

# ANNUAL REPORT



**FOR THE YEAR ENDED  
31<sup>st</sup> DECEMBER 2016**

**MORISSET COUNTRY  
CLUB LIMITED**

**THE BOARD**

**NOEL CORNISH**  
President

**MARK HARGREAVES**  
Vice President

**GARY WHEATE**  
Director

**PATRICK THOMSON**  
Director

**DANNY ROSS**  
Director

**LORRAINE WALKER**  
Director/Minutes Secretary

**PETER SMATHERS**  
Director

**DESMOND GREEN**  
Director/Treasurer

**IAN TAYLOR**  
Chief Executive Officer

## NOTICE OF ANNUAL GENERAL MEETING

Notice of Annual General Meeting of Morisset Country Club Limited to be held in the Club's Auditorium, Dora Street Morisset, on Sunday 7 May 2017 at 9.30am.

### BUSINESS

1. Confirmation of Minutes of the 43<sup>rd</sup> Annual General Meeting of The Company held on 1 May 2016.
2. To receive the President's Report.
3. To receive and consider the Financial Report as at 31<sup>st</sup> December 2016.
4. To confirm Auditors appointment.
5. To confirm appointment of Directors appointed by resolution in General Meeting to cover casual vacancies since previous AGM.
6. Any other business (of which due notice has been given) that may be brought before the Meeting in accordance with the rules of the Club.

NOTE: Any Notice of Motion to the General Meeting shall be in writing to the Club Twenty One (21) clear days prior to such a meeting.

Please submit any questions regarding the Club's financial statements to the Secretary not less than 7 days before the meeting to allow time for the Club and it's Auditor to give a suitably researched response.

By Order of the Board

Sincerely



Ian Taylor  
Chief Executive Officer  
Morisset Country Club  
21 March 2017

**PROXIES – MEMBERS PLEASE NOTE:**

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

Please also note that in accordance with the passing of the Corporations Legislation Amendment (Simpler Regulatory System) Act 2007 in July 2007 a copy of the Club's Annual Report, including Full Financial Reports can be obtained by accessing the Club's website at [www.mccl.com.au](http://www.mccl.com.au).

Alternatively, a hard copy can be collected from the Information Stand in the Club's foyer or mailed out on request.

Further to the 2007 Legislation Amendments we advise that any or all disclosures regarding the Management of the Club, as required by the Registered Club's Act, are recorded in the register held by the Secretary. A transcript of this register is displayed on the Notice Board in the Club's foyer, on the Club's website and a copy may be mailed out on request.

Sincerely

A handwritten signature in black ink, appearing to read 'Ian Taylor', with a stylized flourish at the end.

Ian Taylor  
Chief Executive Officer  
Morisset Country Club  
21 March 2016

## ORDINARY RESOLUTIONS

The Members will be asked to consider and if thought fit pass the following resolutions:

### FIRST RESOLUTION

That pursuant to the Registered Clubs Act:

- (a) The members hereby approve and agree to expenditure by the Club until the next Annual General Meeting of the Club on the following activities of Directors:
  - (1) The reasonable costs of a meal and beverage for each Director immediately before or immediately after a Board or Committee meeting when that meeting corresponds with a normal meal time or when conducting Raffles or Promotions sanctioned by the Board of Directors.
  - (2) Expenditure by the Club for a Directors annual dinner in order to give thanks to the Directors of the Club and their spouses.
  - (3) Expenditure by the Club for a Sub Club annual dinner to be attended by Directors and Sub Club Executive Committees to give thanks to those whose efforts have contributed to the good and betterment of the Club.
  - (4) Each new Board member to receive a Blazer and Club Shirts and replacement of same when necessary.
  - (5) Club to pay premium for Directors and Officers Liability Insurance.
  - (6) Delegates to attend Clubs NSW Zone meeting Bi-monthly.
  - (7) Reasonable expenses incurred by Directors in relation to such other duties including entertainment and special guests to the Club and other promotional activities and the expenses there from are approved by the Board before payment is made on production of receipts, invoices or other proper documentary evidence of such expenditure.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are Directors of the Club and persons directly involved.

### SECOND RESOLUTION

That pursuant to the Registered Clubs Act:

- (a) The members hereby approve and agree to expenditure by the Club for the professional development and education of directors until the next Annual General Meeting and being:
  - (i) The reasonable cost of Directors attending at the registered Clubs Association's Annual General Meeting.
  - (ii) Reasonable cost to spouses/partners to attend dinner and other entertainment so organized at Clubs NSW and other functions where it would be reasonable to expect that spouses or partners will attend.
  - (iii) The reasonable cost of directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time.
  - (iv) The reasonable cost of Directors attending other registered Clubs for the purpose of viewing and assessing their facilities and methods of operation provided such attendances are approved by the Board as being necessary for the betterment of the Club.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only for those who are directors of the Club.

### **THIRD RESOLUTION**

That pursuant to the Registered Clubs Act:

- (a) The members hereby approve and agree to the provision of designated car parking spaces for the Directors of the Club and selected Sub Club Officials.
- (b) The members acknowledge that the benefits in paragraph (a) above are not available to members generally but only to those who are Directors of the Club and persons directly involved.

### **NOTICE TO MEMBERS**

- (1) To be passed each Ordinary Resolution must receive votes in its favour from not less than a simple majority of those members, who being entitled to do so, vote in person at the meeting.

## **PRESIDENT'S REPORT**

On behalf of the Board I am pleased to be able to present this report and advise members that our club has had a very successful year, achieving a profit of \$108,232.00. This is the 2<sup>nd</sup> highest annual profit after depreciation & provisions in 21 years. This profit was only bettered by that achieved when FMS took on a lot of the major costs in 2011 and subsequently went broke in the process. This result was achieved by record golf revenues, good bar trading and poker machine clearances. Special thanks to Ian Taylor the CEO for his dedication and passion to the Club in achieving this great result

Nathan Reynolds and his team for the fantastic job they do on a very tight budget. The CEO arranged for the "Work for the Dole Scheme" which assists unemployed people in the area by providing work experience on the course. This has reduced costs to the club and helped Nathan and the boys maintain our great course. Also, of course the wonderful work of Dad's Army, the course is looking the best it has in years.

The bowling green underwent major works at the start of the year, with great support from the bowlers for their assistance and contribution towards the costs.

I also recognise the contribution of our Professional David Stretton and his staff and our caterer Teik for their roles in the success of the club. Our social membership is growing with the introduction by Teik of his special meals.

To all the sub club committees for your time and contributions during the year, your assistance is very much appreciated, and of course my appreciation of the untiring efforts of past & current club directors.

Condolences go out to the families that have lost loved ones during the year and thank you to all members for your support.

President  
Noel Cornish.

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

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**DIRECTORS' REPORT**

Your Directors present their report of Morisset Country Club Limited (the "Club") for the financial year ended 31 December 2016.

## 1. Directors

The names of the Directors in office at the date of this report are:

<b><u>Name</u></b>	<b><u>Date Appointed</u></b>	<b><u>Occupation</u></b>	<b><u>Position</u></b>	<b><u>Time as Director</u></b>
Noel Cornish	06/05/2012	Licenced Motor Mechanic	President	4 years
Mark Hargreaves	06/05/2012	Leisure Village Caretaker	Vice President	4 years
Gary Wheate	01/05/2016	Leisure Village Caretaker	Director	8 months
Patrick Thomson	01/05/2016	Retired	Director	8 months
Danny Ross	01/05/2016	Truck Driver	Director	8 months
Lorraine Walker	27/09/2016	Retired	Minutes Secretary	3 months
Peter Smathers	27/09/2016	Licenced Motor Mechanic	Director	3 months
Desmond Green	27/09/2016	Retired	Treasurer	3 months

## 2. Activities

The principal activities of the Club in the course of the financial year ended were the running of a licensed Club in accordance with its objectives for the benefit of its members.

## 3. Objectives of the Club

The Club's short term objectives is to:

-Provide the best facilities available to members and their guests with a special interest in golf and bowling activities.

To achieve these objectives the Club has adopted the following strategies;

- Maintain or increase existing revenue levels and control costs to maintain a profitable position and provide cashflow to upgrade premises;
- Ensure greens are kept to an optimum standard by engaging quality greenkeepers and undertaking regular maintenance.

These strategies are measured through both financial and non financial key performance indicators that have been developed relevant to the club industry.

## 4. Results

The net result of operations was a profit of \$108,232 (2015 profit \$26,736). The Club is exempt from income tax.

## 6. Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 31 December 2016 has been received and is set out on page 4 of the financial report. DFK Crosbie continues to hold office in accordance with section 307 of the *Corporations Act 2001*.

## 7. Limited by Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Club is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any obligations of the Club. At 31 December 2016 the collective liability of members was \$20,870 (2015: \$23,680).

## 8. Financial Report Issue Date

The financial report was authorised for issue on 28 February 2017. The Club has the power to amend and re-issue the financial report.

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

**DIRECTORS' MEETING ATTENDANCES**

**9. Meeting Attendances**

The number of Board meetings held during the financial year ended 31 December 2016 was 18, being 12 normal monthly Board meetings and 6 special Board meetings. The details of each Directors attendances at those meetings is given below:

<u>Director</u>		<u>Normal</u>	<u>Special</u>	<u>Eligible to Attend</u>
Mark Hargreaves		11	5	18
Noel Cornish		11	3	18
Garry Wheate	Appointed 1/5/16	8	4	13
Patrick Thomson	Appointed 1/5/16	8	5	13
Lorraine Walker	Appointed 27/9/16	8	2	10
Peter Smathers	Appointed 27/9/16	4	1	5
Desmond Green	Appointed 27/9/16	3	1	5
Danny Ross	Appointed 1/5/16	8	5	13
Erica Ford	Resigned 1/5/16	4	1	5
David Newman	Resigned 1/5/16	2	0	5
Steve Mitchell	Resigned 1/5/16	2	1	5
Bruce Fowler	Resigned 24/8/16	7	2	11
Bruce Lemmon	Resigned 25/8/16	7	3	11
Laurie Wales	Resigned 28/8/16	3	1	6
Jim Fitzgerald	Appointed 1/5/16- Resigned 23/11/16	6	4	12

The annual general meeting was held on 1 May 2016.

**10. Property Report**

The directors have determined that property of the club shall be classified as follows in accordance with section 41J of the Registered Clubs Act 1976 :

Core Property - Leased property situated at Dora Street, Morisset, NSW 2264

Non Core Property - Nil

Note that all Club property is situated on leasehold land.

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



Mark Hargreaves - Director



Noel Cornish - Director

**Dated: 28 February 2017**



**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF**  
**MORISSET COUNTRY CLUB LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016 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.

*Kirsty Porteous*

Kirsty Porteous - Partner

*DFK Crosbie Partners*

DFK Crosbie Partners  
Chartered Accountants

**Dated: 28 February 2017**  
**Warabrook, NSW.**

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**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS**

**To the Members of Morisset Country Club Limited**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Morisset Country Club Limited, (the "Club"), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Club, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 3 to the financial statements which indicates that current liabilities exceed current assets by \$432,436 as at 31 December 2016. As stated in Note 3, these events and conditions, along with other matters set forth in Note 3 indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern and therefore whether it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial report. Our opinion is not modified in respect of this matter.

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

The Directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

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## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS**

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### **Matters Relating to the Electronic Presentation of the Audited Financial Report**

The auditor's report relates to the concise financial report of the Club for the year ended 31 December 2016 included on Morisset Country Club Limited's web site. The Club's Directors are responsible for the integrity of the web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

Kirsty Porteous - Partner

DFK Crosbie Partners  
Chartered Accountants

**Dated: 28 February 2017**  
**Warabrook, NSW**

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**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

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**DIRECTORS' DECLARATION**

The Directors of the Club declare that:

- 1 The financial statements and notes, as set out on pages 8 to 18:
  - (a) comply with Accounting Standards in Australia - Reduced Disclosure Standards, the *Corporations Act 2001* and other mandatory reporting requirements; and
  - (b) give a true and fair view of the financial position as at 31 December 2016 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date.
- 2 At the date of this declaration there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and signed for on behalf of the Directors by:



Mark Hargreaves - Director



Noel Cornish - Director

**Dated: 28 February 2017**

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960 )**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	79,861	25,215
Trade and other receivables	7	25,058	28,020
Inventories	8	35,629	22,761
Investments	9	56,052	6,052
Other current assets	10	46,398	50,701
<b>TOTAL CURRENT ASSETS</b>		<b>242,998</b>	<b>132,749</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	664,737	645,108
<b>TOTAL NON-CURRENT ASSETS</b>		<b>664,737</b>	<b>645,108</b>
<b>TOTAL ASSETS</b>		<b>907,735</b>	<b>777,857</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	279,728	258,621
Financial liabilities	13	133,870	131,306
Short term provisions	14	88,655	88,211
Other liabilities	15	173,181	162,047
<b>TOTAL CURRENT LIABILITIES</b>		<b>675,434</b>	<b>640,185</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	13	148,327	177,374
Long term provisions	14	53,532	38,088
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>201,859</b>	<b>215,462</b>
<b>TOTAL LIABILITIES</b>		<b>877,293</b>	<b>855,647</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>30,442</b>	<b>(77,790)</b>
<b>MEMBERS' FUNDS</b>			
Reserves - Capital profits reserve		1,152,279	1,152,279
- Capital reserve		10,150	10,150
Accumulated losses		(1,131,987)	(1,240,219)
<b>TOTAL MEMBERS' FUNDS</b>		<b>30,442</b>	<b>(77,790)</b>

To be read in conjunction with the attached notes to the financial statements.

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Bar sales	4	831,694	753,241
Cost of goods sold		(322,576)	(298,251)
Bar gross profit		509,118	454,990
Poker machine net revenue	4	1,147,127	967,810
Catering revenues	4	14,400	14,473
Golf revenues	4	983,749	894,458
Pro AM revenues	4	77,663	55,952
Bowls revenues	4	47,406	56,278
Raffles and bingo revenues	4	67,172	59,456
Keno and TAB commission	4	51,068	47,363
Interest received	4	510	20,628
Other income	4	101,056	54,908
<b>Total trading and other income</b>		<b>2,999,269</b>	<b>2,626,316</b>
<b>Expenses</b>			
Bar direct expenses		(256,758)	(226,232)
Poker machine direct expenses		(297,383)	(254,363)
Catering expenses		(35,223)	(26,353)
Golf expenses		(638,874)	(671,342)
Pro AM expenses		(53,194)	(46,984)
Bowls expenses		(49,207)	(48,323)
Raffles and bingo expenses		(96,985)	(88,724)
Keno and TAB expenses		(68,820)	(61,670)
Clubhouse expenses		(633,696)	(519,963)
Administration and other expenses		(546,131)	(461,944)
Members amenities		(207,438)	(185,565)
Finance costs		(7,328)	(8,117)
<b>Total expenses</b>		<b>(2,891,037)</b>	<b>(2,599,580)</b>
<b>Profit before tax</b>		<b>108,232</b>	<b>26,736</b>
Income tax expense	1	-	-
<b>Profit for the year</b>		<b>108,232</b>	<b>26,736</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>108,232</b>	<b>26,736</b>

To be read in conjunction with the attached notes to the financial statements.

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	3,570,268	3,196,490
Payments to suppliers and employees	(3,249,578)	(2,984,728)
Interest received	20,940	198
Interest paid	(7,328)	(8,117)
<i>Net cash flows provided by operating activities</i>	334,302	203,843
<b>Cash Flows from Investing Activities</b>		
Transfer (to)/from short-term deposits	(50,000)	-
Purchase of plant and equipment	(59,507)	(53,648)
<i>Net cash flows (used in)/generated by investing activities</i>	(109,507)	(53,648)
<b>Cash Flows from Financing Activities</b>		
Repayments of financial liabilities (net of interest)	(170,149)	(131,014)
<i>Net cash flows generated by/(used in) financing activities</i>	(170,149)	(131,014)
<b>Net Increase/(Decrease) in Cash Held</b>	54,646	19,181
<b>Cash and cash equivalents at the beginning of the financial year</b>	25,215	6,034
<b>Cash and cash equivalents at the end of the financial year</b>	79,861	25,215

To be read in conjunction with the attached notes to the financial statements.

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Capital Profits Reserve \$</b>	<b>Capital Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
Balance as at 1 January 2015	1,152,279	10,150	(1,266,955)	(104,526)
Profit attributable to members of the Club	-	-	26,736	26,736
Balance as at 31 December 2015	1,152,279	10,150	(1,240,219)	(77,790)
Profit attributable to members of the Club	-	-	108,232	108,232
Balance as at 31 December 2016	<u>1,152,279</u>	<u>10,150</u>	<u>(1,131,987)</u>	<u>30,442</u>

To be read in conjunction with the attached notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1 Statement of Significant Accounting Policies**

**Basis of Preparation**

This financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Morisset Country Club Limited (the Club) is a not for profit entity for financial reporting purposes under the Australian Accounting Standards.

The financial report has been prepared on the basis of historical costs and on an accrual basis. The financial report is presented in Australian Dollars.

The following is a summary of the significant accounting policies adopted by the Club in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Statement of Compliance**

The financial report complies with Australian Accounting Standards - Reduced Disclosure Standards as issued by the Australian Accounting Standards Board (AASB).

**Income Tax**

The Club was granted exemption from income tax under Section 50-45 of the *Income Tax Assessment Act (1997)* as a result of a private ruling issued by the Australian Taxation Office on 9 December 1997.

**Inventories**

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

**Borrowing Costs**

Borrowing costs are recognised as an expense when incurred.

**Trade and Other Receivables**

All receivables are categorised under the requirements of AASB 139 *Financial Instruments - Recognition and Measurement* and are recognised initially at fair value and subsequently at amortised cost. All trade and other receivables are current. Trade receivables are generally due within 30 days from the date of recognition.

An allowance for doubtful debts is based on a review of outstanding balances at Statement of Financial Position date and is accounted for in a separate account. Indicators of impairment include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (more than 60 days overdue). Bad debts which have previously been provided for are eliminated against the allowance for doubtful debts. In all cases, bad debts have been written off as an expense directly in the Statement of Comprehensive Income.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits and other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Trade and Other Payables**

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

**Financial Liabilities**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over a period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement for at least 12 months after the reporting date.

**Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and amortisation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation is calculated on a straight-line basis over the shorter of either the estimated useful life of the asset or the length of the lease as appropriate:

The useful lives used for each class of depreciable asset are shown below:

Fixed asset Class	Useful life
Plant and Equipment	3 to 20 years
Leasehold Improvements	4 to 10 years
Poker Machines	4 to 10 years
Leased Assets	4 to 10 years
Motor Vehicles	8 years

*Impairment*

At each reporting date, the Club assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Club makes a formal estimate of the recoverable amount. Where the carrying amount of the asset exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income in the administration expense line item.

*Recoverable Amount of Assets*

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use can not be estimated to be close to its fair value less cost to sell and it does not generate cash flows that are largely independent of those of other assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

**Leases**

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets (finance lease), and operating leases under which the lessor effectively retains all such risks and benefits. Where a non current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non-current asset at the beginning of the lease term and amortised over its expected economic life. A corresponding liability is also established and each payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the statement of comprehensive income in the periods in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. The amount of GST recoverable or payable to the ATO is included as a current asset or current liability in the Statement of Financial Position. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from the investing and financing activities which are recoverable from or payable to the ATO are classified as operating cash flows.

**Financial Instruments Recognition and Derecognition**

Regular way purchases and sales of financial liabilities are recognised on trade date - the date on which the Club commits to purchase or sell the financial assets or financial liabilities. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership.

**Provisions**

Provisions are recognised when the Club has a legal or constructive obligation, as a result of past events for which it is probable that an outflow of economic benefits will be required and that outflow can be reliably measured.

**Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Club and the revenue can be reliably measured.

Sale of goods - recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rendering of services - recognised when the facilities (golf course, bowling greens) have been used by the members or guests.

Interest income - recognised as it is earned using the effective interest method.

Other income - recognised on an accrual basis.

Profit or loss on disposal of assets - brought to account at the date an unconditional contract is signed.

**Employee Benefits**

***Short Term***

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

***Other Long Term***

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Australian Corporate Bond rates matching the estimated future cash outflow has been used.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

**Comparatives**

Comparative information has been adjusted to reflect current year disclosures.

**Limited by Guarantee**

The Club is an incorporated body having no share capital and the liability of Members is limited by guarantee. The registered address of the Club is Dora Street, Morisset.

**2 Significant Accounting Judgements, Estimates and Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**2 Significant Accounting Judgements, Estimates and Assumptions (continued)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Significant Accounting Estimates and Assumptions**

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**Useful Lives of Non-Current Assets**

The useful life of Property, Plant and Equipment is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence.

The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.

**3 Going Concern**

The Club currently has a deficiency in working capital such that current liabilities exceed current assets by \$432,436 (2015: \$507,436).

Furthermore, the ability of the Club to continue as a going concern is dependent on the continued support of the Club's landlord, who to date, has accepted rent below the amount agreed to in the lease (which expired December 2010). Withdrawal of this support would almost certainly result in the Club being unable to continue as a going concern. At the date of this report the Directors are of the opinion that this support will continue despite a renewed lease not having been renegotiated to date. This support together with the co-operation of select trade suppliers, the Australian Taxation Office and the Office of State Revenue during tight periods of cash flow is required to continue and is the basis for the Directors being of the opinion that the Club will continue as a going concern.

Uncertainty therefore exists as to whether the club will be able to continue as a going concern as this is dependent on the ongoing goodwill of the landlord and creditors as noted above, together with the club's ability to trade through tough economic conditions. If the club is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>4 Operating Revenue</b>		
Bar sales	831,694	753,241
Poker machine net revenue	1,147,127	967,810
Catering revenues	14,400	14,473
Golf revenues	983,749	894,458
Pro AM revenues	77,663	55,952
Bowls revenues	47,406	56,278
Raffles and bingo	67,172	59,456
Interest income	510	20,628
Keno & TAB commission	51,068	47,363
Other income	101,056	54,908
Total	3,321,845	2,924,567
<b>5 Operating Profit/(Loss)</b>		
Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:		
<b>Credits</b>		
Interest received / receivable	510	20,628
<b>Charges</b>		
Depreciation - plant & equipment	184,127	179,329
Amortisation - Leasehold Improvements	14,747	10,628
Total depreciation and amortisation	198,874	189,957
Interest paid / payable	7,328	8,117

**MORISSET COUNTRY CLUB LIMITED**  
**(ACN 001 050 960)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 \$	2015 \$														
<b>6 Cash and Cash Equivalents</b>																
Cash at bank and on hand	79,861	25,215														
<b>7 Trade and other receivables</b>																
<b>Current</b>																
Trade debtors	17,507	28,893														
Other receivables	7,551	(873)														
	25,058	28,020														
<b>8 Inventories</b>																
Stock on hand - bar	35,629	22,231														
Stock on hand - prizes	-	530														
	35,629	22,761														
<b>9 Investments</b>																
Term Deposit - Westpac	50,000	-														
TAB Security Guarantee Investment Deposit	6,052	6,052														
	56,052	6,052														
<b>10 Other Current Assets</b>																
Prepayments	46,398	50,701														
<b>11 Property, Plant and Equipment</b>																
	<table style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 15%; text-align: center;">Plant &amp; Equipment</th> <th style="width: 15%; text-align: center;">Leasehold Improve'ts</th> <th style="width: 15%; text-align: center;">Poker Machines</th> <th style="width: 15%; text-align: center;">Leased Assets</th> <th style="width: 15%; text-align: center;">Motor Vehicles</th> <th style="width: 15%; text-align: center;">Total</th> </tr> <tr> <td></td> <td style="text-align: center;">\$</td> </tr> </thead> </table>		Plant & Equipment	Leasehold Improve'ts	Poker Machines	Leased Assets	Motor Vehicles	Total		\$	\$	\$	\$	\$	\$	
	Plant & Equipment	Leasehold Improve'ts	Poker Machines	Leased Assets	Motor Vehicles	Total										
	\$	\$	\$	\$	\$	\$										
<b>Year ended 31 December 2016</b>																
At 1 January 2015																
Net of accumulated depreciation / amortisation	114,332	97,667	271,768	156,574	4,767	645,108										
Add: Additions	26,019	33,488	158,996	-	-	218,503										
Less: depreciation / amortisation	(35,630)	(14,747)	(116,248)	(31,227)	(1,022)	(198,874)										
At 31 December 2016																
Net of accumulated depreciation / amortisation	104,721	116,408	314,516	125,347	3,745	664,737										
<b>At 31 December 2015</b>																
Cost or fair value	1,179,354	738,183	1,050,755	258,831	8,177	3,235,300										
Accumulated depreciation / amortisation	(1,065,022)	(640,516)	(778,987)	(102,257)	(3,410)	(2,590,192)										
Net carrying amount	114,332	97,667	271,768	156,574	4,767	645,108										
<b>At 31 December 2016</b>																
Cost or fair value	1,205,373	771,671	1,039,312	258,831	8,177	3,283,364										
Accumulated depreciation / amortisation	(1,100,652)	(655,263)	(724,796)	(133,484)	(4,432)	(2,618,627)										
Net carrying amount	104,721	116,408	314,516	125,347	3,745	664,737										

The Club has a total of 35 Poker Machine entitlements. These entitlements were granted to the Club at no cost. The value of these entitlements has not been recognised as an asset as they do not meet the recognition and measurement criteria of the applicable accounting standards.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
<b>12 Trade and Other Payables</b>		
<b>Current</b>		
Trade creditors	185,376	207,470
Accrued expenses	53,581	23,103
Bonus points liability	719	2,202
GST payable	40,052	25,846
	279,728	258,621
<b>13 Financial Liabilities</b>		
<b>Current</b>		
Finance lease liabilities	95,332	67,331
Hire purchase liabilities	38,538	63,975
	133,870	131,306
<b>Non-Current</b>		
Finance lease liabilities	105,772	85,179
Hire purchase liabilities	42,555	92,195
	148,327	177,374
<b>14 Provisions</b>		
<b>Short Term</b>		
Provision for annual leave	67,647	75,843
Provision for long service leave	17,952	9,312
Provision for poker machine jackpot	3,056	3,056
	88,655	88,211
<b>Long Term</b>		
Provision for long service leave	53,532	38,088
<b>15 Other Liabilities</b>		
Subscriptions in advance	163,458	153,962
GST tax rebate in advance	6,267	6,267
Pro Am income in advance	-	1,818
Other	3,456	-
	173,181	162,047

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
<b>16 Commitments for Expenditure</b>		
<b>a) Finance Leases and Hire Purchase Obligations</b>		
	<b>2016</b>	<b>2015</b>
	\$	\$
<i>Finance Lease</i>		
Minimum lease payments:		
- not later than one year	99,322	68,535
- between one year and five years	107,958	86,017
	207,280	154,552
- future finance charges	(6,176)	(2,042)
	201,104	152,510
<i>Hire Purchase Obligations</i>		
Minimum hire purchase payments:		
- not later than one year	38,590	64,260
- between one year and five years	42,555	92,761
	81,145	157,021
- future finance charges	(52)	(851)
	81,093	156,170
<b>b) Operating Leases</b>		
Minimum lease payments under non-cancellable operating lease		
- not later than one year	34,290	25,806
- between one year and five years	117,156	-
	151,446	25,806

**c) Club Lease**

The Club's (land and building) lease expired on 31 December 2010. At the date of this report a new lease agreement had not been entered into.

**17 Key Management Personnel Disclosures**

	2016	2015
	\$	\$
Short-term employee benefits	102,716	81,696
Long-term employee benefits	4,224	2,317
Post employment benefits	8,262	8,576
	115,202	92,589

The Club had no other related party transactions during the year.

**18 Contingent Liabilities**

**Bank Guarantee**

The Club has a bank guarantee for \$5,000 in connection with its TAB facilities and this is secured by a term deposit held with Westpac Bank.

**19 Events Occurring After the Reporting Date**

The financial reports was authorised for issue on 28 February 2017 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future years.