Article 30 of the Constitution be amended by substituting the following:

*"30 At any ordinary general meeting called by the President of the Board **thirty** members entitled to be present under Article 15 and present in person shall be a quorum and at any extraordinary general meeting called on or by the requisition of **thirty** members entitled to be present under Article 15 and present in person shall constitute a quorum"*

Explanatory Note only:

A.

Article 30 of the Constitution presently states:

*"30 At any ordinary general meeting called by the President or the Board **fifty** members entitled to be present under Article 15 and present in person shall be a quorum and at any extraordinary general meeting called on or by the requisition of **fifty** members entitled to be present under Article 15 and present in person shall constitute a quorum"*

B.

Historically and at the date of registration of the incorporation of the Lithuanian Club Limited on 22 November 1962, membership of the Lithuanian Club Limited was in the area of 2,000 members. The present Constitution, under Article 30, requires 50 members to constitute a quorum for general meetings.

C.

Current membership is in the area of 170 members. Hence the need to amend Article 30 of the Constitution in order to reduce the number required to constitute a quorum for general meetings from 50 members to 30 members, in order that the Lithuanian Club is able to conduct its affairs in an orderly manner.

NOTICE OF ORDINARY RESOLUTION

Notice is hereby given that at the Annual General Meeting of the Lithuanian Club Limited ('the Club') to be held on Sunday 29 September 2019 commencing at 2:30pm in the Club's premises at 16-20 Meredith Street Bankstown NSW 2200, members will be asked to consider and if thought fit, pass the following resolution which is proposed as an ordinary resolution:

Ordinary Resolution

That pursuant to the Registered Clubs Act 1976 the members approve and agree to the reasonable expenditure by the Club no exceeding \$30,000 until the Club's next Annual General Meeting on benefits relating to the following activities of Directors and other members of the Club (paragraphs (a) to (f)) including the professional development and education of Directors and other members (paragraphs (g) to (k)), and the members acknowledge the benefits are not available to members generally but only to Directors and other members who are involved in the following activities:

- (a) the reasonable cost of a meal and beverage for each Director and committee member during, immediately before or immediately after a Board or committee meeting on the day of that meeting when that meeting corresponds with a normal meal time;
- (b) reasonable expenses incurred by Directors in travelling to and from Board or committee meetings, provided the expenses incurred are approved by the Board before payment is made on production of invoices, receipts or other proper documentary evidence of that expenditure;
- (c) An honorarium for volunteer workers, the sum being determined by the Board and such expenses being properly recorded;
- (d) reasonable expenses incurred by Directors in relation to Club-related activities including entertainment of special guests of the Club and other promotional activities performed by Directors, provided the expenses incurred are approved by the Board before payment is made on production of invoices, receipts or other proper documentary evidence of that expenditure;
- (e) the provision of apparel (for example; Club blazer, tie, shirt or blouse, and trousers or skirt) for each newly elected Director and the replacement of apparel for existing Directors as required, for the use of Directors when representing the Club;
- (f) the reasonable cost of Directors and their respective partners attending an annual dinner and other functions approved by the Board;
- (g) the reservation of car spaces in the Club's car park for Directors and Officers of the Club;
- (h) the reasonable cost of Directors, employees approved by the Board, and their partners where appropriate, attending industry-related meetings including the Clubs NSW Annual Conference and Clubs NSW Annual General Meeting and activities directly associated with that Conference and Meeting;

NOTICE OF ORDINARY RESOLUTION

- (i) the reasonable cost of Directors and employees approved by the Board attending seminars, lectures, trade displays, organized study tours, fact-finding tours and other similar events, provided those attendances are approved by the Board as being necessary or desirable for the benefit of the Club;
- (j) the reasonable cost of Directors and employees approved by the Board attending other registered clubs, hospitality and gaming venues for the purpose of viewing and assessing their facilities and methods of operation, provided those attendances are approved by the Board as being necessary or desirable for the benefit of the Club;
- (k) the reasonable cost of providing Directors with club industry specific training including required training under the Registered Clubs Regulation 2015;
- (l) the reasonable cost of providing Directors with membership of the NSW Club Directors Institute.’

Explanatory Note to Ordinary Resolution: Under the Registered Clubs Act the Club is required to offer benefits equally to all members unless the members pass a resolution to approve different benefits for certain members. The purpose of this ordinary resolution is to approve reasonable expenditure by the Club until the next Annual General Meeting on benefits relating to activities of Directors and other members including professional education and development. In particular, the purpose of the Club’s expenditure on the professional development and education of Directors (paragraphs (g) to (k)) is to help the Board keep up-to-date with current trends and developments that could affect how the Club conducts its business in the future. Paragraph (j) includes required training for directors under the Registered Clubs Regulation. The Regulation defines required training as:

- (a) the courses entitled “Director Foundation and Management Collaboration” and “Finance for Club Boards” conducted by or on behalf of Clubs NSW, or
- (b) the units of competency entitled “Implement Board member responsibilities-BSBGOV401”, “Work within organizational structure-BSBGOV402” and “Analyze financial reports and budgets-BSBGOV403” conducted by an NVR registered training organization (within the meaning of the National Vocational Education and Training Regulator Act 2011 of the Commonwealth) or any units of competency that supersede and are equivalent to those units.

The Club’s expenditure on Directors’ expenses will be recorded in the Club’s accounts. Financial members in the classes of Life Membership, Foundation membership, Ordinary membership are entitled to vote on this ordinary resolution.

Note: To be passed an ordinary resolution must be carried by a simple majority (50% plus 1) of the members being entitled to vote and who are present and voting at the Meeting. The Registered Clubs Act 1976 does not permit proxy voting.

PRESIDENT'S REPORT

Dear Members,

On behalf of the Board of Directors of the Lithuanian Club Limited, I hereby present the 57th Annual Report for the year ended 30th June 2019.

This financial year we lost some very prominent members of our Club: Life Member Alis Migus, and Foundation Members Kastytis Stašionis and Laurie Cox. We remember them, together with all the other members who have passed on, with great sadness.

During the financial year, the Club again served the Lithuanian community with distinction in providing a base for all Lithuanian organisations in Sydney to use. In addition to the regular commemorations and events held annually, we also hosted parliamentary, diplomatic and cultural visitors from Lithuania, Japan and the USA.

This year the Club has been plagued by major repairs and maintenance problems, most notably the leaking of the hot water pipes in the ceiling throughout the Club. This even necessitated the replacement of our stage floor. Thankfully, we were covered by insurance and Strata's new management have commenced a whole raft of rectification works, at their cost, which have been on our waiting list for several years.

Tongan income has dropped because of our restricted trading hours and the absence of gaming facilities and is not likely to improve. Although the increased income from Lithuanian patronage has filled the gap, the Club is still dependent on members' loans, as the fixed costs of this location are high and not commensurate with the income we are currently able to generate. It is therefore very gratifying that those members, whose 3 year loans matured this year, agreed to roll-over their loans for a further 3 year term, at a lower interest rate.

This removed the urgency to proceed with the sale of the Club and enabled the Board to commit the Club to host the XXXI Australian Lithuanian Days cultural festival in Sydney between 27-31 December 2020. Thereafter, the Board, with its Members, will be better placed to assess the Club's future, in a more measured manner.

Finally, I wish to thank all community groups and their families for supporting the Club. I am very grateful to our loyal staff, selfless Directors, to the volunteers and of course, to the generous support of our lenders, who keep helping the Club to survive.



R. CIBAS,
President.

TREASURER'S REPORT

Dear Members,

It is with pleasure that I present my Fourth Treasurer's report for the Lithuanian Club Limited for the year ended 30th June 2019.

The Club incurred a loss of \$153,075 as against a loss of \$171,511 for the previous year. If depreciation is excluded from the Net Loss, this expense depreciation being a non cash expense, the cash loss comes in at \$74,732 as against a cash loss of \$92,349 of the previous year. This improvement, if one can call it that, of \$17,617 came about with an income improvement of \$11,275 and a cost reduction of \$6,342.

Both Trading Accounts improved in their turnover and Gross Profit. Bar Trading improved its Gross Profit by \$2,890 and Restaurant Gross Profit improved by \$1,817. This improvement was achieved despite the Friday and Saturday Pacific Islander/Tongan patronage almost halving over the previous year. Hall hire showed an increase of \$3,527 and the Board expects further improvement in this revenue source.

Overhead cost reduction came principally from a reduction in Strata Levies of \$25,202.

However other operating costs did increase.

Going forward the Board believes that the forthcoming year will produce a result similar to the year just conclude.

On behalf of the Board I would like to thank the support of our Members and their generosity in assisting with loans.



J PENKAITIS,
Treasurer.

DIRECTORS REPORT

The directors present their report of the company for the year ended 30 June 2019.

1. Directors

The names of the directors in office at any time during or since the end of the financial year are-

Name	Qualifications	Tenure*	Appointed/ Resigned	Responsibilities
CIBAS Romualdas	Director	Director 4 years	Appointed 26 Apr 2015	President
PENKAITIS John	Accountant	Director 4 years	Appointed 20 Jul 2015	Secretary/ Treasurer
CIBAS Maritsa	Director	Director 3 years	Appointed 11 Dec 2016	Director
CERNAUSKAITE Jurgita	Economist	Director 3 years	Appointed 10 Mar 2016	Director
LENCIAUSKAS Emilis	Marketing Ex	Director 3 years	Resigned 23 Jun 2019	Director
GILVYDIS Gita	Architectural Designer	Director first year	Appointed 23 Jun 2019	Director
SAUKA Gediminas	Retired	Director 2 years	Appointed 20 Aug 2017	Director
ZAKAREVICIUS Ramutis	Academic	Director 2 years	Appointed 20 Aug 2017	Director

DIRECTORS REPORT

2. Class of members

The number of members in each class of membership as recorded in the Register of Members as at the 30 June 2019 are-

	2019	2018
Life	2	3
Foundation	8	8
Ordinary	160	152
Associate	7	6
	177	169

3. Results

The loss of the company for the 2018/2019 financial year amounted to \$153,075 (Loss in 2017/2018: \$171,511).

4. Attendance at Directors' meetings

The following table sets out the number of Directors' meetings held during the period 1 July 2018 to 30 June 2019. During the year thirteen (13) Board meetings were held.

	Board Meetings	
	Number eligible to attend	Number attended
CIBAS, Romualdas	13	13
PENKAITIS, John	13	12
CIBAS, Maritsa	13	13
CERNAUSKAITE, Jurgita	13	10
GILVYDIS, Gita	-	-
LENCIAUSKAS, Emilis	12	5
SAUKA, Gediminas	13	11
ZAKAREVICIUS, Ramutis	13	13

5. Short and long term objectives

To further consolidate the financial position of the core business while pursuing refurbishments to ensure we remain a successful and friendly club.

6. Strategy for achieving the objectives

To achieve the objective's, the company has adopted the following strategies:

DIRECTORS REPORT

- Strengthen the company's financial position to allow it to meet the cost of refurbishments
- Follow best practice principles of sound corporate governance
- Provide a value offering in product and services while increasing profitability

7. Principal activities

The principal activity of the Lithuanian Club Limited during the financial year was the operation of a Licensed Club for the benefit of its members and guests and the promotion of Lithuanian culture within the local community.

No significant changes in the nature of the Club's activity occurred during the financial year.

8. How these activities assist in achieving the objectives

By operating the licensed club to generate the revenue that will allow us to achieve our objectives.

9. Measurement of Performance

Performance is measured against a financial budget, a strategic plan and a set of key performance indicators that include EBITDA, Bar Gross Profit percentage, and Wages percentage to sales.

10. Auditor's Independence Declaration

We have received an Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 (Page 31).

11. Statement of core property and non-core property pursuant to section 41J (2) of the Registered Clubs Act 1976:

As at 30 June 2019 the Club's core property is the land (Lot 102 in Deposited Plan 1067620) at 1/16-20 Meredith Street Bankstown NSW 2200 on which the Club's licensed premises and car park are situated.

Signed in accordance with a resolution of the Board of Directors.

Dated this the 25th day of August 2019.

DIRECTOR
R CIBAS



DIRECTOR
J PENKAITIS



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019	2018
		\$	\$
CURRENT ASSETS			
Cash	4	219,512	308,049
Receivables	5	6,390	464
Inventories	6	15,524	15,502
Other Assets	7	5,747	6,569
TOTAL CURRENT ASSETS		247,173	330,584
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,896,453	4,974,807
Other Assets	7		
TOTAL NON-CURRENT ASSETS		4,896,453	4,974,807
TOTAL ASSETS		5,143,626	5,305,391
CURRENT LIABILITIES			
Accounts payable	9	24,466	17,561
Borrowings	10	216,000	163,300
Provisions	11		
TOTAL CURRENT LIABILITIES		240,466	180,861
NON-CURRENT LIABILITIES			
Borrowings	10	408,502	476,797
Provisions	11		-
TOTAL NON-CURRENT LIABILITIES		408,502	476,797
TOTAL LIABILITIES		648,968	657,658
NET ASSETS		4,494,658	4,647,733
EQUITY			
Reserves		2,839,931	2,839,931
Retained Earnings (Accumulated Losses)		1,654,727	1,807,802
TOTAL EQUITY		4,494,658	4,647,733

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
Revenue	2	140,073	125,597
Other Income	2	17,594	17,129
Sales of Assets	2		
Changes in inventories		23	5,371
Costs of materials		(61,002)	(65,928)
Employee benefits expense		(19,832)	(19,504)
Depreciation, amortization and impairment of non-financial assets		(78,343)	(79,162)
Member's amenities			
Advertising & Promotion			
Insurance expense		(12,005)	(10,574)
Repairs & Maintenance expense		(7,999)	(2,681)
Utilities & Occupancy		(68,361)	(82,188)
Other expenses from ordinary activities		(50,999)	(48,108)
Finance Costs (interest on loans)		(17,154)	(13,818)
Finance Income (interest received)	2	4,930	2,355
Profit/(Loss) Before Tax		(153,075)	(171,511)
Tax Expense			-
Profit/(Loss) for the year from continuing operations		(153,075)	(171,511)
Profit for the year from discontinued operations			-
Profit/(Loss) for the year	3	(153,075)	(171,511)

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
BY COST CENTRE FOR THE YEAR ENDED 30 JUNE 2019

Club Operations

	2019	2018
	\$	\$
Bar Trading		
Bar Sales	64,266	54,901
Cost of Goods Sold	(26,662)	(23,540)
Other Expenses	(5,159)	(1,806)
Total Net Income/(Loss) from Bar	32,445	29,555
Restaurant		
Restaurant Sales	70,399	68,816
Cost of Goods Sold	(31,086)	(32,711)
Other Expenses	(27,570)	(25,441)
Total Net Income/(Loss) from Restaurant	11,743	10,664
Room Hire		
Revenue	5,407	1,880
Expenses		
Total Net Income/(Loss) from Room Hire	5,407	1,880
Interest Received		
Interest Received	4,930	2,354
Total Interest Received	4,930	2,354
Other Income		
Cultural Grant		1,364
Donations Received	4,028	6,412
Insurance Recoveries	5,250	
Managed funds		2,880
Membership subscriptions	1,591	1,200
Photocopying	975	1,773
Rent Received	5,750	3,500
Total Other Income	17,594	17,129

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
BY COST CENTRE FOR THE YEAR ENDED 30 JUNE 2019

Club Operations

	2019	2018
	\$	\$
TOTAL NET INCOME/(LOSS) FROM CLUB OPERATIONS	72,119	61,582
Audit	6,000	6,000
Bank Fees	1,580	1,302
Book Keeping	4,625	4,830
Cleaning	9,283	6,547
Computer expenses	1,384	2,589
Depreciation Expenses	78,343	79,162
Director Expenses	-	-
Electricity	29,221	25,531
Hall Decorations	495	1,848
Honorariums	6,582	2,630
Insurance	11,018	9,998
Interest Paid	15,574	12,515
Office supplies	2,601	4,354
Pest Control	1,100	-
Postage	538	476
Rates	10,222	9,936
Repairs and Maintenance	6,289	1,681
Security	1,033	391
Staff Training	-	210
Strata Levies	8,258	33,460
Sub-Contractors Cleaning	1,125	1,105
Superannuation	1,482	1,482
Telephone	2,927	2,962
Travel	1,507	1,073
Wages	18,350	18,023
Water	4,670	4,412
Workers Compensation Insurance	987	576
NET PROFIT/(LOSS)	(153,075)	(171,511)

The accompanying notes form part of these financial statements.

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

	Retained Earnings	Capital Reserve	Asset Revaluation	Members Equity
Total Equity 30 June 2017	1,979,313		2,839,931	4,819,244
Net Profit/(Loss) 2017/2018	(171,511)			(171,511)
Transfer to retained earnings				
Revaluation				
Total Equity 30 June 2018	1,807,802		2,839,931	4,647,733
Net Profit/(Loss) 2018/2019	(153,075)			(153,075)
Transfer to retained earnings				
Revaluation				
Total Equity 30 June 2019	1,654,727		2,839,931	4,494,658

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
Cash Flows from Operating Activities:			
Receipts from Customers		152,416	142,726
Interest Received		10,180	2,355
Interest Paid		(15,574)	(12,515)
Less Payments to Suppliers and Employees		(219,965)	(232,282)
Net Cash Provided by			
Operating Activities	13(b)	(72,943)	(99,716)
 Cash Flows from Investing Activities:			
Sale of Assets			
Payment for Property, Plant & Equipment			
Investment property sale			
Net Cash Provided by (used in)			
Investing Activities			
 Cash Flows from Finance Activities			
Proceeds of borrowing			200,000
Repayment of borrowings		(15,594)	(5,542)
Net Cash Provided by (used in)			
Financing Activities		(15,594)	194,458
 Net increase (decrease) in cash held		(88,537)	94,742
Cash at beginning of financial year		308,049	213,307
Cash at End of Year	13(a)	219,512	308,049

The accompanying notes form part of these financial statements.

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

The Lithuanian Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorized for issue on 25 August 2019 by the directors of the company.

1. Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs except for land and buildings that have been measured at fair value.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following is a summary of the significant accounting policies adopted by the club in the preparation of this report.

(a) Income Tax

The directors of the club have reviewed the club's position in regard to the application of income tax and have formed the opinion that the club is exempt from the payment of income tax under subsection 23(g) (iii) of the Income Tax Assessment Act (1936). Accordingly, the Directors have not provided for any income tax in the accounts.

(b) Inventories

Inventories are measured at the lower of cost and net realizable value.

(c) Revenue Recognition

All revenues are recognized on a Receipt basis including Membership Subscriptions. All revenue is stated net of the amount of goods and services tax.

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

(d) Borrowings

Bank loans are recorded at an amount equal to the net proceeds received less principal repayments. Short term payments are recorded for principal amounts only, as interest is payable on maturity of the bill facility.

(e) Goods and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognized net of the value of GST. Except for, Accounts Payable and Receivable which are recorded GST inclusive.

(f) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing partners in an arm's length transaction. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors.

The land and buildings were re-valued by the directors on 20 May 2017. This is the valuation adopted this year.

(g) Plant and Equipment

Plant and equipment are measured on the cost basis less Accumulated Depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

(h) Depreciation

The depreciable amount of all fixed assets including capitalized leased assets, but excluding building and freehold land, are depreciated on a either a diminishing value or straight line basis over their estimated useful lives to the entity, commencing from the time the asset is held ready for use.

The rates used for each class off asset are as follows:

Furniture and Fittings	13 to 20%
Plant and Equipment	13 to 20%

(i) Impairment of Assets

At each reporting date the company assesses whether there is any indication that any individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognized in the income statement where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

(j) Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave will be settled after one year, have been measured at their nominal amount.

A liability for long service leave is recognized as the value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

(k) Going Concern Basis of Accounting

The financial report has been prepared based on current year results and director's future projections of the company operations. As at the report date, Current Assets exceed Current Liabilities by \$6,707. For the year ended 30 June 2018 Current Assets exceeded Current Liabilities by \$149,723.

(l) Accounts Receivable and Other Debtors

Accounts receivable and other debtors 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

(m) Cash on Hand

Cash on hand equivalents includes cash on hand and deposits held at-call with banks.

(n) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(o) Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognized as a current liability with the amount being normally paid within 30 days of recognition of the liability.

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

(p) New Australian Accounting Standards issued but not yet effective

Australian Accounting Standards that have been recently issued or amended but are not yet effective have not been applied to the financial report.

The directors have reviewed the standards and determined that there will not have a material impact on the Group's financial position and performance, however increased disclosures will be required in the Group's financial statements.

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

	2019	2018
	\$	\$
2. REVENUE		
Operating Activities		
Sale of Goods	140,073	125,597
Interest	4,930	2,355
Other revenue	17,594	17,129
Non-Operating Activities		
Sale of Assets		
	<hr/> 162,597	<hr/> 145,081
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit/(Loss) from ordinary activities after:	(153,075)	(171,511)
Expenses:		
Depreciation of property, plant & equipment	78,343	79,162
Auditing Services	6,000	6,000
4. CASH ASSETS		
Cash on Hand	2,700	2,700
Cash at Bank	213,783	304,350
Cash in Transit	3,029	999
Total Cash	<hr/> 219,512	<hr/> 308,049
5. RECEIVABLES - CURRENT		
Trade Debtors	515	464
Provision for impairment		
Other Receivables	5,875	
Provision for impairment		
Total Receivables Current	<hr/> 6,390	<hr/> 464
6. CURRENT INVENTORIES		
Stock on Hand --- Bar & restaurant	15,524	15,502
Total Inventories	<hr/> 15,524	<hr/> 15,502

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

	2019	2018
	\$	\$
7. OTHER ASSETS		
Prepayment	5,747	6,569
	<u>5,747</u>	<u>6,569</u>
8. PROPERTY, PLANT & EQUIPMENT		
Land & Buildings at cost	2,954,273	2,954,273
Add: Revaluation*	2,839,931	2,839,931
Less: Accumulated Depreciation	(941,936)	(868,072)
Total Land, Buildings and Improvements	<u>4,852,268</u>	<u>4,926,132</u>
Plant & Equipment at cost	279,575	279,575
Less: Accumulated Depreciation	(235,390)	(230,900)
Total Plant & Equipment	<u>44,185</u>	<u>48,675</u>
Total Property, Plant & Equipment	<u>4,896,453</u>	<u>4,974,807</u>

*The land and clubhouse were revalued by the directors on 20 May 2017. The next valuation is due by June 2020

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

	2019	2018
	\$	\$
9. ACCOUNTS PAYABLE		
CURRENT		
Trade creditors	1,440	11,561
Other Creditors/Accrued expenses	23,026	6,000
	<hr/> 24,466	<hr/> 17,561
10. BORROWINGS		
CURRENT		
Loan – Members -secured	210,000	157,300
Loan – Talka- secured	6,000	6,000
Total Current	<hr/> 216,000	<hr/> 163,300
NON-CURRENT		
Loan – Members- secured	396,300	460,000
Loan – Talka- secured	12,202	16,797
	<hr/> 408,502	<hr/> 476,797
11. PROVISIONS		
CURRENT		
Provision for holiday pay		
NON-CURRENT		
Provision for long service leave		
Aggregate employee entitlement liability	<hr/>	<hr/>

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

12. MEMBERS' GUARANTEES

The company is limited by guarantee. In the event of the company being wound up, the Constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the company. At the 30 June 2019 the number of members was 177 (2018 – 169) – See Note on Page 10.

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash	2019	2018
	\$	\$

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash on hand	2,700	2,700
Cash in transit	3,029	999
Cash at bank	213,783	304,350
Total Cash	219,512	308,049

(b) Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax

Operating profit/(loss) after income tax	(153,075)	(171,511)
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Non-cash flows in profit from ordinary activities

Depreciation	78,343	79,162
Loss on disposal of assets		

Changes in Assets and Liabilities

Decrease (increase) in current inventories	(6,107)	(5,371)
Decrease (increase) in receivables	(2,048)	(4,912)
Decrease (increase) in fixed/other assets		
Increase (decrease) in payables	9,944	2,916
Increase (decrease) in sundry provisions		
Increase (decrease) in provisions		

Cash Flows from Operations	(72,943)	(99,716)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

14. FINANCE INSTRUMENTS

Interest Rate Risk

The club's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities are as follows:

2018 / 2019	Note	Floating Interest Rate	Fixed Interest Rate 1 year or less	Fixed Interest Rate 1 – 5 years	Non Interest Bearing	Total
Financial Assets						
Cash & Cash Equivalents	4	216,483				216,483
Receivables	5				15,166	15,166
Other Investments						
Total Assets		216,483	-	-	15,166	231,649
Financial Liabilities						
Trade & Other Creditors	9				24,466	24,466
Liabilities						
Borrowings	10	216,000		408,502		624,502
Total Liabilities		216,000	-	408,502	24,466	648,968
Weighted Ave. interest rate		3.0%	-%	2.0%		
Net Financial Asset		483	-	(408,502)	(9,300)	(417,319)

2017 / 2018	Note	Floating Interest Rate	Fixed Interest Rate 1 year or less	Fixed Interest Rate 1 – 5 years	Non Interest Bearing	Total
Financial Assets						
Cash & Cash Equivalents	4	308,049				308,049
Receivables	5				7,033	7,033
Other Investments						
Total Assets		308,049			7,033	315,082
Financial Liabilities						
Trade & Other Creditors	9				17,561	17,561
Liabilities						
Borrowings	10	22,797		617,300		640,097
Total Liabilities		22,797		617,300	17,561	663,200
Weighted Ave. interest rate		3.5%		3.0%		
Net Financial Asset		285,252	-	(617,300)	(10,528)	(342,576)

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

The maximum exposure to the credit risk, excluding the value of any collateral or other security, at the balance date to recognize financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Balance Sheet and Notes to the Financial Statements.

The club does not have any material risk exposure to any single debtor or group of debtors under financial instruments entered into by the club.

Net Fair Value

The net fair value of assets or liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organized markets in the standardized form other than listed investments. Financial assets where the carrying amount exceeds net fair values, have not been written down as the principal intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Performance and in the Notes to the Financial Statements.

DIRECTORS' DECLARATION

In the opinion of the directors of the company, we declare that:

1. The financial statements and notes present fairly the company's financial position as at 30 June 2019 and are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of 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 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.

This declaration is made in accordance with a resolution of the Board of Directors.

DIRECTOR
R CIBAS



.....

DIRECTOR
J PENKAITIS



.....

Dated this the 25th day of August 2019.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS
OF THE LITHUANIAN CLUB LIMITED**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Lithuanian Club Limited ("the Company"), which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards. The directors have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors are also responsible for such internal control as they determine 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 conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and that we plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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 judgment, 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 entity's preparation of the financial report which 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS
OF THE LITHUANIAN CLUB LIMITED**

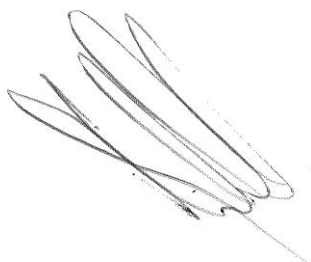
Auditor's Opinion

In our opinion the financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. We highlight that Current Assets exceed Current Liabilities by \$ 6,707 for the year ended 30 June 2019 when compared to the year ended 30 June 2018 which showed that Current Assets exceeded Current Liabilities by \$ 149,723. The company is dependent upon the continuing financial support of its financiers and members to remain operational, should this support be withdrawn then the realization of assets and payment of liabilities maybe be at amounts not stated in the accounts. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



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Peter J Krupski

Registered Company Auditor No 4027

Dated in Burwood on this 25th day of August 2019

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE LITHUANIAN CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been:

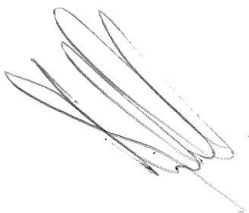
- i). no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii). no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: P A Tax & Accounting Pty Ltd

Name of Partner: Peter J Krupski

Address: Level 1, 71 Burwood Road Burwood NSW 2134

Dated in Burwood on this 25th day of August 2019



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Peter J Krupski

Auditor

No 4027

**“OUR MISSION IS TO BE A SUCCESSFUL & FRIENDLY
COMMUNITY CLUB FOR THE BENEFIT OF MEMBERS”**

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TRADING HOURS

Mon By Appointment

Tus By Appointment

Wed By Appointment

Thurs By Appointment

Fri 11.00 am – 2.00 pm (Office)

Sat By Appointment

Sun 12.00pm - 3.00pm (Lithuanian Restaurant)

FOLLOW US



Trading hours are subject to change

Our Club promotes Responsible Service of Alcohol in the best interest of its members, guests, staff and the community. Responsible serving of alcohol is vital for legal, health and community reasons. Our society is now less tolerant of the irresponsible use of alcohol that leads to drunkenness, drink driving, unacceptable behaviour and under-age drinking.