

# ANNUAL REPORT



**FOR THE YEAR ENDED  
31<sup>st</sup> DECEMBER 2017**

**MORISSET COUNTRY  
CLUB LIMITED**



## NOTICE OF ANNUAL GENERAL MEETING ACN 001 050 960

NOTICE is hereby given that the Annual General Meeting of MORISSET COUNTRY CLUB LIMITED is to be held on SUNDAY 20<sup>th</sup> May 2018 commencing at 9:30am (Doors Open 9:00am) in the auditorium of the Club at 126 Dora Street, Morisset in the State of New South Wales.

### AGENDA

- A. Apologies.
- B. To confirm and adopt the Minutes of the Annual General Meeting of the Club 7<sup>th</sup> May 2017.
- C. To receive and consider the Reports of the Board of Directors.
- D. To receive and consider the Financial Report for the year ended 31<sup>st</sup> December 2017.
- E. To confirm Auditors appointment
- F. To consider the AMENDMENTS TO THE CONSTITUTION
- G. To declare the results of the 2018 Election of Board of Directors.
- H. To deal with any business of which due notice has been given.
- I. General Business.

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 its Auditor to give a suitably researched response.

Special Resolution 1 to amend the following clause in the constitution

#### 7 Membership

Current

The members of the Club include all members on the Register at the date of adoption of this Constitution.

To be replaced by

**All members of the club include all members on the club register.**

Special Resolution 2 to amend the following clause in the constitution

Current

9.4 **Provisional Members** are those persons who have applied for any class of membership, except Temporary Membership, but who have not yet been admitted as a Member.

To be replaced by

**provisional member** of a club means a person who has applied for admission as a full member of the club, has paid the subscription appropriate for the membership applied for, and is awaiting a decision on the application.

Special Resolution 3 to amend the following clause in the constitution

#### 10 Application for Membership

##### **To be deleted**

(d) **Be supported by the signatures of two full members who know the applicant;**

Special Resolution 4 to amend the following clause in the constitution

Current

13.4 Any surplus assets remaining after the completion of the winding up or dissolution of the Club must be given to Legacy (Newcastle).

To be replaced by

Any surplus assets remaining after the completion of the winding up or dissolution of the club must be given to local community organisations.

Special Resolution 5 to amend the following clause in the constitution

Current

**20 Notice of Meetings**

- (c) By sending it to the fax number, e-mail or other electronic address nominated by the Full Member.

To be replaced by

By sending it to the e-mail or other electronic address nominated by the full member.

Special Resolution 6 to amend the following clause in the constitution

Current

**27 Composition of the Board**

- 27.1 The Board must comprise not less than six (6) and not more than nine (9) Directors, each of whom must be a natural person at least 18 years of age.

To be replaced by

The board must comprise not less than five (5) and not more than seven (7) directors, each of whom must be a natural person at least 18 years of age.

Special Resolution 7 to amend the following clause in the constitution

Current

- 27.2 The Board must have a President, two Vice-Presidents, and between three and six other Members, elected at the first Meeting of each newly elected Board.

To be replaced by

The Board must have a president and a vice-president elected at the first meeting following the Annual General Meeting.

Special Resolution 8 to amend the following clause in the constitution

Current

**28 Election of Board of Directors**

- 28.2 The Board will be elected every two years by the full members and will hold office for the two year period following election.

To be replaced by

The Board will be elected annually by the full members and will hold office for one year until the next annual elections or next Annual General Meeting.

Special Resolution 9 to amend the following clause in the constitution

Current

- 30.2 The Club may by special resolution carried at any Extraordinary General Meeting remove any Director or all the Directors before the expiration of his or her or their period of office and appoint another Director or Directors as the case may be in his or her or their place. The person or persons so appointed will hold office during such time only as the Director or Directors removed would have held office if he or they had not been so removed.

To be replaced by

The Club may by special resolution carried at any Extraordinary General Meeting or any Annual General Meeting remove any Director or all the Directors before the expiration of his or her or their period of office and appoint another Director or Directors, as the case may be in his or her or their place. The person or persons so appointed will hold office during such time only as the Director or Directors removed would have held office if he or they had not been so removed.

Special Resolution 10 to amend the following clause in the constitution

Current

**37 Quorum at Directors Meetings**

37.1 Unless the Board determines otherwise, the quorum for Board Meetings is six (6) Directors. The quorum must be present at all times during the Meeting.

To be replaced by

Unless the Board determines otherwise, the quorum for Board Meetings is five (5) directors. The quorum must be present at all times during the meeting.

Special Resolution 11 to amend the following clause in the constitution

Current

37.2 The Board may function validly provided its number is not reduced below the quorum. Should the number of Directors fall below the quorum, the remaining Directors may act only to appoint new Directors

To be replaced by

The Board may function validly provided its number is not reduced below the quorum. Should the number of directors fall below the quorum, then any business transacted after that time will have no effect. The remaining Directors may only act to appoint new directors

## **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.

### **MEMBERS PLEASE NOTE**

1. Annual Reports and Financial Statements will be available at the office or can be downloaded at [www.mccl.com.au](http://www.mccl.com.au) Friday, 27<sup>th</sup> April 2018.
2. Members are requested that any questions relating to the Club's financial statements be provided to the Secretary Manager by 5pm on Friday, 11<sup>th</sup> May 2018 so that an accurate and detailed response can be provided.

**By direction of the Board, Sharon Apperley | Secretary Manager**

## PRESIDENTS REPORT

Thank you to all patrons and members of our Country Club. Without the continued support and work of the volunteers around the golf course, bowling green and inside of the club house our club would cease to exist. Thank you volunteers.

Special mention to Nathan and his ground staff, The Pro Shop and to the staff of the Country Club.

I would also like to thank Sharon Apperley who arrived when the finance situation could of been better. Sharon has struggled on a very limited budget and has had to implement many changes to maintain financial viability.

You will have noticed a few changes in the club with furniture donated by Doyalson RSL club, the loss of the No 2 Green for Bowls and improvements to the golf course. Money received from a Tooheys contract which we hope to use for a outdoor area.

Our condolences go out to the families who have lost loved ones during the year.

Finally on a personal note thanks to the board members who have come through a very difficult year. Most people do not realise the amount of time and hard work it takes to keep a club like this financial and successful.

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Lorraine Walker

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 2017.

### **1. Directors**

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

<b><u>Name</u></b>	<b><u>Date</u> <u>Appointed</u></b>	<b><u>Occupation</u></b>	<b><u>Position</u></b>	<b><u>Time as</u> <u>Director</u></b>
Lorraine Walker	27/09/2016	Retired	President	5 years 4 months
Mark Hargreaves	06/05/2012	Leisure Village Caretaker	Vice President	6 years
Danny Ross	01/05/2016	Self employed auctioneer	Vice President	20 months
Peter Smathers	27/09/2016	Licensed Motor Mechanic	Director	15 months
Jim Fitzgerald	25/07/2017	Retired	Director	5 months
Rex Jones	25/07/2017	Retired	Director	5 months
Tony Hinder	23/08/2017	Retired	Director	4 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 loss of \$174,919 (2016 profit \$108,232). The Club is exempt from income tax.

### **6. Auditor's Independence Declaration**

The Auditor's Independence Declaration for the year ended 31 December 2017 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 2017 the collective liability of members was \$29,780 (2016: \$20,870).

### **8. Financial Report Issue Date**

The financial report was authorised for issue on 6 March 2018. 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 2017 was 20, being 12 normal monthly Board meetings and 8 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	8	20
Noel Cornish	Resigned 29/03/17	3	3	6
Garry Wheate	Resigned 26/06/17	4	4	9
Patrick Thomson	Resigned 29/03/17	3	2	6
Lorraine Walker		11	8	20
Peter Smathers		10	8	20
Desmond Green	Resigned 27/06/17	4	5	12
Danny Ross		11	8	20
Jim Fitzgerald	Appointed 25/07/17	6	2	8
Rex Jones	Appointed 25/07/17	5	2	8
Tony Hinder	Appointed 23/08/17	4	1	5
Paul Pasfield	Appointed 26/04/17 Resigned 28/05/17	2	1	4
Tony Pacy	Appointed 23/05/17 Resigned 21/11/17	5	2	7

The annual general meeting was held on 7 May 2017.

**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.



Lorraine Walker - Director



Mark Hargreaves - Director

**Dated: 6 March 2018**



**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 2017 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: 6 March 2018**  
**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 2017, 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 Morisset Country Club Limited, 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 2017 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 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 \$505,618 as at 31 December 2017. 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/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). 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 financial report of the Club for the year ended 31 December 2017 included on Morisset Country Club Limited's web site. The Club's Directors are responsible for the integrity of the Club's website. We have not been engaged to report on the integrity of this website. 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 the Club's website.

Kirsty Porteous - Partner

DFK Crosbie Partners  
Chartered Accountants

**Dated: 6 March 2018**  
**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 2017 and of the performance for the period ended on that date of the Club.
- 2 In the Directors' opinion there are reasonable grounds to believe that Morisset Country Club Limited 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:



Lorraine Walker - Director



Mark Hargraeves - Director

**Dated: 6 March 2018**

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

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	107,853	129,861
Trade and other receivables	7	126,722	25,058
Inventories	8	22,010	35,629
Investments	9	6,052	6,052
Other current assets	10	23,836	29,143
<b>TOTAL CURRENT ASSETS</b>		<b>286,473</b>	<b>225,743</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	645,117	664,737
<b>TOTAL NON-CURRENT ASSETS</b>		<b>645,117</b>	<b>664,737</b>
<b>TOTAL ASSETS</b>		<b>931,590</b>	<b>890,480</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	298,579	262,473
Financial liabilities	13	193,922	133,870
Loans	14	56,488	-
Short term provisions	15	56,475	88,655
Other liabilities	16	186,627	173,181
<b>TOTAL CURRENT LIABILITIES</b>		<b>792,091</b>	<b>658,179</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	13	192,621	148,327
Loans	14	50,087	-
Long term provisions	15	41,268	53,532
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>283,976</b>	<b>201,859</b>
<b>TOTAL LIABILITIES</b>		<b>1,076,067</b>	<b>860,038</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(144,477)</b>	<b>30,442</b>
<b>MEMBERS' FUNDS</b>			
Reserves - Capital profits reserve		1,152,279	1,152,279
- Capital reserve		10,150	10,150
Accumulated losses		(1,306,906)	(1,131,987)
<b>TOTAL MEMBERS' FUNDS</b>		<b>(144,477)</b>	<b>30,442</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 2017**

	Note	2017 \$	2016 \$
Bar sales	4	787,768	831,694
Cost of goods sold		(324,150)	(322,576)
Bar gross profit		463,618	509,118
Poker machine net revenue	4	939,705	1,147,127
Catering revenues	4	14,400	14,400
Golf revenues	4	943,998	983,749
Pro AM revenues	4	50,811	77,663
Bowls revenues	4	38,915	47,406
Raffles and bingo revenues	4	90,542	67,172
Keno and TAB commission	4	67,811	51,068
Interest received	4	125	510
Other income	4	100,378	101,056
<b>Total trading and other income</b>		<b>2,710,303</b>	<b>2,999,269</b>
<b>Expenses</b>			
Bar direct expenses		(362,255)	(256,758)
Poker machine direct expenses		(281,188)	(297,383)
Catering expenses		(54,525)	(35,223)
Golf expenses		(728,471)	(638,874)
Pro AM expenses		(39,877)	(53,194)
Bowls expenses		(29,894)	(49,207)
Raffles and bingo expenses		(105,743)	(96,985)
Keno and TAB expenses		(68,723)	(68,820)
Clubhouse expenses		(468,833)	(633,696)
Administration and other expenses		(581,728)	(546,131)
Members amenities		(148,792)	(207,438)
Finance costs		(15,193)	(7,328)
<b>Total expenses</b>		<b>(2,885,222)</b>	<b>(2,891,037)</b>
<b>Profit before tax</b>		<b>(174,919)</b>	<b>108,232</b>
Income tax expense	1	-	-
<b>Profit for the year</b>		<b>(174,919)</b>	<b>108,232</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(174,919)</b>	<b>108,232</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 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	3,238,474	3,570,268
Payments to suppliers and employees	(3,218,913)	(3,249,578)
Interest received	125	20,940
Interest paid	(15,193)	(7,328)
<i>Net cash flows provided by operating activities</i>	4,493	334,302
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of asset	54,000	-
Purchase of plant and equipment	(21,644)	(59,507)
<i>Net cash flows (used in)/generated by investing activities</i>	32,356	(59,507)
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	1,076	-
Repayments of financial liabilities (net of interest)	(159,933)	(170,149)
Proceeds from loans	100,000	-
<i>Net cash flows generated by/(used in) financing activities</i>	(58,857)	(170,149)
<b>Net Increase/(Decrease) in Cash Held</b>	(22,008)	104,646
<b>Cash and cash equivalents at the beginning of the financial year</b>	129,861	25,215
<b>Cash and cash equivalents at the end of the financial year</b>	107,853	129,861

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

**MORISSET COUNTRY CLUB LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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	<b>Capital Profits Reserve \$</b>	<b>Capital Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>Balance as at 1 January 2016</b>	1,152,279	10,150	(1,240,219)	(77,790)
Profit attributable to members of the Club	-	-	108,232	108,232
<b>Balance as at 31 December 2016</b>	1,152,279	10,150	(1,131,987)	30,442
Profit attributable to members of the Club	-	-	(174,919)	(174,919)
<b>Balance as at 31 December 2017</b>	<u>1,152,279</u>	<u>10,150</u>	<u>(1,306,906)</u>	<u>(144,477)</u>

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

**MORISSET COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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), being AASB1053 Application of Tiers of Australian Accounting Standards and AASB201.2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

**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 2017**

**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.

**MORISSET COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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, NSW 2264.

**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**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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**

As at balance date, current assets totalled \$286,473 compared to current liabilities of \$792,091 giving a deficit of \$505,618 (2016: \$432,436). Despite these factors the financial report has been prepared on a going concern basis, that is the continuity of normal business operations and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors are of the opinion that the going concern basis upon which the financial report has been prepared is appropriate on the following basis:

- The continued support of the 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.
- The budget for 2018 indicates the Club can operate in a breakeven cash position.
- Continued support of creditors and the Australian Taxation Office in making payment arrangements.
- Funds received from Tooheys (approximately \$20,000) which will be spent improving the clubhouse.
- Ability of the Club to obtain a loan prior to year end.
- Strategic planning and cost saving initiatives being implemented by management.

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 this financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded amounts or to the amounts and classification of liabilities that might be necessary should the Club not continue as a going concern.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4 Operating Revenue</b>		
Bar sales	787,768	831,694
Poker machine net revenue	939,705	1,147,127
Catering revenues	14,400	14,400
Golf revenues	943,998	983,749
Pro AM revenues	50,811	77,663
Bowls revenues	38,915	47,406
Raffles and bingo	90,542	67,172
Interest income	125	510
Keno & TAB commission	67,811	51,068
Other income	100,378	101,056
Total	3,034,453	3,321,845

**5 Operating Profit/(Loss)**

Operating profit/(loss) before income tax is arrived at after crediting and charging the following specific items:

**Credits**

Interest received / receivable	125	510
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**Charges**

Depreciation - plant & equipment	198,998	184,127
Amortisation - Leasehold Improvements	15,960	14,747
Total depreciation and amortisation	214,958	198,874

Interest paid / payable	15,193	7,328
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**MORISSET COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$				
<b>6 Cash and Cash Equivalents</b>						
Cash at bank and on hand	107,853	129,861				
<b>7 Trade and other receivables</b>						
<b>Current</b>						
Trade debtors	99,069	17,507				
GST receivable	731	-				
Other receivables	26,922	7,551				
	<u>126,722</u>	<u>25,058</u>				
<b>8 Inventories</b>						
Stock on hand - bar	22,010	35,629				
	<u>22,010</u>	<u>35,629</u>				
<b>9 Investments</b>						
TAB Security Guarantee Investment Deposit	6,052	6,052				
	<u>6,052</u>	<u>6,052</u>				
<b>10 Other Current Assets</b>						
Prepayments	23,836	29,143				
	<u>23,836</u>	<u>29,143</u>				
<b>11 Property, Plant and Equipment</b>						
	Plant & Equipment	Leasehold Improve'ts	Poker Machines	Leased Assets	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2017</b>						
At 1 January 2017						
Net of accumulated depreciation / amortisation	104,721	116,408	314,516	125,347	3,745	664,737
Add: Additions	161,877	3,713	121,866	6,818	-	294,274
Less: Disposals	-	-	-	(98,936)	-	(98,936)
Less: depreciation / amortisation	(30,299)	(15,960)	(141,635)	(26,042)	(1,022)	(214,958)
At 31 December 2017						
Net of accumulated depreciation / amortisation	<u>236,299</u>	<u>104,161</u>	<u>294,747</u>	<u>7,187</u>	<u>2,723</u>	<u>645,117</u>
<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	<u>(1,100,652)</u>	<u>(655,263)</u>	<u>(724,796)</u>	<u>(133,484)</u>	<u>(4,432)</u>	<u>(2,618,627)</u>
Net carrying amount	<u>104,721</u>	<u>116,408</u>	<u>314,516</u>	<u>125,347</u>	<u>3,745</u>	<u>664,737</u>
<b>At 31 December 2017</b>						
Cost or fair value	1,367,250	775,384	1,161,178	120,135	8,177	3,432,124
Accumulated depreciation / amortisation	<u>(1,130,951)</u>	<u>(671,223)</u>	<u>(866,431)</u>	<u>(112,948)</u>	<u>(5,454)</u>	<u>(2,787,007)</u>
Net carrying amount	<u>236,299</u>	<u>104,161</u>	<u>294,747</u>	<u>7,187</u>	<u>2,723</u>	<u>645,117</u>

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.

**MORISSET COUNTRY CLUB LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>12 Trade and Other Payables</b>		
<b>Current</b>		
Trade creditors	277,596	168,121
Accrued expenses	18,407	53,581
Bonus points liability	2,576	719
GST payable	-	40,052
	298,579	262,473
<b>13 Financial Liabilities</b>		
<b>Current</b>		
Hire purchase liabilities	74,588	95,332
Finance lease liabilities	119,334	38,538
	193,922	133,870
<b>Non-Current</b>		
Hire purchase liabilities	110,380	105,772
Finance lease liabilities	82,241	42,555
	192,621	148,327
<b>14 Loans</b>		
<b>Current</b>		
Loan - Unsecured	55,050	-
Loan - Toro	1,438	-
	56,488	-
<b>Non - Current</b>		
Loan - Unsecured	44,950	-
Loan - Toro	5,137	-
	50,087	-
Refer to note 18 for further details regarding the loan amount.		
<b>15 Provisions</b>		
<b>Short Term</b>		
Provision for annual leave	51,774	67,647
Provision for long service leave	4,701	17,952
Provision for poker machine jackpot	-	3,056
	56,475	88,655
<b>Long Term</b>		
Provision for long service leave	41,268	53,532
	41,268	53,532
<b>16 Other Liabilities</b>		
Subscriptions in advance	155,914	163,458
GST tax rebate in advance	7,198	6,267
Tooheys income in advance	23,039	-
Other	476	3,456
	186,627	173,181



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
<b>17 Commitments for Expenditure</b>		
<b>a) Finance Leases and Hire Purchase Obligations</b>		
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<i>Finance Lease</i>		
Minimum lease payments:		
- not later than one year	123,758	99,322
- between one year and five years	83,824	107,958
	207,582	207,280
- future finance charges	(6,007)	(6,176)
	201,575	201,104
<i>Hire Purchase Obligations</i>		
Minimum hire purchase payments:		
- not later than one year	78,755	38,590
- between one year and five years	115,374	42,555
	194,129	81,145
- future finance charges	(9,161)	(52)
	184,968	81,093
<b>b) Operating Leases</b>		
Minimum lease payments under non-cancellable operating lease		
- not later than one year	34,290	34,290
- between one year and five years	102,869	117,156
	137,159	151,446
<b>c) Club Lease</b>		
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.		

**18 Key Management Personnel Disclosures**

	2017	2016
	\$	\$
Short-term employee benefits	114,640	102,716
Long-term employee benefits	(14,517)	4,224
Post employment benefits	10,038	8,262
	110,161	115,202

A loan was obtained for \$100,000 from the spouse of a Director. The loan is for a period of 22 months and bears interest at a rate of 5% per annum. No interest was paid in the current period.

No other related party transactions were noted.

**19 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.

**20 Events Occurring After the Reporting Date**

The financial reports was authorised for issue on 6 March 2018 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.