

ANNUAL REPORT



**FOR THE YEAR ENDED
31st DECEMBER 2018**

**MORISSET COUNTRY
CLUB LIMITED**

25th March, 2019

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Morisset Country Club Ltd will be held in the Club's Auditorium, Dora St, Morisset on Sunday, 19th May, 2019 at 9.30am sharp.

Business

Apologies

Confirmation of previous minutes

Receive the Presidents Report

Receive the duly Audited Financial Report for the year to 31/12/18

Confirm Auditors appointment

Declaration of the Ballot for Board of Directors for the 2019/20 Term

Election of Returning Officer for the 2020/21 Term

Consider & resolve any business or motion(s), notice of which has been given in accordance with the Club's Constitution.

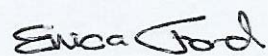
Any other business which may be brought forward.

- Items regarding financial statements should be submitted in writing seven (7) days prior to the Annual General Meeting to allow the Auditor reasonable time to research.
- General Business items should be submitted in writing to the Secretary seven (7) days prior to the Annual General Meeting.

The Annual Report is available on-line from 27th March, 2019 @ www.mccl.com.au or free of charge from the Club's Registered Office at Dora St, Morisset or by mail upon request.

Please also note that nominations for positions on the Board of Directors are currently being called for & close on Monday 15th April 2019.

Sincerely



Erica Ford
Secretary/President

PRESIDENTS REPORT

My first point is recognition of my fellow directors and the many hours they have volunteered since we were elected to the Board in May 2018. We faced a huge task to turn around declining trading, reduce increasing creditors and to bring patrons back to Morisset Country Club.

A restructure undertaken in July saw the position of Secretary Manager being made redundant and David Newman stepping in to become the Licensee and myself as the Secretary. We are very pleased with the improved trading that has become evident in the last 6 months of the financial year. Not only the financial results but also the tangible evidence of your support and patronage. This outcome sees us nearly back to the trading figures of the benchmark 2016 year but we still have a long way to go.

In 2018 we absorbed termination payments for the Secretary Manager and two other staff that were on workers compensation, and also funded various capital expenditures. The principal expense being the purchase of a new compressor system for the Club's refrigeration. We will continue to make improvements as the limited budget permits with a key objective being to have the long awaited smokers gaming room approved and completed this year.

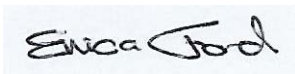
A huge thanks for the dedication of bar and administration staff, Green Superintendent Nathan Reynolds and his team, Dave Stretton and this staff in the pro shop (always so professional), and Jamie and his catering staff for providing great service in the kitchen.

Special thanks to all the sub committees for the many hours of voluntary service they put in to ensure that the day to day functioning of the various activities run so smoothly, your continuing contribution is greatly appreciated.

We have see the formation of a Croquet Club jointly using the No 2 bowling green, welcome to all the croquet players.

Deepest sympathy is extended to all who have lost family members and friends during the past year.

Hoping that 2019 continues to be a good year with all members' family and friends continuing to support this great club now and in the future!

A handwritten signature in black ink that reads "Erica Ford". The signature is written in a cursive style and is set against a light blue rectangular background.

Erica Ford

MORISSET COUNTRY CLUB LIMITED
(ACN 001 050 960)

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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The financial report was authorised for issue by the directors on 26 February 2019. The company has the power to amend and re-issue the financial report.

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 2018.

1. Directors

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

<u>Name</u>	<u>Date Appointed</u>	<u>Occupation</u>	<u>Position</u>	<u>Time as Director</u>
Mark Hargraves	06/05/2012	Leisure Village Caretaker	Vice President	7 years
Erica Ford	20/05/2018	Retired Business Owner	President	12 Years 7 Months
David Newman	20/05/2018	Technical Advisor		3 Years 7 Months
Bruce Lemmon	20/05/2018	Accountant		4 Years 7 Months
Kerry Simpson	20/05/2018	Retired Financial Controller		7 Months
John Waghorn	20/05/2018	Consultant		7 Months
Craig Robinson	20/05/2018	Consultant		7 Months
Barry Hudson	20/05/2018	Company Director		7 Months

2. Activities

The principal activities of the Club in the course of the financial year ended 31 December 2018 continued to be 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;

- To promote and provide facilities for sporting and athletic purposes including promoting and encouraging the games of golf and lawn bowls and any other sporting activities;
- To promote and provide facilities for social interaction of members and their guests;
- To do all acts, deeds, matters and things and enter into and make such agreements as are incidental or conducive to the attainment of the objects of the Club.

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 \$20,141 (2017 loss of \$174,919). The Club is exempt from income tax.

6. Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 31 December 2018 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 2018 the collective liability of members was \$24,780 (2017: \$29,780).

8. Financial Report Issue Date

The financial report was authorised for issue on 26 February 2019. 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 2018 was 15, being 12 normal monthly Board meetings and 3 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 Hargraves		12	3	15
Erica Ford	Appointed 20/05/18	6	2	11
David Newman	Appointed 20/05/18	8	2	11
Bruce Lemmon	Appointed 20/05/18	9	2	11
Kerry Simpson	Appointed 20/05/18	7	0	11
John Waghorn	Appointed 20/05/18	8	1	11
Craig Robinson	Appointed 20/05/18	9	2	11
Barry Hudson	Appointed 20/05/18	6	2	11
Lorraine Walker	Resigned 20/05/18	3	1	4
Peter Smathers	Resigned 20/05/18	2	1	4
Danny Ross	Resigned 20/05/18	3	1	4
Jim Fitzgerald	Resigned 20/05/18	3	1	4
Rex Jones	Resigned 20/05/18	1	1	4
Tony Hinder	Resigned 20/05/18	3	1	4
Doug Ford	Appointed 20/05/18 - Resigned July 2018	3	0	5

The annual general meeting was held on 20 May 2018.

10. Property Report

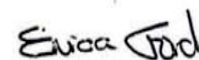
The directors have determined that property of the club shall be classified as follows in accordance with section 41J of the Registered Clubs Act 1976:

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.



Erica Ford - President



David Newman - Director

Dated: 26 February 2019



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 2018 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: 26 February 2019
Warabrook, NSW.

Liability limited by a scheme approved under the Professional Standards Legislation



A member firm of DFK International a worldwide association of independent accounting firms and business advisers

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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 2018, 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 Club's financial position as at 31 December 2018 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 \$503,991 as at 31 December 2018 (2017 \$505,618). 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. 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 2018 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: 26 February 2019
Warabrook, NSW

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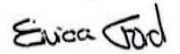
MORISSET COUNTRY CLUB LIMITED
(ACN 001 050 960)

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 Club's financial position as at 31 December 2018 and of the performance for the year ended on that date.
- 2 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:



Erica Ford - President



David Newman - Director

Dated: 26 February 2019

MORISSET COUNTRY CLUB LIMITED
(ACN 001 050 960)

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	6	98,161	107,853
Trade receivables	7	8,501	99,069
Inventories	8	23,275	22,010
Financial assets at amortised cost	9	32,127	33,705
Other current assets	10	43,536	23,836
TOTAL CURRENT ASSETS		205,600	286,473
NON-CURRENT ASSETS			
Property, plant and equipment	11	461,070	645,117
TOTAL NON-CURRENT ASSETS		461,070	645,117
TOTAL ASSETS		666,670	931,590
CURRENT LIABILITIES			
Trade and other payables	12	253,796	298,579
Financial liabilities	13	101,198	193,922
Borrowings	14	46,517	56,488
Short term provisions	15	125,451	56,475
Other liabilities	16	182,629	186,627
TOTAL CURRENT LIABILITIES		709,591	792,091
NON-CURRENT LIABILITIES			
Financial liabilities	13	91,423	192,621
Borrowings	14	3,570	50,087
Long term provisions	15	26,704	41,268
TOTAL NON-CURRENT LIABILITIES		121,697	283,976
TOTAL LIABILITIES		831,288	1,076,067
NET ASSETS/(LIABILITIES)		(164,618)	(144,477)
MEMBERS' FUNDS			
s - Capital profits reserve		1,152,279	1,152,279
- Capital reserve		10,150	10,150
Accumulated losses		(1,327,047)	(1,306,906)
TOTAL MEMBERS' FUNDS		(164,618)	(144,477)

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 2018

	Note	2018 \$	2017 \$
Bar sales	4	741,078	787,768
Cost of goods sold		(311,927)	(324,150)
Bar gross profit		<u>429,151</u>	<u>463,618</u>
Poker machine net revenue	4	1,038,611	939,705
Catering revenues	4	14,400	14,400
Golf revenues	4	936,628	943,998
Pro AM revenues	4	50,488	50,811
Bowls revenues	4	38,480	38,915
Raffles and bingo revenues	4	76,172	90,542
Keno and TAB commission	4	49,531	67,811
Interest received	4	7,323	125
Other income	4	136,959	100,378
Total trading and other income		<u>2,777,743</u>	<u>2,710,303</u>
Expenses			
Bar direct expenses		(376,952)	(362,255)
Poker machine direct expenses		(318,175)	(281,188)
Catering expenses		(8,639)	(54,525)
Golf expenses		(721,147)	(728,471)
Pro AM expenses		(45,603)	(39,877)
Bowls expenses		(31,479)	(29,894)
Raffles and bingo expenses		(89,364)	(105,743)
Keno and TAB expenses		(59,776)	(68,723)
Clubhouse expenses		(439,443)	(468,833)
Administration and other expenses		(610,565)	(581,728)
Members amenities		(82,165)	(148,792)
Finance costs		(14,576)	(15,193)
Total expenses		<u>(2,797,884)</u>	<u>(2,885,222)</u>
Profit before tax		<u>(20,141)</u>	<u>(174,919)</u>
Income tax expense	1	-	-
Profit for the year		<u>(20,141)</u>	<u>(174,919)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(20,141)</u></u>	<u><u>(174,919)</u></u>

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 2018

	2018	2017
	\$	\$
Cash Flows from Operating Activities		
Receipts from customers	3,391,013	3,238,474
Payments to suppliers and employees	(3,097,254)	(3,218,913)
Interest received	7,323	125
Interest paid	(14,576)	(15,193)
<i>Net cash flows provided by operating activities</i>	286,506	4,493
Cash Flows from Investing Activities		
Proceeds from disposal of asset	-	54,000
Transfer (to)/from short-term deposits	1,578	-
Purchase of plant and equipment	(47,366)	(21,644)
<i>Net cash flows (used in)/generated by investing activities</i>	(45,788)	32,356
Cash Flows from Financing Activities		
Proceeds from borrowings	-	1,076
Repayments of financial liabilities (net of interest)	(193,922)	(159,933)
Repayments of loans	(56,488)	100,000
<i>Net cash flows generated by/(used in) financing activities</i>	(250,411)	(58,856)
Net Increase/(Decrease) in Cash Held	(9,692)	(22,008)
Cash and cash equivalents at the beginning of the financial year	107,853	129,861
Cash and cash equivalents at the end of the financial year	98,161	107,853

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 2018

	Capital Profits Reserve \$	Capital Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 January 2017	1,152,279	10,150	(1,131,987)	30,442
Profit attributable to members of the Club	-	-	(174,919)	(174,919)
Balance as at 31 December 2017	1,152,279	10,150	(1,306,906)	(144,477)
Profit attributable to members of the Club	-	-	(20,141)	(20,141)
Balance as at 31 December 2018	1,152,279	10,150	(1,327,047)	(164,618)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 Receivables

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. 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.

Financial Assets at Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

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 2018

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 2018

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 2018

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 \$205,600 compared to current liabilities of \$709,591 giving a deficit of \$503,591 (2017: \$505,618). 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
- Continued support of creditors and the Australian Taxation Office in making payment arrangements.
- Funds received from Lion - Beer, Spirits & Wine Pty Ltd (approximately \$20,000) which will be spent improving the clubhouse.
- The Club has generated positive operating cashflows in the past 2 years.
- The Club has a cash balance at 31 December 2018 of \$98,161.
- Strategic planning and cost saving initiatives being implemented the Board.

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.

	2018	2017
	\$	\$
4 Operating Revenue		
Bar sales	741,078	787,768
Poker machine net revenue	1,038,611	939,705
Catering revenues	14,400	14,400
Golf revenues	936,628	943,998
Pro AM revenues	50,488	50,811
Bowls revenues	38,480	38,915
Raffles and bingo	76,172	90,542
Interest income	7,323	125
Keno & TAB commission	49,531	67,811
Other income	136,959	100,378
Total	3,089,670	3,034,453

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	7,323	125
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Charges

Depreciation - plant & equipment	214,522	198,998
Amortisation - leasehold improvements	16,891	15,960
Total depreciation and amortisation	231,413	214,958
Interest paid / payable	14,576	15,193

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
6 Cash and Cash Equivalents		
Cash at bank and on hand	98,161	107,853
7 Trade receivables		
Current		
Trade debtors	8,501	99,069
	8,501	99,069
8 Inventories		
Stock on hand - bar	23,275	22,010
	23,275	22,010
9 Financial assets at amortised cost		
TAB Security Guarantee Investment Deposit	6,052	6,052
GST receivable	148	731
Other receivables	25,927	26,922
	32,127	33,705

The Company has adopted AASB 9 Financial Instruments from 1 January 2018. AASB 9 replaces the provisions of AASB 139 relating to the recognition, classification and measurement of financial assets and financial liabilities. In accordance with the transitional provisions in AASB 9 the standard has been applied retrospectively resulting in the restatement of comparative figures. There was no impact on the measurement and recognition of the Company's financial assets resulting from the adoption of AASB 9. The Company has assessed the classification of the financial assets which has resulted in changes in the classification of the following financial assets on the statement of financial position:

- Other receivables and GST receivables were reclassified from trade and Other receivables to financial assets at amortised cost
- Investment deposits were reclassified from held to maturity investments to financial assets at amortised cost.

The accounting policies in Note 1 have been updated to reflect the adoption of AASB 9.

10 Other Current Assets

Prepayments	43,536	23,836
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11 Property, Plant and Equipment

	Plant & Equipment	Leasehold Improvements	Poker Machines	Leased Assets	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2018						
At 1 January 2018						
Net of accumulated depreciation / amortisation	236,299	104,161	294,747	7,187	2,723	645,117
Add: Additions	9,960	37,406	-	-	-	47,366
Less: depreciation / amortisation	(62,345)	(16,891)	(148,110)	(3,045)	(1,022)	(231,413)
At 31 December 2018						
Net of accumulated depreciation / amortisation	183,914	124,676	146,637	4,142	1,701	461,070
At 31 December 2017						
Cost or fair value	1,367,250	775,384	1,161,178	120,135	8,177	3,432,124
Accumulated depreciation / amortisation	(1,130,951)	(671,223)	(866,431)	(112,948)	(5,454)	(2,787,007)
Net carrying amount	236,299	104,161	294,747	7,187	2,723	645,117
At 31 December 2018						
Cost or fair value	1,377,212	812,789	1,078,858	120,134	8,177	3,397,170
Accumulated depreciation / amortisation	(1,193,298)	(688,113)	(932,221)	(115,992)	(6,476)	(2,936,100)
Net carrying amount	183,914	124,676	146,637	4,142	1,701	461,070

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
(ACN 001 050 960)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
12 Trade and Other Payables		
Current		
Trade creditors	223,084	277,596
Accrued expenses	18,111	18,407
Bonus points liability	12,601	2,576
	253,796	298,579
13 Financial Liabilities		
Current		
Hire purchase liabilities	33,093	74,588
Finance lease liabilities	68,105	119,334
	101,198	193,922
Non-Current		
Hire purchase liabilities	77,287	110,380
Finance lease liabilities	14,136	82,241
	91,423	192,621
14 Borrowings		
Current		
Loan - Unsecured	44,950	55,050
Loan - Toro	1,567	1,438
	46,517	56,488
Non - Current		
Loan - Unsecured	-	44,950
Loan - Toro	3,570	5,137
	3,570	50,087
Refer to note 18 for further details regarding the loan amount.		
15 Provisions		
Short Term		
Provision for annual leave	100,710	51,774
Provision for long service leave	24,741	4,701
	125,451	56,475
Long Term		
Provision for long service leave	26,704	41,268
16 Other Liabilities		
Subscriptions in advance	158,313	155,914
GST tax rebate in advance	7,198	7,198
Lion - Beers, Spirits & Wine Pty Ltd income in advance	16,877	23,039
Other	241	476
	182,629	186,627

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
17 Commitments for Expenditure		
a) Finance Leases and Hire Purchase Obligations		
	2018	2017
	\$	\$
<i>Finance Lease</i>		
Minimum lease payments:		
- not later than one year	69,592	123,758
- between one year and five years	14,232	83,824
	83,824	207,582
- future finance charges	(1,582)	(6,007)
	82,241	201,575
<i>Hire Purchase Obligations</i>		
Minimum hire purchase payments:		
- not later than one year	36,200	78,755
- between one year and five years	79,173	115,374
	115,373	194,129
- future finance charges	(4,993)	(9,161)
	110,380	184,968
b) Operating Leases		
Minimum lease payments under non-cancellable operating lease		
- not later than one year	42,265	43,860
- between one year and five years	68,579	110,844
	110,844	154,704

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.

18 Key Management Personnel Disclosures

	2018	2017
	\$	\$
Short-term employee benefits	210,324	114,640
Long-term employee benefits	7,392	(14,517)
Post employment benefits	19,362	10,038
	244,470	110,161

A loan was obtained in December 2017 of \$100,000 from the spouse of a former Director. As at 31 December 2018, the remaining loan period is 10 months and bears interest at a rate of 5% per annum. Interest paid during the period was \$3,750.

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 report was authorised for issue on 26 February 2019 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.