MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Your directors present their report on the company for the financial year ended 31 December 2019.

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 15% EBITDARD (Earnings Before Interest, Tax, Depreciation, Amortisation, Rent and Donations). 2019 EBITDARD was 5.3% (2018: 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

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	
Clive Friedman	Treasurer from 29 January 2020	Appointed 10 October 2016	
Carol Turner	Director	Appointed 05 May 2019	
Colin Fraser	Director	Appointed 27 May 2020	
John Delamare	Director	Appointed 05 May 2019 Resigned 18 Sep 2019	
John Steel	Director	Appointed 29 May 2016 Resigned 24 September 2019	
Desma Hughes	Secretary	Appointed 4 May 2014 Resigned 24 September 2019	PhD retired academic. 10 years board experience.
Gary Soyka	Treasurer	Appointed 29 April 2018 Resigned 29 January 2020	

Company Secretary

Carol Turner was appointed as the company secretary on 2 October 2019. Until this time the position was held by Desma Hughes.

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	11	5
Desma Hughes	9	9
Gary Soyka	11	8
John Steel	9	5
Clive Friedman	11	11
Carol Turner	7	6
Colin Fraser	-	-
John Delamare	7	3

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	219	$ 2	$ 438
Junior Members	10	$ 2	$ 20
Social	209	$ 2	$ 418
Total	444	$ 2	$ 888

Auditors' Independence Declaration

A copy of the auditor'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:

CM Freudenstein

Carmel Freudenstein
Director

Colin Fraser
Director

Dated: 6 August 2020

Crowe Central North
ABN 91 680 058 554
107 West High Street
Coffs Harbour NSW 2450 Australia
PO Box 8
Coffs Harbour NSW 2450 Australia

Tel 02 6653 0850
Fax 02 6651 4301
www.crowe.com.au

AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
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 1 December 2019 there has 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.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
107 West High Street
COFFS HARBOUR NSW 2450

Dated: 6 August 2020

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Revenues	2	**833,804**	847,536
Interest revenue calculated using the effective interest rate method	2	**649**	792
Administration expense		**(39,834)**	(29,999)
Costs of goods sold	3	**(204,624)**	(212,800)
Depreciation expense	3	**(75,337)**	(51,139)
Employee benefits expense		**(354,931)**	(345,863)
Finance expense		**(8,888)**	(4,163)
Occupancy expense		**(91,164)**	(88,369)
Other expenses		**(100,046)**	(128,418)
Deficit before income tax expense		**(40,371)**	(12,423)
Income tax expense	1(a)	**-**	-
Deficit after income tax expense		**(40,371)**	(12,423)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(40,371)**	(12,423)

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**110,024**	151,607
Trade and other receivables	5	**1,020**	7,178
Inventories	6	**21,014**	25,611
Other current assets	7	**36,156**	32,141
TOTAL CURRENT ASSETS		**168,214**	216,537
NON CURRENT ASSETS			
Property, plant and equipment	8	**947,698**	1,001,810
Leased assets	9	**113,600**	-
TOTAL NON CURRENT ASSETS		**1,061,298**	1,001,810
TOTAL ASSETS		**1,229,512**	1,218,347
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**63,951**	56,963
Lease liabilities	11	**33,479**	-
Borrowings	12	**20,462**	58,651
Employee benefits	13	**41,813**	32,987
Contract liabilities	15	**28,523**	-
Other liabilities	14	**-**	29,054
TOTAL CURRENT LIABILITIES		**188,228**	177,655
NON CURRENT LIABILITIES			
Lease liabilities	11	**66,783**	-
Borrowings	12	**-**	39,978
Employee benefits	13	**4,628**	2,352
Contract liabilities	15	**11,882**	-
TOTAL NON CURRENT LIABILITIES		**83,293**	42,330
TOTAL LIABILITIES		**271,521**	219,985
NET ASSETS		**957,991**	998,362
EQUITY			
Reserves	16	**585,000**	585,000
Retained earnings		**372,991**	413,362
TOTAL EQUITY		**957,991**	998,362

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Reserves $	Retained Earnings $	Total $
Balance at 01 January 2018	585,000	425,785	1,010,785
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	585,000	413,362	998,362
Deficit after income tax expense	-	(40,371)	(40,371)
Total other comprehensive income for the year	-	-	-
Transfers to/(from) reserves	-	-	-
Balance at 31 December 2019	585,000	372,991	957,991

The accompanying notes form part of these financial statements.

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**932,600**	921,569
Payments to suppliers and employees		**(853,214)**	(883,814)
Interest received		**649**	792
Finance costs		**(8,888)**	(4,163)
Net cash provided by operating activities		**71,147**	34,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(66,523)**	(47,278)
Net cash used in investing activities		**(66,523)**	(47,278)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**31,791**	73,854
Repayment of borrowings		**(47,426)**	(48,174)
Repayment of lease liabilities		**(30,572)**	-
Net cash (used in)/provided by financing activities		**(46,207)**	25,680
Net (decrease)/increase in cash held		**(41,583)**	12,786
Cash at the beginning of the financial year		**151,607**	138,821
Cash at the end of the financial year	4(a)	**110,024**	151,607

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Macksville Country Club Limited as an individual company. 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 (o).

The financial statements were authorised for issue by the directors on 6 August 2020.

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) Income Tax

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

(b) 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.

(c) Revenue

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from kitchen, cart shed and residential flat is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(d) 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.

(e) Leased Assets

As described in Note 1 (p), the company has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117.

Accounting Policy applicable from 1 January 2019

The company as a lessee

For any new contracts entered into on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company

- the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

- the company has the right to direct the use of the identified asset throughout the period of use. The company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in leased assets and lease liabilities have been included in lease liabilities.

The company as a lessor

The company's accounting policy under AASB 16 has not changed from the comparative period.

As a lessor the company classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Accounting Policy applicable before 1 January 2019

The company as a lessee

Finance Leases

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the company obtains ownership of the asset at the end of the lease term.

For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See Note 1 (i) for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating Leases

All other leases are treated as operating leases. Where the company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

<u>Classification and subsequent measurement</u>

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:
•amortised cost
•equity instruments at fair value through other comprehensive income (FVOCI)
•fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:
•the contractual cash flow characteristics of the financial asset
•the business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):
•the financial asset is managed solely to collect contractual cash flows
• the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on th principal amount outstanding on specified dates

Equity instruments at fair value through other comprehensive income

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company Executive considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach a distinction is made between:
•financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
•financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
•financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Trade and other receivables

The company makes use of a simplified approach. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables
- loan receivables

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss including historical experience, external indicators and forward looking information to calculate the expected credit losses.

Financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit and loss.

Financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. A financial liability cannot be reclassified.

All interest related charges and, if applicable, changes in the instruments fair value that are reported in profit or loss are included within finance costs or finance income.

(g) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(h) Inventories

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

(i) 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.

(j) 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.

(k) 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.

(l) 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 company to an employee superannuation fund and are charged as expenses when incurred.

(m) 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.

(n) Comparative Figures

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

(o) Critical accounting judgements, estimates

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.

Key Judgement - Revenue from contracts with customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Key Judgement - Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated company where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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.

Employee benefits provision

As discussed in note 1 (l), 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.

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

New and amended standards and interpretations

The company has applied AASB 15, AASB 16 and AASB 1058 for the first time. The nature and effect of the changes as a result of the adoption of AASB 15, AASB 16 and AASB 1058 are described below. AASB 15, AASB 16 and AASB 1058 has been applied using the modified retrospective approach, with the cumulative effect of adoption as at 1 January 2019 being recognised as a single adjustment to retained earnings. Accordingly, the company is not required to present a third statement of financial position as at that date.

Several amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the company.

AASB 15 *Revenue from Contracts with Customers*

The company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an company shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 9 *Financial Instruments*

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an “expected credit loss” model for impairment of financial assets

Given the general quality of the company's trade receivables, there will be no material impact on the introduction of an expected credit loss impairment method.

AASB 16 *Leases*

AASB 16 *Leases* replaces AASB 117 *Leases*.

The adoption of this new Standard has resulted in the company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the company has elected to apply the definition of a lease from AASB 117 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117.

The company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 6.57%.

The company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

The new Standards have been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 15, AASB 16 and AASB 1058 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

	Carrying amount at 31 December 2018 $	Reclassification $	Remeasurement $	AASB 16 Carrying amount at 1 January 2019 $
Contract assets	-	-	-	-
Other current asset	-	-	-	-
Property, plant and equipment	1,001,810	(63,465)	-	938,345
Right-of-use assets	-	82,048	-	82,048
Contract liabilities	-	(29,054)	-	(29,054)
Other current liabilities	(29,054)	29,054	-	-
Lease liabilities	-	(80,379)	-	(80,379)
Financial liabilities	(98,629)	61,796	-	(36,833)
Total	**874,127**	**-**	**-**	**874,127**

The following is a reconciliation of total operating lease commitments at 31 December 2018 (as disclosed in the financial statements to 31 December 2018) to the lease liabilities recognised at 1 January 2019:

	$	$
Total operating lease commitments disclosed at 31 December 2018		**77,804**
Recognition exemptions:		
Leases of low value assets	-	
Lease with remaining lease terms of less than 12 months	-	
Variable lease payments not recognised	-	
Other minor adjustments relating to commitment disclosures	-	
		-
Operating lease liabilities before discounting		77,804
Discounted using the incremental borrowing rate		(9,504)
Operating lease liabilities		68,300
Reasonably certain extension options		-
Finance lease obligations (Note 12)		54,512
Total lease liabilities recognised under AASB 16 at 1 January 2019		**122,812**

	Note	2019 $	2018 $
Note 2: Revenue			
Revenue from contracts with customers			
Bar trading		**460,834**	434,063
Membership subscriptions		**46,156**	33,883
Poker machines trading		**92,489**	110,123
Advertising		**7,368**	14,836
Kitchen sales		**-**	3,410
Golf/Bowls sales		**102,528**	109,646
Bingo		**8,155**	10,599
Raffles		**13,827**	15,648
Commissions		**28,488**	26,463
Sponsorship		**7,997**	5,903
Total revenue from contracts with customers		**767,842**	764,574
Other revenue:			
Interest received from other persons		**649**	792
Loss on sale of fixed assets		**-**	(7,998)
Hiring charges		**30,960**	27,193
Rent		**16,735**	16,046
Sundry income		**18,267**	47,721
Total revenue from non-operating activities		**66,611**	83,754
Total revenue		**834,453**	848,328

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Timing of revenue recognition			
Goods transferred at a point in time		**706,321**	-
Service transferred over time		**61,521**	-
		767,842	-

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

Note 3: Deficit Before Income Tax Expense

(a) Significant expenses

Cost of sales		**204,624**	212,800
Depreciation expense		**75,337**	51,139
Repairs and maintenance		**42,851**	32,414
Returns to members		**16,534**	19,520
Salary and wages		**298,943**	307,638
Subsidiary club expenses		**16,118**	19,005
Superannuation		**28,412**	27,994

	Note	2019 $	2018 $
Note 4: Cash and Cash Equivalents			
Cash on hand		**22,658**	21,692
Cash at bank		**87,366**	129,915
		110,024	151,607

(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:

		2019 $	2018 $
Cash and cash equivalents		**110,024**	151,607
		110,024	151,607
Note 5: Trade and Other Receivables			
CURRENT			
Trade receivables		**1,020**	7,178
		1,020	7,178
Note 6: Inventories			
CURRENT			
Stock on Hand, at cost		**21,014**	25,611
Note 7: Other Assets			
CURRENT			
Prepayments		**36,156**	32,141
		36,156	32,141
Note 8: Property, Plant & Equipment			
Land and Buildings (at cost)			
Freehold land		**585,000**	585,000
Freehold land improvements		**146,031**	101,177
Less: Accumulated depreciation		**(74,959)**	(71,827)
		71,072	29,350
Buildings and improvements		**630,513**	630,513
Less: Accumulated depreciation		**(420,222)**	(398,834)
		210,291	231,679
Total Land and Buildings		**866,363**	846,029

	Note	2019 $	2018 $
Plant and Equipment (at cost)			
Plant and equipment		**328,398**	402,975
Less: Accumulated depreciation		**(263,703)**	(268,213)
		64,695	134,762
Furniture, fixtures and fittings		**55,746**	74,827
Less: Accumulated depreciation		**(51,402)**	(67,591)
		4,344	7,236
Ground equipment		**124,705**	119,934
Less: Accumulated depreciation		**(112,409)**	(106,151)
		12,296	13,783
Motor vehicles		**10,000**	10,000
Less: Accumulated depreciation		**(10,000)**	(10,000)
		-	-
Total Plant and Equipment		**81,335**	155,781
Total Property, Plant and Equipment		**947,698**	1,001,810

(a) Movements in carrying amounts

	Land and Buildings $	Plant and Equipment $	Total $
Balance at the beginning of the year	846,029	155,781	1,001,810
Adjustment on adoption of AASB 16	-	(63,464)	(63,464)
Additions	44,854	7,922	52,776
Disposals	-	-	-
Depreciation expense	(24,520)	(18,904)	(43,424)
Carrying amount at the end of the year	866,363	81,335	947,698

(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.

(d) Property Plant and Equipment includes a residential premise located at 2/206 Wallace Street Macksville.

(e) The lease of the property is in the process of renegotiation at 31 December 2019. Whilst negotiations are taking place the property lease is continuing on a month to month basis. Annual lease payments are $10,920 p.a. subject to an annual CPI review. The lease has been classified as an operating lease.

	Note	2019 $	2018 $
Note 9: Leased Assets			
Plant and equipment		**127,317**	-
Less: Accumulated depreciation		**(33,939)**	-
		93,378	-
Ground equipment		**29,813**	-
Less: Accumulated depreciation		**(9,591)**	-
		20,222	-
Total Leased Assets		**113,600**	-

(a) Movements in carrying amounts

	Ground Equipment $	Plant and Equipment $	Total $
Balance at the beginning of the year	-	-	-
Adjustment on adoption of AASB 16	29,813	101,952	131,765
Additions	-	13,748	13,748
Disposals	-	-	-
Depreciation expense	(9,591)	(22,322)	(31,913)
Carrying amount at the end of the year	20,222	93,378	113,600

Note 10: Trade and Other Payables

	2019 $	2018 $
CURRENT		
Unsecured liabilities;		
Trade payables	**34,010**	35,966
Other payables and accrued expenses	**29,941**	20,997
	63,951	56,963

	2019 $	2018 $
Note 11: Leases		
Lease liabilities are presented in the statement of financial position as follows:		
CURRENT		
Lease liability	**33,479**	-
Total Current Lease liability	**33,479**	-
NON-CURRENT		
Lease liability	**66,783**	-
Total Non-Current Lease liability	**66,783**	-
Total Lease liability	**100,262**	-

The Company has leases for several golf carts and mowers as well as the clubs till system. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a leased asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its leased assets in a consistent manner to its property, plant and equipment (see Note 8).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right-of-use asset	No of right-of-use assets lease	Range of remaining term	Average remaining lease term	No of lease with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Ground Equipment	1	2 years	2 years	-	-	-	-
Plant & Equipment	5	1-5 years	3 years	-	1	-	2

	Note	2019 $	2018 $
Note 12: Borrowings			
CURRENT			
Secured liabilities:			
Lease liability		-	14,533
		-	14,533
Unsecured liabilities:			
Members loan - Solar		-	25,000
Insurance funding		**20,462**	19,118
		20,462	44,118
Total current borrowings		**20,462**	58,651
NON-CURRENT			
Secured liabilities:			
Lease liability		-	39,978
Total non-current borrowings		-	39,978
Total Borrowings		**20,462**	98,629
(a) Total current and non-current secured liabilities:			
Lease liability		-	54,511
		-	54,511

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

Note 13: Employee Benefits			
CURRENT			
Provision for annual leave		**24,618**	16,186
Provision for long service leave		**17,195**	16,801
		41,813	32,987
NON-CURRENT			
Provision for long service leave		**4,628**	2,352
		4,628	2,352
(a) Aggregate employee benefits liability		**46,441**	35,339

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	2019 $	2018 $
Note 14: Other Liabilities			
Subscriptions received in advance		-	24,908
Sponsorship received in advance		-	564
Rent in advance		-	3,582
		-	29,054
Note 15: Contract Liabilities			
CURRENT			
Subscriptions received in advance		**21,247**	-
Sponsorship received in advance		**4,992**	-
Rent in advance		**2,284**	-
		28,523	-
NON-CURRENT			
Rent in advance		**11,882**	-
		11,882	-

Note 16: 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.

Note 17: Capital and Leasing Commitments

	2019 $	2018 $
(a) Finance Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	-	14,534
- between 12 months and five years	-	39,978
Minimum lease payments	-	54,512
(b) Operating Lease Commitments		
Payable - minimum lease payments:		
- not later than 12 months	-	24,970
- between 12 months and five years	-	52,834
Minimum lease payments	-	77,804
(c) Insurance Funding Commitments		
Payable - minimum lease payments:		
- not later than 12 months	**21,194**	19,850
- unexpired interest charges	**(732)**	(732)
	20,462	19,118

	Note	2019 $	2018 $
(d) Capital Expenditure Commitments			
Capital expenditure commitments contracted for:			
Solar installation		**34,449**	-

The company has committed to the installation of solar panels to the total value of $57,488. A deposit of $3,828 was paid during the 2019 financial year and the company is entitled to a STC refund of $19,212 upon installation. The Company is currently in discussions with external financing sources to fund the remaining balance of $34,449.

As at 31 December 2019, the company had not engaged in any other capital commitments.

Note 18: Events After the End of the Reporting Period

Subsequent to balance date, the World Health Organisation declared a global health emergency on 31 January 2020 relating to the spread of Corona Virus (COVID 19). The impact of the COVID 19 pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative,after the reporting date. The situation is rapidly developing and included a Givernment directed forced closure of registered clubs between 23 March and 1 June 2020 and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarintine, travel restrictions and any economic stimulus that may be provided.No other 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 19: 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 20: 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:

	Note	2019 $	2018 $
Financial assets			
Cash and cash equivalents	4	**110,024**	151,607
Loans and receivables	5	**1,020**	7,178
		111,044	158,785
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	10	**63,951**	56,963
Borrowings	12	**20,462**	98,629
		84,413	155,592

	Note	2019 $	2018 $

Note 21: Related Party Transactions

Key Management Personnel

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

		2019 $	2018 $
Key management personnel compensation		**168,349**	189,889
Number of persons		**3**	4

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

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 5 to 26, 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 2019 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.

CM Freudenstein

Carmel Freudenstein
Director

Colin Fraser
Director

Dated: 6 August 2020

Crowe Central North
ABN 91 680 058 554
107 West High Street
Coffs Harbour NSW 2450 Australia
PO Box 8
Coffs Harbour NSW 2450 Australia

Tel 02 6653 0850
Fax 02 6651 4301
www.crowe.com.au

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MACKSVILLE COUNTRY CLUB LTD

ABN 86 000 715 775

Opinion

We have audited the accompanying financial report of Macksville Country Club Ltd (the Company), which comprises the statement of financial position as at 31 December 2019, 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.

In our opinion the financial report of Macksville Country Club Ltd 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 2019 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements as described in Note 1 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Emphasis of Matter

We draw attention to Note 18 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency on 31 January 2020 relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MACKSVILLE COUNTRY CLUB LTD

ABN 86 000 715 775

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MACKSVILLE COUNTRY CLUB LTD**

ABN 86 000 715 775

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
107 West High Street
COFFS HARBOUR NSW 2450

Dated: 6 August 2020

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DISCLAIMER

TO THE MEMBERS OF MACKSVILLE COUNTRY CLUB LTD

ABN 86 000 715 775

The additional financial data presented on pages 32 - 34 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 31 December 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion 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 Macksville Country Club Ltd) in respect of such data, including any errors of omissions therein however caused.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
107 West High Street
COFFS HARBOUR NSW 2450

Dated: 6 August 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

DETAILED TRADING STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Bar		
Sales	**460,834**	434,063
Cost of goods sold	**(204,624)**	(212,800)
Gross Profit	**256,210**	221,263
Less: Direct expenses		
Salaries and wages	**129,761**	134,343
Other direct expenses	**1,719**	1,756
Total direct expenses	**131,480**	136,099
Net profit from bar trading	**124,730**	85,164
Poker Machines		
Net poker machine receipts	**83,963**	97,728
GST rebate	**8,526**	12,395
Total poker machine income	**92,489**	110,123
Less: Direct expenses		
Repairs and maintenance	**14,621**	11,537
Total direct expenses	**14,621**	11,537
Net profit from poker machines	**77,868**	98,586

MACKSVILLE COUNTRY CLUB LTD
ABN 86 000 715 775

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Income		
Net profit from trading:		
Bar	**124,730**	85,164
Poker Machines	**77,868**	98,586
Advertising and sponsorship	**17,631**	26,701
Bingo income	**8,155**	10,599
Commissions received	**28,488**	26,463
Donations received	**770**	1,070
Golf and bowls accessories	**3,613**	2,797
Green fees	**96,888**	104,556
Hire - Golf equipment	**30,760**	26,966
Interest received	**649**	792
Membership subscriptions	**46,156**	33,883
Profit/(loss) on sale of fixed assets	**-**	(7,998)
Raffle proceeds	**13,827**	15,648
Rent	**16,735**	16,046
Subsidies received	**4,845**	27,184
Sundry income	**12,612**	19,436
Total Income	**483,727**	487,893
Expenditure		
Advertising and promotions	**922**	2,137
Affiliation fees	**(2,189)**	(3,438)
Bank charges	**2,958**	2,475
Bingo expenses	**268**	579
Cash discrepancies	**41**	(248)
Cleaning and waste removal	**5,428**	7,063
Computer expenses	**5,465**	4,070
Depreciation	**43,424**	51,139
Depreciation - leases	**31,913**	-
Donations	**715**	1,055
Electricity and gas	**22,068**	22,315
Entertainment	**818**	-
Equipment rental	**-**	15,097
Equipment replacement	**890**	706
Filing fees	**196**	378
Fuel and oil	**8,130**	9,399
Golf and bowls accessories	**158**	227
Insurance	**33,638**	36,495
Interest paid	**8,888**	4,163
Lease of equipment	**1,028**	14,781
Postage, printing and stationery	**3,197**	2,917
Professional fees	**20,927**	13,154
Provision for employee entitlements	**11,101**	(5,426)
Raffle expenses	**8,447**	8,253
Rates	**9,066**	7,496

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Repairs and maintenance - Clubhouse building and contents	**17,335**	11,470
Repairs and maintenance - Course and grounds	**25,516**	20,944
Returns to members	**16,534**	19,520
Salaries and wages - administration	**50,773**	54,181
Salaries and wages - cleaning	**15,151**	13,960
Salaries and wages - ground staff	**118,409**	119,114
Security	**3,629**	3,530
Staff training and amenities	**1,054**	1,323
Subsidiary club expenses	**16,118**	19,005
Subscriptions	**4,558**	3,679
Sundry expenses	**7,232**	9,245
Superannuation	**28,412**	27,994
Telephone	**1,611**	1,189
Uniforms	**270**	374
Total Expenditure	**524,099**	500,315
Deficit before Income Tax Expense	**(40,372)**	(12,422)