

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Your directors present their report on the company for the financial year ended 31 December 2018.

Principal Activities

The principal activities of the company during the financial year was the operation of a registered club for the promotion of golf, bowls and archery in the Macksville district.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing sporting facilities for the members and the community
- providing entertainment, dining, gaming and social facilities for members and the community
- providing turnover, cash flow and profit to meet the financial objectives of the company

Short and Long Term Objectives of the Company

The company has identified the following short term objectives:

- to reduce current wage costs associated with the operation of the club
- to improve the current level of income by setting budgets and KPI's
- aim to encourage new business into the club
- to establish a business and strategic plan that will carry the club into the future for the short and long term

The company has identified the following long term objectives:

- to meet the industry benchmark for financial performance of a 10% EBITDARD (Earnings Before Interest, Tax, Depreciation, Amortisation, Rent and Donations). 2018 EBITDARD was 5.1% (2017: 5.1%)
- to ensure the club keeps up with CPI inflation costs
- to continue to promote sports in the community and to be recognised for our contributions to the sports
- to become financially secure into the future
- to grow the clubs operations in accordance with the members interests

Strategies

The company has adopted the followings strategies in order to achieve these objectives:

- directors to continue to assist in the bar during busy periods
- to set up and adopt budgets for each section of the club (i.e. golf, bowls, archery, club and grounds etc.)
- to look at increasing club memberships as well as golf, bowls and archery green fees
- to increase advertising with local media and radio stations
- to set up cost centres for each section to better monitor cash flow and budgets and establish appropriate KPI's for effective monitoring
- to achieve budgets and goals set out in the business plans and to review cash flows
- to use funds derived from Charity days to continue to foster the sports we sponsor
- to maintain the budgets that we have set up into the future
- to review other avenues of sports (i.e. indoor bowls, darts, gaming and bar sales)
- to review the clubs performance against our budgets and comparisons to prior periods and KPI's
- to compare the previous years revenue and to continue to improve participation in future years

DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Performance Measurement

The company uses the following key performance indicators to measure performance:

- the board of directors meets monthly to review the financial management of the club, reviews actual results against budget and implements changes as required

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Carmel Freudenstein	Chairperson	Appointed 29 May 2016 Chairperson 20 June 2018	Previously served 6 1/2 years as secretary of NSW Police Legacy
Greg Burton	Vice Chairperson	Appointed 29 April 2018	
Desma Hughes	Secretary	Appointed 4 May 2014	PhD retired academic. 10 years board experience.
Gary Soyka	Treasurer	Appointed 29 April 2018	
John Steel	Director	Appointed 29 May 2016	
Clive Friedman	Director	Appointed 10 October 2016	
Doug Smith	Director	Appointed 29 May 2016 Resigned April 2018	29
Stuart Garvey	Director	Appointed 30 April 2017 Resigned 29 April 2018	
Christopher Murphy	Director	Appointed 30 April 2017 Resigned June 2018	20

Company Secretary

Desma Hughes was appointed as the Company Secretary on 20 June 2018.

DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Meetings of Directors

During the financial year, 11 meetings of directors were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Carmel Freudenstein	11	11
Greg Burton	7	7
Desma Hughes	10	10
Gary Soyka	7	7
John Steel	11	10
Clive Friedman	11	9
Doug Smith	4	4
Stuart Garvey	4	0
Christopher Murphy	5	4

Membership Details

The Macksville Country Club Limited is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Life Members	6	\$ 2	\$ 12
Playing Members - Golf, Bowls and Archery	266	\$ 2	\$ 532
Junior Members	21	\$ 2	\$ 42
Social	206	\$ 2	\$ 412
Total	499	\$ 2	\$ 998

Assurance Practitioners' Independence Declaration

A copy of the assurance practitioner's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

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



Carmel Freudenstein
 Chairperson



Gary Soyka
 Treasurer

Dated: 27 March 2019

**ASSURANCE PRACTITIONERS' INDEPENDENCE DECLARATION
TO THE DIRECTORS OF
MACKSVILLE COUNTRY CLUB LTD**

ABN 86 000 715 775

I declare that, to the best of my knowledge and belief, during the financial year to 31 December 2018 there have been:

- (i) no contraventions of the assurance practitioner independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor
107 West High Street
COFFS HARBOUR NSW 2450
Dated: 27 March 2019

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Sales revenue	2	433,918	418,512
Cost of goods sold	3	<u>(212,800)</u>	<u>(182,206)</u>
Gross profit		<u>221,118</u>	<u>236,306</u>
Poker machine revenue	2	110,123	108,494
Other revenue	2	304,289	281,158
Administration expense		(29,999)	(37,940)
Depreciation expense	3	(51,139)	(52,721)
Employee benefits expense		(345,863)	(316,896)
Finance expense		(4,163)	(6,377)
Occupancy expense		(88,369)	(100,231)
Other expenses		<u>(128,420)</u>	<u>(129,529)</u>
Deficit before income tax expense		(12,423)	(17,736)
Income tax expense	1(b)	<u>-</u>	<u>-</u>
Deficit after income tax expense		<u>(12,423)</u>	<u>(17,736)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(12,423)</u>	<u>(17,736)</u>

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	151,607	138,821
Trade and other receivables	5	7,178	3,250
Inventories	6	25,611	31,561
Other current assets	7	32,141	31,443
TOTAL CURRENT ASSETS		216,537	205,075
NON CURRENT ASSETS			
Property, plant and equipment	8	1,001,810	1,013,669
TOTAL NON CURRENT ASSETS		1,001,810	1,013,669
TOTAL ASSETS		1,218,347	1,218,744
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	56,962	62,541
Borrowings	10	58,651	28,454
Employee benefits	11	32,987	37,236
Other liabilities	12	29,054	28,121
TOTAL CURRENT LIABILITIES		177,654	156,352
NON CURRENT LIABILITIES			
Borrowings	10	39,978	44,495
Employee benefits	11	2,352	3,529
Other liabilities	12	-	3,582
TOTAL NON CURRENT LIABILITIES		42,330	51,606
TOTAL LIABILITIES		219,984	207,958
NET ASSETS		998,363	1,010,786
EQUITY			
Reserves	13	585,000	585,000
Retained earnings		413,363	425,786
TOTAL EQUITY		998,363	1,010,786

The accompanying notes form part of these financial statements.

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 01 January 2017	585,000	443,522	1,028,522
Deficit after income tax expense	-	(17,736)	(17,736)
Total other comprehensive income for the year	-	-	-
Transfers to/(from) reserves	-	-	-
Balance at 31 December 2017	<u>585,000</u>	<u>425,786</u>	<u>1,010,786</u>
Deficit after income tax expense	-	(12,423)	(12,423)
Total other comprehensive income for the year	-	-	-
Transfers to/(from) reserves	-	-	-
Balance at 31 December 2018	<u>585,000</u>	<u>413,363</u>	<u>998,363</u>

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		921,571	869,136
Payments to suppliers and employees		(883,816)	(855,017)
Interest received		792	847
Finance costs		(4,163)	(6,377)
Net cash provided by operating activities		<u>34,384</u>	<u>8,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(47,278)	(5,090)
Net cash used in investing activities		<u>(47,278)</u>	<u>(5,090)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		73,854	28,793
Repayment of borrowings		(48,174)	(42,423)
Net cash provided by/(used in) financing activities		<u>25,680</u>	<u>(13,630)</u>
Net increase/(decrease) in cash held		12,786	(10,131)
Cash at the beginning of the financial year		<u>138,821</u>	<u>148,952</u>
Cash at the end of the financial year	4(a)	<u>151,607</u>	<u>138,821</u>

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

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Macksville Country Club Limited as an individual entity. Macksville Country Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1 (n).

The financial statements were authorised for issue by the directors on 27 March 2019.

Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvements in those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

The directors consider that the company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled with 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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

(e) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(h) for further discussion on the determination of impairment losses.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value on a first-in first-out basis.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost less depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings and Improvements	2.5 - 25%
Plant & Equipment, Furniture & Fittings	2.5 - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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

(h) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the receivable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives.

(i) Trade and Other Payables

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

(j) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

(k) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

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

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

(n) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of indefinite life intangible assets

The company assesses impairment of indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1 (k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(o) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There were no new standards this year that had a significant impact on the company. Any new, revised or amending

(q) Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue their trading activities. The company has recognised a loss after income tax of \$12,423 and positive net operating cash flows of \$34,385 for the year ended 31 December 2018 and as at that date, current assets exceed current liabilities by \$38,882.

The loss after income tax expense includes a \$25,000 grant of which the related expenditure is yet to be incurred, the company has suffered a loss before depreciation for the two months subsequent to year end and extrapolated cash movements based upon these results indicate that the entity may not have sufficient cash to meet current liabilities. Furthermore, employee provisions are largely current liabilities and are tied to a small number of employees.

The Company's ability to continue as a going concern is dependent on a number of factors including the ability of the company to perform in line with budgets and cash flow projections. The Company is currently reviewing their operations to determine any possible cost efficiencies and alternative trading operations.

The Directors believe that the going concern assumption is appropriate for the preparation of the financial statements, however, in the event that the above matters are not resolved favourably, then the going concern basis may not be appropriate. No allowance for such circumstances has been made in the financial report.

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

	Note	2018 \$	2017 \$
Note 2: Revenue			
Operating activities:			
Bar trading		433,918	418,512
Membership subscriptions		33,883	51,012
Poker machines trading		110,123	108,494
Sundry income		<u>277,612</u>	<u>233,500</u>
Total revenue from operating activities		<u>855,536</u>	<u>811,518</u>
Non-operating activities:			
Interest received from other persons		792	847
Loss on sale of fixed assets		<u>(7,998)</u>	<u>(4,201)</u>
Total revenue from non-operating activities		<u>(7,206)</u>	<u>(3,354)</u>
Total revenue		<u>848,330</u>	<u>808,164</u>
Note 3: Deficit Before Income Tax Expense			
(a) Significant expenses			
Cost of sales		212,800	182,206
Depreciation expense		51,139	52,721
Repairs and maintenance		32,414	34,706
Returns to members		19,520	21,509
Salary and wages		307,638	269,379
Subsidiary club expenses		19,005	20,597
Superannuation		27,994	25,313
(b) Remuneration of auditor			
- review of the financial statements		8,700	8,200
- other services		2,500	2,500
Note 4: Cash and Cash Equivalents			
Cash on hand		21,692	21,940
Cash at bank		<u>129,915</u>	<u>116,881</u>
		<u>151,607</u>	<u>138,821</u>
(a) Reconciliation of cash and cash equivalents			
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		<u>151,607</u>	138,821
		<u>151,607</u>	<u>138,821</u>
Note 5: Trade and Other Receivables			
CURRENT			
Trade receivables		<u>7,178</u>	3,250
		<u>7,178</u>	<u>3,250</u>
Note 6: Inventories			
CURRENT			
Stock on Hand, at cost		<u>25,611</u>	31,561

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

	Note	2018 \$	2017 \$
Note 7: Other Assets			
CURRENT			
Prepayments		<u>32,141</u>	<u>31,443</u>
		<u>32,141</u>	<u>31,443</u>
Note 8: Property, Plant & Equipment			
Land and Buildings (at cost)			
Freehold land		<u>585,000</u>	<u>585,000</u>
Freehold land improvements		<u>101,177</u>	<u>101,177</u>
Less: Accumulated depreciation		<u>(71,827)</u>	<u>(69,811)</u>
		<u>29,350</u>	<u>31,366</u>
Buildings and improvements		<u>630,513</u>	<u>637,919</u>
Less: Accumulated depreciation		<u>(398,834)</u>	<u>(383,413)</u>
		<u>231,679</u>	<u>254,506</u>
Total Land and Buildings		<u>846,029</u>	<u>870,872</u>
Plant and Equipment (at cost)			
Plant and equipment		<u>402,975</u>	<u>445,491</u>
Less: Accumulated depreciation		<u>(268,213)</u>	<u>(332,788)</u>
		<u>134,762</u>	<u>112,703</u>
Furniture, fixtures and fittings		<u>74,827</u>	<u>74,099</u>
Less: Accumulated depreciation		<u>(67,591)</u>	<u>(63,990)</u>
		<u>7,236</u>	<u>10,109</u>
Ground equipment		<u>119,934</u>	<u>119,934</u>
Less: Accumulated depreciation		<u>(106,151)</u>	<u>(99,949)</u>
		<u>13,783</u>	<u>19,985</u>
Motor vehicles		<u>10,000</u>	<u>10,000</u>
Less: Accumulated depreciation		<u>(10,000)</u>	<u>(10,000)</u>
		<u>-</u>	<u>-</u>
Total Plant and Equipment		<u>155,781</u>	<u>142,797</u>
Total Property, Plant and Equipment		<u>1,001,810</u>	<u>1,013,669</u>

(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	870,872	142,797	1,013,669
Additions	-	47,278	47,278
Disposals	(1,316)	(6,683)	(7,999)
Depreciation expense	<u>(23,527)</u>	<u>(27,611)</u>	<u>(51,138)</u>
Carrying amount at the end of the year	<u>846,029</u>	<u>155,781</u>	<u>1,001,810</u>

(b) There is a registered mortgage over all properties owned by the company.

(c) No impairment has been recognised in respect of plant and equipment.

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

	Note	2018 \$	2017 \$
Note 9: Trade and Other Payables			
CURRENT			
Unsecured liabilities;			
Trade payables		35,966	37,355
Other payables and accrued expenses		20,996	25,186
		<u>56,962</u>	<u>62,541</u>
Note 10: Borrowings			
CURRENT			
Secured liabilities:			
Lease liability		14,533	7,284
		<u>14,533</u>	<u>7,284</u>
Unsecured liabilities:			
Members loan - Solar		25,000	-
Insurance funding		19,118	21,170
		<u>44,118</u>	<u>21,170</u>
Total current borrowings		<u>58,651</u>	<u>28,454</u>
NON-CURRENT			
Secured liabilities:			
Lease liability		39,978	19,495
		<u>39,978</u>	<u>19,495</u>
Unsecured liabilities:			
Members loan - Solar		-	25,000
Total non-current borrowings		<u>39,978</u>	<u>44,495</u>
Total Borrowings		<u>98,629</u>	<u>72,949</u>
(a) Total current and non-current secured liabilities:			
Lease liability		54,511	26,779
		<u>54,511</u>	<u>26,779</u>

(b) The lease liabilities are secured by the leased assets.

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

	Note	2018 \$	2017 \$
Note 11: Employee Benefits			
CURRENT			
Provision for annual leave		16,186	20,249
Provision for long service leave		16,801	16,987
		<u>32,987</u>	<u>37,236</u>
NON-CURRENT			
Provision for long service leave		2,352	3,529
		<u>2,352</u>	<u>3,529</u>
(a) Aggregate employee benefits liability		<u>35,339</u>	<u>40,765</u>

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 12: Other Liabilities

CURRENT			
Subscriptions received in advance		24,908	24,375
Sponsorship received in advance		564	-
Rent in advance		3,582	3,746
		<u>29,054</u>	<u>28,121</u>
NON-CURRENT			
Rent in advance		-	3,582
		<u>-</u>	<u>3,582</u>

Note 13: Reserves

General Reserve

The general reserve represents the increase in equity from the recognition of the company land at deemed cost of land on the introduction of International Financial Reporting Standards in 2006.

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

	Note	2018 \$	2017 \$
Note 14: Capital and Leasing Commitments			
(a) Finance Lease Commitments			
Payable - minimum lease payments:			
- not later than 12 months		14,534	7,284
- between 12 months and five years		<u>39,978</u>	<u>19,496</u>
Minimum lease payments		<u>54,512</u>	<u>26,780</u>
(b) Insurance Funding Commitments			
Payable - minimum lease payments:			
- not later than 12 months		19,850	22,717
- unexpired interest charges		<u>(732)</u>	<u>(1,547)</u>
		<u>19,118</u>	<u>21,170</u>

(c) Capital Expenditure Commitments

As at 31 December 2018, the company had not engaged in any capital commitments.

Note 15: Events After the End of the Reporting Period

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

Note 16: Economic Dependence

The ability of the company to continue as a going concern is dependent upon the continuation of the following matters:

(a) The company is financially dependent upon voluntary labour provided by directors and members to support the operations of the company.

Note 17: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets

Cash and cash equivalents	4	151,607	138,821
Loans and receivables	5	<u>7,178</u>	<u>3,250</u>
		<u>158,785</u>	<u>142,071</u>

Financial liabilities

Financial liabilities at amortised cost:			
Trade and other payables	9	56,962	62,541
Borrowings	10	<u>98,629</u>	<u>72,949</u>
		<u>155,591</u>	<u>135,490</u>

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

	Note	2018 \$	2017 \$
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Note 18: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation		<u>189,889</u>	<u>162,140</u>
Number of persons		<u>4</u>	<u>3</u>

Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 19: Company Details

The club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office and principal place of business is:

Macksville Country Club Ltd
206 Wallace Street
MACKSVILLE NSW 2447

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 18, are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Carmel Freudenstein
Chairperson



Gary Soyka
Treasurer

Dated: 27 March 2019

**ASSURANCE PRACTITIONERS' REVIEW REPORT
TO THE MEMBERS OF
MACKSVILLE COUNTRY CLUB LTD**

ABN 86 000 715 775

Report on the Financial Report

We have reviewed the accompanying financial report of Macksville Country Club Ltd, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation 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 is free from material misstatement, whether due to fraud or error.

Assurance Practitioners' Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: Company limited by Guarantee or an Entity Reporting under the ACNC Act or other Applicable Legislation or Regulation, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Corporations Act 2001 including; giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the year ended on that date; and complying with the Australian Accounting Standards. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**ASSURANCE PRACTITIONERS' REVIEW REPORT
TO THE MEMBERS OF
MACKSVILLE COUNTRY CLUB LTD**

ABN 86 000 715 775

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001 and Australian Professional Ethical Standards.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Macksville Country Club Ltd does not present fairly, in all material respects, the financial position of the company as at 31 December 2018, and of its financial performance and its cash flows for the year ended on that date, in accordance with the Corporations Act 2001.

Material Uncertainty Related to Going Concern

We draw attention to note 1(q) in the financial report, which indicates that the company incurred a net loss of \$12,423 during the year ended 31 December 2018. As stated in note 1(q), these events or conditions, along with other matters as set forth in note 1(q) indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor
107 West High Street
COFFS HARBOUR NSW 2450
Dated: 1 April 2019

**DISCLAIMER
TO THE MEMBERS OF
MACKSVILLE COUNTRY CLUB LTD**

ABN 86 000 715 775

The additional financial data presented on pages 23 - 25 is in accordance with the books and records of the company which have been subjected to the review procedures applied in our statutory review of the company for the financial year ended 31 December 2018. It will be appreciated that our statutory review did not cover all details of the additional financial data. Accordingly, we do not express a conclusion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Macksville Country Club Ltd) in respect of such data, including any errors or omissions therein however caused.

CROWE HORWATH CENTRAL NORTH



Kylie Ellis
Audit Partner
Registered Company Auditor
107 West High Street
COFFS HARBOUR NSW 2450
Dated: 1 April 2019

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Bar		
Sales	433,918	418,512
Cost of goods sold	<u>(212,800)</u>	<u>(182,206)</u>
Gross Profit	<u>221,118</u>	<u>236,306</u>
Less: Direct expenses		
Salaries and wages	134,343	112,775
Other direct expenses	<u>1,756</u>	<u>503</u>
Total direct expenses	<u>136,099</u>	<u>113,278</u>
Net profit from bar trading	<u>85,019</u>	<u>123,028</u>
Poker Machines		
Net poker machine receipts	97,728	100,976
GST rebate	<u>12,395</u>	<u>7,518</u>
Total poker machine income	<u>110,123</u>	<u>108,494</u>
Less: Direct expenses		
Repairs and maintenance	<u>11,537</u>	<u>10,476</u>
Total direct expenses	<u>11,537</u>	<u>10,476</u>
Net profit from poker machines	<u>98,586</u>	<u>98,018</u>

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Income		
Net profit from trading:		
Bar	85,019	123,028
Poker Machines	98,586	98,018
Advertising and sponsorship	26,701	22,691
Bingo income	10,599	11,712
Commissions received	26,463	20,780
Donations received	1,070	3,653
Golf and bowls accessories	2,797	3,435
Green fees	104,556	100,297
Hire - Golf equipment	26,966	26,465
Interest received	792	847
Membership subscriptions	33,883	51,012
Profit/(loss) on sale of fixed assets	(7,998)	(4,201)
Raffle proceeds	15,648	18,024
Rent	16,046	13,469
Subsidies received	27,184	273
Sundry income	19,582	12,701
Total Income	487,894	502,204
Expenditure		
Advertising and promotions	2,137	1,652
Affiliation fees	(3,438)	(2,536)
Bank charges	2,475	1,689
Bingo expenses	579	986
Bookkeeping	1,954	6,573
Cash discrepancies	(248)	(114)
Cleaning and waste removal	7,063	6,684
Computer expenses	4,070	3,329
Depreciation	51,139	52,721
Donations	1,055	1,521
Electricity and gas	22,315	24,195
Equipment rental	15,097	18,206
Equipment replacement	706	223
Filing fees	378	48
Fuel and oil	9,399	9,735
Golf and bowls accessories	227	8
Insurance	36,495	35,954
Interest paid	4,163	6,377
Lease of equipment	14,781	21,376
Postage, printing and stationery	2,917	3,014
Professional fees - auditors' remuneration	11,200	10,700
Professional fees - legal expenses	-	3,243
Provision for employee entitlements	(5,426)	6,504
Raffle expenses	8,253	8,430
Rates	7,496	9,267

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Repairs and maintenance - Clubhouse building and contents	11,470	20,361
Repairs and maintenance - Course and grounds	20,944	14,345
Returns to members	19,520	21,509
Salaries and wages - administration	54,181	51,724
Salaries and wages - cleaning	13,960	12,695
Salaries and wages - ground staff	119,114	104,880
Security	3,530	3,770
Staff training and amenities	1,323	2,109
Subsidiary club expenses	19,005	20,597
Subscriptions	3,679	3,419
Sundry expenses	9,247	4,264
Superannuation	27,994	25,313
Telephone	1,189	4,273
Uniforms	374	896
Total Expenditure	<u>500,317</u>	<u>519,940</u>
Deficit before Income Tax Expense	<u>(12,423)</u>	<u>(17,736)</u>