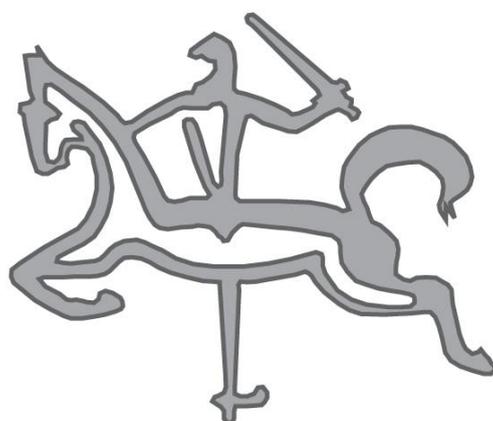


**LITHUANIAN CLUB LIMITED**

**ABN 68 000 410 622**

# **ANNUAL REPORT**

**2020**



## **OFFICE BEARERS 2019/20**

**PRESIDENT**

R. CIBAS

**TREASURER/SECRETARY**

J. PENKAITIS

**DIRECTORS**

J. CERNAUSKAITE, M CIBAS, G GILVYDIS

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

**58<sup>th</sup> 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 18 OCTOBER 2020 AT 2:00PM**

In the Clubhouse

**THE BUSINESS OF THE MEETING IS**

- A. To confirm the Minutes of the 2019 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 2020.
- 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 resolutions 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](http://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 02 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 15 October 2020 to allow time for the Club and the Club's Auditor to give a suitably researched response.

By Direction of the Board

Dated: 02 August 2020

### **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 27<sup>th</sup> September, 2020 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 18 October 2020 commencing at 2.00 pm 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 the Board be and is hereby authorised to sell the Club, land and premises at 16-20 Meredith Street Bankstown either as a going concern licensed Club or freehold only or any variations thereof for a price being not less than \$4.5 million with a completion date of not more than 12 months from the date of contract, and to engage such real estate agents and marketing program as they shall from time to time determine in the exercise of their discretion and to enter into agency agreements and marketing agreements for that purpose and to exchange contracts for the sale and do all acts and things necessary to effect completion of the sale.

### **Explanatory Note to Special Resolution:**

- (a) The Club has continued to incur financial losses for more than 10 consecutive years and survives only on the generosity of Members' Loans. This year's loss has been heightened because of the COVID-19 pandemic shutdowns and restrictions, as per Treasurer's Report on page 7 of this report. Continued trade at this location cannot be justified.
- (b) The fixed costs at this location are very high and facilities are under-utilised and are excessive to the needs of the Club, given the reduction in membership and the loss of patronage from the Tongans and other groups due to the restrictive DA trading hours for Friday and Saturday nights and these conditions cannot be improved since this building is a residential block. Furthermore, the expensive infrastructure is now ageing and repairs, maintenance and replacement costs are escalating.
- (c) COVID-19 restrictions have caused and will continue to cause unprecedented losses and disruptions and it seems that these conditions will continue until a vaccine is found, which could take well into 2021. Hence, at its meeting of 13th September, 2020 the Board resolved to sell the Club, land and premises without further delay and to seek approval of the Members at the Annual General Meeting of 18 October 2020 by way of Special Resolution.
- (d) The Board convened a Community Leaders' Meeting which was held the same day 13th September 2020 at 2.00 pm in the Club premises, to gauge their views. 23 members from 16 community organisations, together with the Club's Board, were present and were of the unanimous view that the Club should be sold.
- (e) The Board received a market appraisal from Colliers International on 01 August 2020 that a sale price of \$5.5 million for the Club is achievable but warned that COVID-19 may impact the market over time. Whilst all efforts will be made to achieve this sale price, or even higher, due to the uncertainty of the market under prolonged COVID-19 conditions and without raising unrealistic expectations, the Board recommends that members approve a minimum price of \$4.5 million to enable the sale to be concluded.

Financial members in the classes of Life Membership, Foundation membership, Ordinary membership are entitled to vote on this special resolution. **Note:** To be passed a special resolution must be carried by at least three quarters (75%) 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.

## **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 18 October 2020 commencing at 2:00pm 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 not 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 58<sup>th</sup> Annual Report for the year ended 30th June 2020.

To echo the sombre words of Queen Elizabeth II in her speech of 1992, this year has been an "*annus horribilis*" for the Sydney Lithuanian Club.

Firstly, we lament the passing of a cluster of prominent members of the Club: foundation member Alfonsas Šidlauskas; former director and benefactor Romas Kalėda; former director Aistis Bieri; singer and musician Darius Gakas; loyal senior members Dr. Benius Vingilis, Kęstas Ankus, and sports champion Robbie Liniauskas. May they Rest in Peace.

Secondly, this financial year we incurred extraordinary repairs and replacement expenses for ageing refrigeration equipment. Also, after many years of inaction and neglect, the dreaded ceiling leaks throughout the auditorium and front lounge were finally attended to by the new Strata team. Pipes were replaced, new downlights were installed, ceilings were plastered and painted. Front entrance steps were re-tiled with non-slip tiles. External glass frontages were cleaned; hedges pruned, signage re-done. Whilst these were Strata expenses, we had to endure much interruption and inconvenience whilst work was undertaken. However, the overall appearance and ambience of the Club has greatly improved and we do attract increasing interest from potential clients.

And then, after a promising start in February this year, especially when we broke all attendance and trading records on "World Cepelinai Day", and we were finally looking at breaking even for the year, we were hit by this dreadful COVID-19 pandemic.

Although we were not the only ones affected by this virus, as a licensed Club we were hit hard with shutdowns and ongoing restrictions. Without notice we had to cancel prized community events such as "Kaziuko Mugė", the Sydney Community's AGM, Monthly Parish Masses, Easter Lunch, Mother's Day Lunch, "Joninės" and even the XXXI *Australian Lithuanian Days* cultural festival.

In compliance with COVID Safe regulations, which not only impose social distancing restrictions, but also forbid dancing, singing or mingling, we have had to cancel non-community bookings such as Tongans, Rotarians, Comedy Festival and private functions. Both the Federal and State Governments have provided some assistance to businesses to keep them operating, but whilst welcome, the level of funding does not adequately compensate for the loss of trade in our circumstances.

As members know, the Club depends on the generosity of Members' loans for survival. Our fixed costs here are very high and not commensurate with our needs, given our dwindling membership and underutilization of facilities. The Club would continue to incur significant losses at this location, exacerbated by the prolonged and uncertain COVID-19 environment, which would severely deplete Members' Loans. Since the Club's mission is to serve the Lithuanian community, the Board has decided to seek the views of Members and the community at large to reimagine the future for our beloved Club, as our need to relocate to more affordable premises has now been accelerated.

In conclusion, I sincerely thank the Lithuanian Community for their understanding and our Members for rolling over their Loans. I am also very grateful to our selfless directors, loyal staff, volunteers and supporters, especially Svetlana, having spent many years serving us with traditional Lithuanian cuisine.



R. CIBAS,  
PRESIDENT.

## **TREASURER'S REPORT**

It is with pleasure that I present my fifth Treasurer's Report for the Lithuanian Club Limited for the year ended 30<sup>th</sup> June 2020.

This has not been a normal year for the Club from a financial perspective. The Club ceased trading and was closed for 3 months due to a pandemic brought on by the virus Covid-19.

Trading for only 9 months, gross contribution from the Bar and Restaurant was only \$5,397, a decrease of \$38,791 over the previous year. A sizeable amount.

The net loss for the year was \$164,020 and after subtracting depreciation expense the Cash loss for the year was \$85,735. This result increased the cash loss over the previous year by \$11,003.

During the year, the Club received income from other sources. Due to the pandemic the Government, both Federal and State, gave Grants to small businesses and the Club received a total of \$25,000 in Grant funding. Also, a Club Member converted \$10,000 to assist the Club from a loan she gave three years ago.

Overhead expenses increased by only \$2,327. Repairs and Maintenance increased by \$5,750 while Electricity costs reduced by \$5,712 during the year.

The Club is only able to survive due to Member Loans. Current Cash Reserves give the Club a little under 2 years before the Cash runs out. Decisions will have to be made during the current Financial Year as to the Club's future.

On behalf of the Board, I would like to thank the Members for their support and generosity in assisting with Member Loans.



**J. PENKAITIS,**  
**TREASURER.**

## **DIRECTORS' REPORT**

The directors present their report of the company for the year ended 30 June 2020.

### **1. Directors**

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

<b>Name</b>	<b>Qualifications</b>	<b>Tenure*</b>	<b>Appointed/ Resigned</b>	<b>Responsibilities</b>
CIBAS Romualdas	<b>Director</b>	<b>Director 5 years</b>	<b>Appointed 26 Apr 2015</b>	<b>President</b>
PENKAITIS John	<b>Accountant</b>	<b>Director 5 years</b>	<b>Appointed 20 Jul 2015</b>	<b>Secretary/ Treasurer</b>
CIBAS Maritsa	<b>Director</b>	<b>Director 4 years</b>	<b>Appointed 11 Dec 2016</b>	<b>Director</b>
CERNAUSKAITE Jurgita	<b>Economist</b>	<b>Director 4 years</b>	<b>Appointed 10 Mar 2016</b>	<b>Director</b>
GILVYDIS Gita	<b>Architectural Designer</b>	<b>Director 1 year</b>	<b>Appointed 23 Jun 2019</b>	<b>Director</b>
SAUKA Gediminas	<b>Retired</b>	<b>Director 3 years</b>	<b>Appointed 20 Aug 2017</b>	<b>Director</b>
ZAKAREVICIUS Ramutis	<b>Academic</b>	<b>Director 3 years</b>	<b>Appointed 20 Aug 2017</b>	<b>Director</b>

## **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 2020 are-

	<b>2020</b>	<b>2019</b>
Life	2	2
Foundation	3	8
Ordinary	148	160
Associate	6	7
	159	177

### **3. Results**

The loss of the company for the 2019/2020 financial year amounted to \$164,020 (Loss in 2018/2019: \$153,075)

### **4. Attendance at directors' meetings**

The following table sets out the number of Directors' meetings held during the period 1 July 2019 to 30 June 2020. During the year ten (10) Board meetings were held.

	<b>Board Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
CIBAS, Romualdas	10	10
PENKAITIS, John	10	10
CIBAS, Maritsa	10	10
CERNAUSKAITE, Jurgita	10	7
GILVYDIS, Gita	10	8
SAUKA, Gediminas	10	9
ZAKAREVICIUS, Ramutis	10	9

### **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.

During this financial year the Club was impacted severely by the COVID-19 pandemic and due to Government regulations was forced to close for 3 months and continues to trade under restricted conditions.

### **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 30).

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

As at 30 June 2020 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 2nd day of August 2020.

DIRECTOR  
R CIBAS



.....

DIRECTOR  
J PENKAITIS



.....

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash	4	136,590	219,512
Receivables	5	5,336	6,390
Inventories	6	15,911	15,524
Other Assets	7	3,137	5,747
<b>TOTAL CURRENT ASSETS</b>		<b>160,974</b>	<b>247,173</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	4,822,904	4,896,453
Other Assets	7		
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,822,904</b>	<b>4,896,453</b>
<b>TOTAL ASSETS</b>		<b>4,983,878</b>	<b>5,143,626</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	9	6,012	24,466
Borrowings	10	10,349	216,000
Provisions	11		
<b>TOTAL CURRENT LIABILITIES</b>		<b>16,361</b>	<b>240,466</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	9		
Borrowings	10	636,879	408,502
Provisions	11		-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>636,879</b>	<b>408,502</b>
<b>TOTAL LIABILITIES</b>		<b>653,240</b>	<b>648,968</b>
<b>NET ASSETS</b>		<b>4,330,638</b>	<b>4,494,658</b>
<b>EQUITY</b>			
Reserves		2,839,931	2,839,931
Retained Earnings (Accumulated Losses)		1,490,707	1,654,727
<b>TOTAL EQUITY</b>		<b>4,330,638</b>	<b>4,494,658</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	<b>2020</b>	<b>2019</b>
		\$	\$
Revenue	2	107,026	140,073
Other Income	2	46,733	17,594
Sales of Assets	2		
Changes in inventories		387	23
Costs of materials		(49,023)	(61,002)
Employee benefits expense		(10,026)	(19,832)
Depreciation, amortization and impairment of non-financial assets		(78,285)	(78,343)
Member's amenities			
Advertising & Promotion			
Insurance expense		(10,976)	(12,005)
Repairs & Maintenance expense		(25,671)	(7,999)
Utilities & Occupancy		(73,226)	(68,361)
Other expenses from ordinary activities		(57,404)	(50,999)
Finance Costs (interest on loans)		(16,404)	(17,154)
Finance Income (interest received)	2	2,849	4,930
<b>Profit/(Loss) Before Tax</b>		<b>(164,020)</b>	<b>(153,075)</b>
Tax Expense			-
<b>Profit/(Loss) for the year from continuing operations</b>		<b>(164,020)</b>	<b>(153,075)</b>
Profit for the year from discontinued operations			-
<b>Profit/(Loss) for the year</b>	3	<b>(164,020)</b>	<b>(153,075)</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**  
**BY COST CENTRE FOR THE YEAR ENDED 30 JUNE 2020**

**Club Operations**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Bar Trading</b>		
Bar Sales	32,697	64,266
Cost of Goods Sold	(15,660)	(26,662)
Other Expenses	(12,478)	(5,159)
<b>Total Net Income/(Loss) from Bar</b>	<b>4,559</b>	<b>32,445</b>
<b>Restaurant</b>		
Restaurant Sales	64,191	70,399
Cost of Goods Sold	(29,408)	(31,086)
Other Expenses	(35,621)	(27,570)
<b>Total Net Income/(Loss) from Restaurant</b>	<b>(838)</b>	<b>11,743</b>
<b>Room Hire</b>		
Revenue	9,775	5,407
Expenses		
<b>Total Net Income/(Loss) from Room Hire</b>	<b>9,775</b>	<b>5,407</b>
<b>Interest Received</b>		
Interest Received	2,850	4,930
<b>Total Interest Received</b>	<b>2,850</b>	<b>4,930</b>
<b>Other Income</b>		
Cash Boost	15,000	
Covid 19 Grant	10,000	
Cultural Grant		
Donations Received	11,861	4,028
Equipment Hire	364	
Insurance Recoveries		5,250
Managed funds		
Membership subscriptions	1,664	1,591
Photocopying	930	975
Rent Received	6,824	5,750
Sale of Asset	454	
<b>Total Other Income</b>	<b>47,097</b>	<b>17,594</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**  
**BY COST CENTRE FOR THE YEAR ENDED 30 JUNE 2020**  
**Club Operations**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>TOTAL NET INCOME/(LOSS) FROM CLUB OPERATIONS</b>	<b>(63,443)</b>	<b>(72,119)</b>
Audit	6,500	6,000
Bank Fees	1,757	1,580
Book Keeping	3,494	4,625
Cleaning	11,495	9,283
Computer expenses	886	1,384
Commission	99	
Depreciation Expenses	78,285	78,343
Director Expenses	-	-
Electricity	23,509	29,221
Hall Decorations	1,654	495
Hire Equipment	91	
Honorariums	8,577	6,582
Insurance	10,552	11,018
Interest Paid	14,647	15,574
Office supplies	3,407	2,601
Pest Control	-	1,100
Postage	934	538
Rates	10,542	10,222
Repairs and Maintenance	12,139	6,289
Security	1,771	1,033
Staff Training	-	-
Strata Levies	14,139	8,258
Sub-Contractors Cleaning	4,865	1,125
Superannuation	764	1,482
Telephone	2,329	2,927
Travel	1,032	1,507
Wages	9,262	18,350
Water	4,309	4,670
Workers Compensation Insurance	424	987
<b>NET PROFIT/(LOSS)</b>	<b>(164,020)</b>	<b>(153,075)</b>

The accompanying notes form part of these financial statements.

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

	<b>Retained Earnings</b>	<b>Capital Reserve</b>	<b>Asset Revaluation</b>	<b>Members Equity</b>
<b>Total Equity 30 June 2018</b>	<b>1,807,802</b>		<b>2,839,931</b>	<b>4,647,733</b>
Net Profit/(Loss) 2018/2019	(153,075)			(153,075)
Transfer to retained earnings				
Revaluation				
<b>Total Equity 30 June 2019</b>	<b>1,654,727</b>		<b>2,839,931</b>	<b>4,494,658</b>
Net Profit/(Loss) 2019/2020	(164,020)			(164,020)
Transfer to retained earnings				
Revaluation				
<b>Total Equity 30 June 2020</b>	<b>1,490,707</b>		<b>2,839,931</b>	<b>4,330,638</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	<b>2020</b>	<b>2019</b>
		\$	\$
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers		153,760	152,416
Interest Received		2,850	10,180
Interest Paid		(14,647)	(15,574)
Less Payments to Suppliers and Employees		(237,698)	(219,965)
<b>Net Cash Provided by</b>			
<b>Operating Activities</b>	13(b)	<b>(95,735)</b>	<b>(72,943)</b>
 <b>Cash Flows from Investing Activities:</b>			
Sale of Assets			
Payment for Property, Plant & Equipment		(4,736)	
Investment property sale			
<b>Net Cash Provided by (used in)</b>			
<b>Investing Activities</b>		<b>(4,736)</b>	
 <b>Cash Flows from Finance Activities</b>			
Proceeds of borrowing		23,000	
Repayment of borrowings		(5,451)	(15,594)
<b>Net Cash Provided by (used in)</b>			
<b>Financing Activities</b>		<b>17,549</b>	<b>(15,594)</b>
 Net increase (decrease) in cash held		(82,922)	(88,537)
Cash at beginning of financial year		219,512	308,049
<b>Cash at End of Year</b>	13(a)	<b>136,590</b>	<b>219,512</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

The financial statements were authorized for issue on 02 August 2020 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 2020**

**(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 2020**

**(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 \$144,613. For the year ended 30 June 2019 Current Assets exceeded Current Liabilities by \$6,707.

**(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 2020**

**(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 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>2. REVENUE</b>		
<b>Operating Activities</b>		
Sale of Goods	107,026	140,073
Interest	2,850	4,930
Other revenue	46,733	17,594
<b>Non-Operating Activities</b>		
Sale of Assets		
	<hr/> 156,609	<hr/> 162,597
<b>3. PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit/(Loss) from ordinary activities after:	(164,020)	(153,075)
<b>Expenses:</b>		
Depreciation of property, plant & equipment	78,343	78,343
Auditing Services	6,000	6,000
<b>4. CASH ASSETS</b>		
Cash on Hand	2,700	2,700
Cash at Bank	133,890	213,783
Cash in Transit		3,029
Total Cash	<hr/> 136,590	<hr/> 219,512
<b>5. RECEIVABLES - CURRENT</b>		
Trade Debtors		515
Provision for impairment		
Other Receivables	5,336	5,875
Provision for impairment		
<b>Total Receivables Current</b>	<hr/> 5,336	<hr/> 6,390
<b>6. CURRENT INVENTORIES</b>		
Stock on Hand --- Bar & restaurant	15,911	15,524
<b>Total Inventories</b>	<hr/> 15,911	<hr/> 15,524

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>7. OTHER ASSETS</b>		
Prepayment	3,137	5,747
	<u>3,137</u>	<u>5,747</u>
<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land & Buildings at cost	2,954,273	2,954,273
Add: Revaluation*	2,839,931	2,839,931
Less: Accumulated Depreciation	(1,015,797)	(941,936)
<b>Total Land, Buildings and Improvements</b>	<u>4,778,407</u>	<u>4,852,268</u>
Plant & Equipment at cost	284,310	279,575
Less: Accumulated Depreciation	(239,813)	(235,390)
<b>Total Plant &amp; Equipment</b>	<u>44,497</u>	<u>44,185</u>
<b>Total Property, Plant &amp; Equipment</b>	<u>4,822,904</u>	<u>4,896,453</u>

\*The land and clubhouse were revalued by the directors on 2 August 2020. The next valuation is due by June 2023

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>9. ACCOUNTS PAYABLE</b>		
<b>CURRENT</b>		
Trade creditors	592	1,440
Other Creditors/Accrued expenses	5,420	23,026
	<hr/> 6,012	<hr/> 24,466
<b>10. BORROWINGS</b>		
<b>CURRENT</b>		
Loan – Members -secured	4,349	210,000
Loan – Talka- secured	6,000	6,000
<b>Total Current</b>	<hr/> 10,349	<hr/> 216,000
<b>NON-CURRENT</b>		
Loan – Members- secured	630,128	396,300
Loan – Talka- secured	6,751	12,202
	<hr/> 636,879	<hr/> 408,502
<b>11. PROVISIONS</b>		
<b>CURRENT</b>		
Provision for employee entitlements		
<b>NON-CURRENT</b>		
Provision for employee entitlements		
<b>Aggregate employee entitlement liability</b>		<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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 2020 the number of members was 159 (2019 – 177) – See Note on Page 9.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**13. NOTES TO THE STATEMENT OF CASH FLOWS**

<b>(a) Reconciliation of Cash</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>

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
Cash at bank	133,890	213,783
<b>Total Cash</b>	<b>136,590</b>	<b>219,512</b>

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

Operating profit/(loss) after income tax	(164,020)	(153,075)
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**Non-cash flows in profit from ordinary activities**

Depreciation	78,285	78,343
Loss on disposal of assets		

**Changes in Assets and Liabilities**

Decrease (increase) in current inventories	(386)	(6,107)
Decrease (increase) in receivables	(6,693)	(2,048)
Decrease (increase) in fixed/other assets		
Increase (decrease) in payables	(2,921)	9,944
Increase (decrease) in sundry provisions		
Increase (decrease) in provisions		

<b>Cash Flows from Operations</b>	<b>(95,735)</b>	<b>(72,943)</b>
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**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:

<b>2019 / 2020</b>	<b>Note</b>	<b>Floating Interest Rate</b>	<b>Fixed Interest Rate 1 year or less</b>	<b>Fixed Interest Rate 1 – 5 years</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Financial Assets</b>						
Cash & Cash Equivalents	4	136,590				136,590
Receivables	5				5,336	5,336
Other Investments						
<b>Total Assets</b>		<b>136,590</b>	<b>-</b>	<b>-</b>	<b>5,336</b>	<b>141,926</b>
<b>Financial Liabilities</b>						
Trade & Other Creditors	9				6,012	6,012
Liabilities						
Borrowings	10	10,349		636,879		647,228
<b>Total Liabilities</b>		<b>10,349</b>	<b>-</b>	<b>636,879</b>	<b>6,012</b>	<b>653,240</b>
Weighted Ave. interest rate		2.0%	-%	2.0%		
<b>Net Financial Asset</b>		<b>126,241</b>	<b>-</b>	<b>(636,879)</b>	<b>(6,012)</b>	<b>(511,314)</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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 2020 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 2020 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 2nd day of August 2020.

**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 2020, 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 2020 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 \$ 144,613 for the year ended 30 June 2020 when compared to the year ended 30 June 2019 which showed that Current Assets exceeded Current Liabilities by \$ 6,707. 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.



.....

**Peter J Krupski**

**Registered Company Auditor No 4027**

Dated in Burwood on this 25th day of August 2020

**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 2020 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 2nd day of August 2020



.....

**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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**W [www.lithuanianclub.org.au](http://www.lithuanianclub.org.au)**

### **TRADING HOURS**

**Mon By Appointment**  
**Tue By Appointment**  
**Wed By Appointment**  
**Thu By Appointment**  
**Fri 11.00 am – 2.00 pm (Office)**  
**Sat By Appointment**  
**Sun 12.00 pm – 3.00 pm (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 behavior and under-age drinking.