



2012 Annual Report



The No. 1 Club on the Murray for entertainment
Phone: (03) 5744 1888 - www.mulwalawaterski.com.au



Notice of Meeting

Notice is hereby given that the Annual General Meeting of
The Mulwala Water Ski Club Limited
will be held at the Clubhouse on Sunday, 28th October, 2012, at 11am

Agenda

1. To confirm the minutes of the previous Annual General Meeting held on 23rd October, 2011.
2. To receive and consider the report for the Board of Directors
3. To receive and consider the financial statements and auditors' report.
4. Resolution: Comply with Registered Club Act 1976 Section 10
5. To deal with any business for which due notice has been given
6. To deal with any business that the meeting may approve, of which due notice has not been given.
7. Elections of the Board for the ensuing year.

NB: Only financial members are entitled to attend the meeting.

Questions relating to the financial statements should be submitted in writing to the Club seven days prior to the meeting.

Nominations for the Board of Directors close Friday, 28th September, 2012 at 6:00pm.

Nomination forms are available from the Secretary.

By Order of the Board
Peter G. Duncan
Chief Executive Officer.

Resolution

To comply with the Registered Clubs Act 1976 Section 10

That approval is given to a budget provision of an annual sum (not exceeding \$35,000) to meet such of the following expenses of the club that may be approved by the Board of Directors from time to time:

1. The reasonable cost of meal and beverages for each Director or Senior Management Officer at an appropriate time before or after a Board or Committee Meeting and which is incurred on the day of that meeting.
2. Reasonable expenses incurred by a Director either within the Club or elsewhere in relation to the duties of a Director including the entertainment of special guests of the Club in relation to Club business and such other promotional activities as may be approved by the board.
3. The reasonable cost (including the cost of meals, accommodation and travel) of selected Directors, Managers and their partners attending the Clubs NSW meetings, the meetings of other associations of which the Club is a member and meetings or conferences that are of a relevant educational or beneficial nature to the club.

NOTES TO RESOLUTION: Please note this resolution is required under the Registered Clubs Act and is procedural.

President's Report

I am pleased to report a profit of \$454,853 for the financial year ending 30th June 2012. This is a good result in hard economic times and has come about with the hard work of our Directors, Management and Staff.

The club is continuing to provide quality entertainment and this year has seen us attract big crowds with top acts such as Andrew Wishart, Shannon Noll, Jon Stevens, Brian Cadd, Russell Morris and Ross Wilson. Over the Christmas period the club ran major events in the form of the INXS concert, Family Fun Day and Ski Shows throughout the month with all events proving a hit with visitors to our towns.

The ski division has again been successful under the guidance of Pete O'Neill and supported by Brant Ryan. The ski division ran thirteen ski shows at the club with rave reviews and also performed at Silverwoods in front of a large crowd. The team is going from strength to strength with a number of team members winning Australian titles this year and a team of thirty to forty skiers from our club representing NSW in April next year for the Show Ski National Titles in Perth.

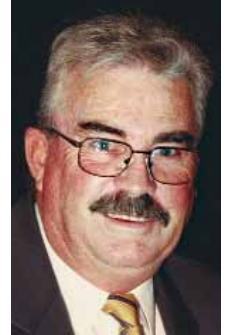
The ski club is also proud to have hosted the National Ski Titles at our ski lakes in April this year and to also have won the right to host the World Junior Championships in February 2013.

Throughout the year the club has endeavoured to make improvements for the benefit of our members and visitors. This year has seen the installation of a new deck on the lakeside of the club, a new coffee shop to complement the deck and provide another food outlet along with the re-covering of the gaming machine chairs.

Financially the club is in a good position, with the board and management remaining focused on reducing our debt but at the same time making improvements out of cash flow for the benefit of our members and guests.

I would like to thank the Directors for the effort they have put in over the past year. The Directors have once again helped out at concerts, ski shows, working bees and always respond positively to requests for help on these big occasions.

Thank you to our staff who have greeted our guests with a smile and provided friendly service to our customers over the past twelve months. Also thank you to our members who support our club by your continued patronage and use of the facilities.



Len Langford,
President

Chief Executive Officer's Report

It has been another challenging year with the political and economic uncertainty across the Nation. After a slow first half to the year the club finished strongly over the last six months to record a profit of \$454,853 for the financial year. This is an improvement on the previous year of \$264,613 or 139%.

Over the past eighteen months the club has seen a change in demographics and trends of members and guests visiting our club. The community are looking for quality and value in enjoyable surroundings. I believe we have met these demands by giving quality entertainment, building The Malibu Deck that is unique along the Murray River and installing a coffee shop to service the Deck and provide patrons with another choice of food.

Turnover across all sectors of the club was on a par with last financial year and expenses were down in some areas which have helped our bottom line.

- Legislation changes to the Poker Machine tax have saved the club \$60,148.
- Family Carnival expenses are down \$58,000

Poker Machines have been steady and has recorded a profit of \$3.79m which is pleasing considering the negative publicity gaming has received in the last two years. Throughout the year we were able to keep our Poker Machine installation up to date by spending over \$280,000.

Bar sales are down on last year by \$7,338 with numbers through the door indicating virtually the same as last financial year. We believe a change in entertainment direction has changed the demographics of visitors to the club.

The Holiday Park recorded a profit of \$260,000 and is pleasing after a slow start to the year. The club has put a lot of effort into promoting our Park by attending the Caravan and Camping Show in Melbourne, shopper docket promotions and TV auctions.

Our ski division has once again been fantastic with the best ever ski shows over summer. Congratulations to Pete O'Neil our ski Pro, Brutus Ryan and all the team on a great

effort. Also congratulations to Pete O'Neill and Nicole Urquhart for winning National Titles in their respective events.

The Mulwala Water Ski Club continues to look at ways we can improve our facilities and generate business for our club and the community. Over the past twelve months we have: –

- Built a new Deck
- Built a new coffee shop
- Held National Ski Titles at Ski Park for over 200 competitors
- Won the bid to hold World Junior Titles with over 16 countries competing.
- Re-covered chairs in the gaming lounge
- Purchased 18,000 fingerlings (fish) to restock Lake Mulwala.
- Re-painted Chinese restaurant

As with last year the focus of the club is to reduce debt and as of last October the Holiday Park debt was paid out. Our aim now is to reduce debt on the club house over the next two years from \$4.2m to \$3m by June 2014. Financial strategies have been put in place to achieve this goal and at the same time continue to make improvements to the club.

The President and Directors of our club are very proactive and have been very hands on again this year working at all thirteen Ski Shows, INXS concert, Family Fun Day and quiet a few big nights in the club. Thank you for your efforts over the year.

Finally I would like to thank our staff and members of our club. The staff have recognised the need for the club to not just maintain service but to improve service to our members and guests. Our members have continued to support us throughout the year by visiting the club, using the facilities we have to offer and giving valuable feedback on improvements and performance.

Peter Duncan
Chief Executive Officer



Bingo Report

Well another year over and what a year it was. Lots of winners, a new bingo system and lots of fun. Our new computerised system had a couple of minor hiccups early but with the co-operation of our callers, Johnny, Lee, Maree, Brian and myself and the understanding of our players, we now have a system to be proud of.

We lost a couple of players sadly during the year but we soldiered on and had a year to remember, I hope on behalf of the rest of our callers you enjoyed this year and will continue to support us in coming years.

May luck be on your side!

Yours in Bingo,

Phil and the Crew



Water Ski Co-ordinators Report

The Mulwala Ski Report this year could stretch on for days, not only has the club done well locally but internationally as well

Locally, with members skiing, we were maxed out again. This season we ran three boats and they were regularly full. Thanks again to Nichole Urquart for all her help. Members skiing is a great way to get involved. Call the club to make bookings

On the 3-event scene we had many numbers to local tournaments and the Club Championships over two days which was a great event. Well done to all those who took part especially to those who scored personal bests. The tournament skiing season culminated with the National Titles in which we had many local skiers competing. There were too many great results to post here but Mulwala was one of the strongest regions

On the barefooting side we had many great skiers at the National Titles and 5 locals make it to the World Titles where Australia won all three divisions. A great

effort to our local guys and the Australian teams in general as this had not been done for 26 years.

On the show skiing front, the Toy Story Show was our best yet. Crowds were big, as were laughs and the stunts in this years show were on a new level to anything done previously. The development shows were also a big hit with many kids making it into the the senior team. Well done to Brutis and Kath Ryan as well as many others on a great season. The show ski committee is now set up in an effort to raise money for the team to head to Perth and compete in next years National Titles. For information on this or anything else mentioned, contact the Pro Shop at skiproshop@me.com

Have a great season on the water guys and see you out there.



Pete O'Neill
Water Ski Co-ordinator

Minutes of the Annual General Meeting

Minutes of the Annual General Meeting of members held in the clubhouse, Melbourne Street, Mulwala, on 23rd October 2011 at 11.00am.

Present:

President Mr Len Langford and 173 Members

Apologies:

The following apologies were received:

Barb Macdermid, Jim Macdermid, Max Kirwan, Helen Purtle, Tom Purtle, Ross Lovel, Jodie Lovel, Fran Hynes, Cathy Pearn, Allan Hicks and John Clarke.

Minutes

The minutes of the previous Annual General Meeting held on 28th November 2010, a copy of which was made available to the members and posted on the Clubs website, was approved as a true copy of all proceedings on the motion of Mr John Barnes & seconded by Mr Brian Williamson. Carried.

President's Report

Mr Langford went through the Presidents Report and the Directors Report as per the Annual Report and was approved on the motion of Mr Michael O'Bryan & seconded by Mr Peter Cannon. Carried

Financial Statements and Auditors Report:

The Financial Statements and Auditors Report for the year ended 30th June 2011, was approved on the motion of Mrs Jan Doyle & seconded by Mr John Francis. Carried.

Business to which due notice given

There was no business arising for which due notice was given.

Business to which no notice was given

Mr Ken Williams (8) congratulated and thanked Mr Langford (President), the Board of Directors, the Management and the staff for achieving such a great profit and paying off a substantial amount off the debt. He also commented on how the club continues to promote water skiing and improve the facilities for the members.

Mr Dave Ryan (5398) on behalf of the water skiers wanted to thank the Board of Directors and Management for their support and help throughout the year. He gave a brief rundown of the Ski Teams achievements at the Ski Nationals, the China, USA & Australia challenge, the Barefoot and 3 Event successes.

Elections

Mr Langford introduces the Returning Officer Mr Neil Lovel to conduct the election.

Mr Lovel introduces the polling officers Mrs Jan Doyle, Mr Jarrod Laughlin, Mr Glenn Brear and Mr Michael O'Bryan.

Mr Lovel introduces the candidates in the order they appear

on the Ballot Paper. Mr Matthew Holgate, Mr Trevor Bailey, Mr Andrew Starr, Mr Gavin Williams and Mr Barrie Cox.

Mr Lovel explains how the Ballot paper positions were drawn and then explains the voting procedure. Members were then asked to vote and the polling officers collect the votes and went upstairs to count the votes.

Mr Duncan then addressed the members about things that were happening at the Club.

- Holiday Park loan has been paid out.
- Improvement to Club with Auto Doors and Trophy Cabinet.
- Peter O'Neill and the Ski teams successes throughout the year.
- Building the outside deck to begin soon.
- Update on the Poker Machine Mandatory Pre Commitment deal.
- INXS Concert 5th January 2012
- Number 1 priority to reduce the Clubhouse \$4 million debt.
- Members only promotions and benefits to continue
- Future plans for a new coffee shop.
- Need to spend money on improving the Holiday Park facilities. Short break will be taken while votes are counted.

Mr Lovel then reads out the election results.

The (4) four Directors that will be returned from the election are Mr Matthew Holgate, Mr Trevor Bailey, Mr Andrew Starr and Mr Gavin Williams.

Mr Lovel hands microphone back to Mr Langford to continue the meeting. Mr Langford congratulated the incoming directors and thanked Mr Barrie Cox for his nomination.

Special Resolution

The Special Resolution for Directors expenses to comply with the Registered Clubs Act, Section 10. This resolution was read out by Mr Langford.

This resolution was approved on the motion of Mr Ken Williams & seconded by Mr Glenn Brear. Carried

Close

Mr Langford thanked the members for their patronage and participation.

In closing the President Mr Langford invited the members to enjoy some hospitality of the Club.

There being no further business, the meeting closed at 11.30am.

I certify that the above is a true record of proceedings.

Chairman

Date

Directors' Report

Your Directors present their report on the company for the financial year ended 30th June 2012.

1. Directors

The names of the Directors of the company in office at any time during or since the end of the year were:

Trevor Stanley Bailey
Matthew John Holgate
Leonard Marshall Langford
Rodney Frank Vodusek
Kelvin John Weston-Green
Gavin Kenneth Williams
Andrew James Starr

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Peter G. Duncan - Mr Duncan has worked for the Mulwala Water Ski Club Limited for the past nineteen years. Mr Duncan was appointed company secretary on 2nd December, 2009.

3. Principal activities

The principal activities of the company during the year were that of a water ski club. There were no significant changes in the nature of those activities.

4. Operating Results

The net amount of profit of the company for the year was \$454,853 after tax.

5. Dividends Paid or Recommended

The company has not paid or declared any dividend since the end of the previous financial year after income tax.

6. Objectives

The objectives of the Mulwala Water Ski Club are outlined in the Chief Executive Officers report on page 3.

7. Financial Position

A review of the balance sheet shows the movements in the company's position, as following:

Net increase in current assets	\$120,947
Net increase in total assets	\$6,562
Increase in working capital	\$461,415
Purchase of fixed assets	\$792,548

8. Significant Changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or in the accounts.

9. After Balance Date Events

Since the end of the financial year, the Directors are not aware of any matter or circumstance not otherwise dealt with in the report or accounts that have significant or may significantly affect the operation of the company, the results of those operations or the state of affairs of the Company in subsequent financial years.

10. Future Developments

The company has commissioned a twenty year master plan for improvements and extensions to the club's complex.

11. Environmental Issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

12. Information on Directors

Leonard M Langford – President
Experience – President since 2002
– Board Member since 1995
Occupation – Agriculture and Irrigation
Supplies

Matthew J Holgate – Vice President
Experience – Board Member since 2003
Occupation – State Grains Manager of
Victoria

Trevor S Bailey – Director
Experience – Board Member since 2003
Occupation – Plumbing Contractor

Directors' Report

Kelvin J Weston-Green	–	Director
Experience	–	Board Member 2000-2003 and since 2004
Occupation	–	Irrigation Wholesaler/ Distributor
Rodney F Vodusek	–	Director
Experience	–	Board Member since 2007
Occupation	–	Butcher (owner-operator)
Gavin K Williams	–	Director
Experience	–	Board Member since 1995
Occupation	–	Water Ski Wholesaler
Andrew J Starr	–	Director
Experience	–	Board Member since 2009
Occupation	–	Builder

12. Directors' Remuneration

Since the end of the previous financial year, no Director has received or become entitled to receive a remuneration (other than a remuneration included in the aggregate amount of remuneration received or due and receivable by Directors shown in the accounts, or the fixed salary of a full-time employee of the company) by reason of a contract made by the company with the Director or with a firm of which they are a member or with a company in which they have a substantial financial interest.

All remuneration paid to executives is valued at cost to the company and expenses.

13. Meeting of Directors

During the financial year 13 meetings of Directors were held. Attendances by each Director during the year were as follows:

Director	Board Meetings	
	Number of meetings held	Number of meetings attended
Leonard Marshall Langford	13	11
Matthew John Holgate	13	12
Trevor Stanley Bailey	13	13
Rodney Frank Vodusek	13	13
Kelvin John Weston-Green	13	12
Gavin Kenneth Williams	13	11
Andrew James Starr	13	13

14. Indemnifying Officers or Auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following directors and executives against liabilities for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the company, other than conduct involving a willful breach of duty in relation to the company.

L Langford
 M Holgate
 T Bailey
 R Vodusek
 K Weston-Green
 G Williams
 A Starr
 P Duncan

15. Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 30 June is as follows:

	2012	2011
Ordinary Members	6,081	6,042
Life Members	7	7
Junior Members	298	230
Total	6,386	6,279

Directors Report

16. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The company was not party to any such proceedings during the year.

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

Signed at Mulwala on this 26th day of September, 2012.

L.M. Langford

Director

G.K. Williams

Director

17. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 11 of the financial report.

Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes, as set out in pages 12 to 29, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30th June 2012 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.

Dated at Mulwala this 26th day of September 2012

L.M. Langford

Director

M. J. Holgate

Director

Independent Auditor's Report

To the Members of Mulwala Water Ski Club Limited

I have audited the accompanying financial report of the Mulwala Water Ski Club Limited, which comprises the balance sheet as at 30 June 2012 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Mulwala Water Ski Club Limited on 15th September 2012, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Mulwala Water Ski Club Limited as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including the Australian Accounting Interpretations).

JF HAEBICH FCA
CHARTERED ACCOUNTANT
38 Belmore Street, Yarrowonga, Vic 3730
Dated this 26th day of September 2012.

Auditor's Independence Declaration

**Under Section 307C of the Corporations Act 2001
To the Directors of Mulwala Water Ski Club Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012, there have been:

- i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.

J. F. Haebich FCA
Chartered Accountant
38 Belmore Street, Yarrowonga, Vic 3730
Dated this 26th day of September 2012

Income Statement

For the year ended 30 June 2012

	Notes	This Year \$	Last Year \$
Trading Revenue		10,093,904	9,950,977
Subscriptions		121,019	123,900
Profit on disposal of fixed assets		57,146	87,874
		<u>10,272,069</u>	<u>10,162,751</u>
Advertising and sponsorship		149,480	137,542
Buses		270,803	311,301
Cost of sales		937,405	922,847
Depreciation	1 (c)	873,812	974,526
Donations		98,774	78,260
Cleaning		261,960	245,146
Electricity and gas		373,377	372,169
Entertainment		303,229	305,849
Insurance		157,677	204,107
Other expenses		684,616	667,408
Personnel expenses		2,637,138	2,592,644
Poker machine taxes and monitoring fees		1,229,203	1,288,347
Promotions and members discounts		646,301	616,215
Repairs and maintenance		210,528	199,466
Security Costs		206,111	204,501
Ski division costs		173,147	254,750
Other caravan park expenses		201,449	183,371
		<u>9,415,010</u>	<u>9,859,493</u>
Result from operating activities		857,059	604,302
Finance income and expenses			
Interest received		49	28
Finance costs		(402,255)	(414,062)
Profit before income tax		<u>454,853</u>	<u>190,240</u>
Income tax	1 (g)	-	-
Profit for the year		<u>454,853</u>	<u>190,240</u>

Statement of Comprehensive Income

For the year ended 30 June 2012

	This Year \$	Last Year \$
Profit for the year	454,853	190,240
Other comprehensive income	—	—
Total comprehensive income for the year	<u>454,853</u>	<u>190,240</u>
Total comprehensive income attributable to the members	<u>454,853</u>	<u>190,240</u>
Other comprehensive income for the year	—	—
Total comprehensive income for the year	—	—
Profit attributable to members of the entity	<u>454,853</u>	<u>190,240</u>
Total comprehensive income attributable to the members of the entity	<u>454,853</u>	<u>190,240</u>

Balance Sheet

as at 30 June 2012

	Notes	This Year \$	Last Year \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	476,130	282,682
Trade and other receivables		36,772	23,256
Inventories	1(b)	160,945	202,390
Other - prepayments		60,564	108,865
- accrued income		22,383	18,654
TOTAL CURRENT ASSETS		<u>756,794</u>	<u>635,847</u>
NON-CURRENT ASSETS			
Property, plant and equipment	1(c), 9	15,589,058	15,716,567
Intangible assets	1(f)	-	-
TOTAL NON-CURRENT ASSETS		<u>15,589,058</u>	<u>15,716,567</u>
TOTAL ASSETS		<u>16,345,852</u>	<u>16,352,414</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	657,143	709,815
Interest bearing liabilities	12	135,722	352,009
Provisions	13	66,278	56,393
Other - accrued expenses		283,654	247,034
TOTAL CURRENT LIABILITIES		<u>1,142,797</u>	<u>1,365,251</u>
NON-CURRENT LIABILITIES			
Trade and other payables		5,310	23,739
Interest Bearing Liabilities	12	4,321,150	4,554,194
Provisions	13	81,753	69,241
TOTAL NON-CURRENT LIABILITIES		<u>4,408,213</u>	<u>4,647,174</u>
TOTAL LIABILITIES		<u>5,551,010</u>	<u>6,012,425</u>
NET ASSETS		<u>10,794,842</u>	<u>10,339,989</u>
MEMBERS' EQUITY			
Retained Profits		10,794,842	10,339,989
TOTAL MEMBERS EQUITY		<u>10,794,842</u>	<u>10,339,989</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2012

	Notes	Retained Earnings
Balance at 1 July, 2008		10,041,410
Profit attributable to the entity		76,122
Total Other comprehensive income for the year		–
		<hr/>
Balance at 30 June, 2009		10,117,532
Profit attributable to the entity		32,216
Total Other comprehensive income for the year		–
		<hr/>
Balance at 30 June, 2010		10,149,748
		<hr/>
Balance at 1 July, 2010		10,149,748
Profit attributable to the entity		190,240
Total Other comprehensive income for the year		–
		<hr/>
Balance at 30 June, 2011		10,339,988
Profit attributable to the entity		454,853
Total Other comprehensive income for the year		–
		<hr/>
Balance at 30 June, 2012		10,794,841
		<hr/>

The accompanying notes form part of these financial statements.

Notes to and forming part of the Accounts

For the year ended 30 June 2012

The financial statements are for the Mulwala Water Ski Club Limited as an individual entity, incorporated and domicile in Australia the company is a company limited by the Guarantee

1. Summary of Significant Accounting Policies Basis of Preparation

- (a) This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical cost and does not take into account changing money value, or except where stated, current valuation of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Not for profit entity - in preparing the financial report the company has taken the exemption available to non-profit entities.

b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the first in first out basis and does not include any element of fixed or variable overhead. Net realisable value is determined by reference to current selling prices of the various stock lines.

c) Property, plant and equipment

Property, plant and equipment are brought to account at cost or at independent Director's valuation, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The

expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The club has determined that it is a not for profit entity for financial reporting purposes. In this regard, when performing an impairment test for buildings, the company has utilised the provisions relating to determining 'value in use' by way of depreciated replacement cost. The Directors of the club are satisfied, based on the depreciated replacement cost assessment performed at 30 June 2012 the buildings are not impaired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimate useful lives of the improvements.

The gain or loss on disposal of all fixed assets, including revalued assets, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax of the company in the year of disposal.

The depreciation rates used for each class of depreciable assets are:-

	2012	2011
Buildings	2.50%	2.50%
Plant & Equipment	5% - 30%	5% - 30%
Leased Plant & Equipment	5% - 30%	5% - 30%

d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, included any guaranteed residual values. Lease assets are amortised on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all

Notes to and forming part of the Accounts

For the year ended 30 June 2012

the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave which will be settled after one year, have been measured at the amounts expected to be paid where the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

The company does not record, as an asset or liability, the difference between the employer established defined benefit superannuation plan's accrued benefits and the net market value of the plans assets.

f) Intangibles - Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net tangible assets at date of acquisition. Purchased goodwill is amortised on a straight-line basis over the period of 20 years. The balance is reviewed annually and any balance representing future benefits for which the realisation of which is considered to be no longer probable are written off.

g) Income Tax

The company has sought legal advice as to its liability to income tax by virtue of section 51-45 of the Income Tax Assessment Act 1997. In view of the advice received, the Directors have resolved to self assess as being exempt from income tax.

h) Goods & Services Tax (GST)

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 Taxation 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 expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the statement of cash flows net of the GST component.

i) Cash

Cash and cash equivalents comprise cash balances, call deposits and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk in change in value. Bank overdrafts that are repayable on demand and form an integral part of the club's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

j) Revenue

Revenue from the sale of goods and services is recognised upon the delivery of the goods and services to the customers.

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

Interest income is recognised as it accrues at the current interest rate.

k) Impairment of Assets

The impairment of assets is determined by the recoverable amount of an asset, being the higher of fair value, less costs to sell, compared to the assets current book written down value amount, the reduction is an impairment loss.

The Accounting Standard excludes non cash flow assets used by not for profit organisations but does not include assets which generate cash flows.

The Accounting Standard requires an entity to make a formal estimate of the assets values where there are indication that an impairment loss has occurred. The directors are satisfied that there are no indications of an impairment loss and accordingly no formal estimates have been undertaken.

Notes to and forming part of the Accounts

For the year ended 30 June 2012

l) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses. Receivables are due for settlement no more than 30 days from the date of recognition unless specific arrangements have been approved.

m) Compliance with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRS ensures that the company financial statements and notes comply with International Financial Reporting Standards (IRFS).

In preparing the financial report the company has elected to apply options and exemptions available within AIFRS that are applicable to not for profit entities.

Notes to and forming part of the Accounts

For the year ended 30 June 2012

	Notes	This Year \$	Last Year \$
2. Revenue			
Operating activities			
- sale of goods and other trading revenue		10,047,219	9,901,750
- interest received	2(a)	49	28
- other revenue		167,836	136,998
- profit on sale of non-current assets		57,146	87,874
Total Revenue		<u>10,272,250</u>	<u>10,126,650</u>
2 (a) Interest received from - other persons		49	28
3. Profit from ordinary activities			
Profit from ordinary activities before income tax has been determined after:			
Depreciation of non-current assets			
- buildings		306,787	294,944
- plant and equipment		567,407	689,581
Total depreciation		<u>874,194</u>	<u>984,525</u>
Rental expense on operation leases			
- minimum lease payments		20,000	20,000
Finance costs - external		372,545	414,062
4. Auditor's Remuneration			
Audit services		16,200	16,200
Other services		0	0
5. Directors Remuneration			
No remuneration has been paid to Directors, none of whom are in full time employment of the Club. Directors expenses incurred are expenses incurred in carrying out directors duties and obligations.			
6. Capital and leasing commitments			
(a) Operating lease commitments			
The company has an operating lease on land at an annual rental of \$20,000 payable annually.			
(b) Capital expenditure commitments			
Commitments contracted for:			
Property, plant and equipment estimated not to exceed		150,000	150,000
Building Coffee Shop		90,000	

Notes to and forming part of the Accounts

For the year ended 30 June 2012

	Notes	This Year \$	Last Year \$
7. Cash and cash equivalents			
Cash on hand		464,860	260,530
Cash at bank		11,270	22,151
		<u>476,130</u>	<u>282,682</u>
8. Trade and other receivables			
Current:			
Sundry debtors		36,722	23,256
		<u>36,722</u>	<u>23,256</u>
9. Property, Plant and Equipment			
(a) Land and Buildings			
Freehold land at cost		1,541,857	1,541,817
Clubhouse and improvements at: Director's valuation 30/06/1982		350,000	350,000
Additions - at cost		13,746,233	13,595,875
Water ski course improvements - at cost		375,578	372,919
		<u>16,013,668</u>	<u>15,860,611</u>
Less accumulated depreciation		2,972,795	2,666,008
Total Land and Buildings		<u>13,040,873</u>	<u>13,194,603</u>
(b) Plant and Equipment			
Plant and Equipment - at cost		10,476,479	9,998,816
Less accumulated depreciation		7,928,294	7,476,852
Total Plant and Equipment		<u>2,548,185</u>	<u>2,521,964</u>
Total		<u>15,589,058</u>	<u>15,716,567</u>

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below.

	Freehold Land	Building & Improvements	Plant and Equipment	Total
Balance at 1 July 2010	1,541,817	11,875,520	2,460,751	15,878,088
Additions	-	72,210	852,614	924,824
Disposals	-	-	(101,820)	(101,820)
Depreciation expense	-	(294,944)	(689,581)	(984,525)
Balance at 30 June 2011	<u>1,541,817</u>	<u>11,652,786</u>	<u>2,521,964</u>	<u>15,716,567</u>
	Freehold Land	Building & Improvements	Plant and Equipment	Total
Balance at 1 July 2011	1,541,817	11,652,786	2,521,964	15,716,567
Additions	-	153,057	639,491	792,548
Disposals	-	-	(45,863)	(45,863)
Depreciation expense	-	(306,787)	(567,407)	(874,194)
Balance at 30 June 2012	<u>1,541,817</u>	<u>11,499,056</u>	<u>2,548,185</u>	<u>15,589,058</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2012

	Notes	This Year \$	Last Year \$
10. Intangible Assets	1 (f)		
Goodwill - at cost		200,000	200,000
Less: Accumulated amortisation		200,000	200,000
		<u> —</u>	<u> —</u>
11. Trade and other payables			
Current			
Unsecured liabilities			
Trade creditors and accrued expenses		393,798	468,247
Prepaid Income		263,345	241,568
		<u>657,143</u>	<u>709,815</u>
12. Interest Bearing Liabilities			
Secured liabilities			
Bank Loan		4,321,150	4,552,150
Hire Purchase Contract		3,113	194,584
Less Unexpired Charges		431	33,468
		<u>2,682</u>	<u>161,116</u>
Bank Overdraft		133,040	192,937
Total Secured Liabilities		<u>4,456,872</u>	<u>4,906,203</u>
Current			
Bank Loan			—
Hire Purchase Contract		2,682	159,072
Bank Overdraft		133,040	192,937
Total Current Interest Bearing Liabilities		<u>135,722</u>	<u>352,009</u>
Non Current			
Bank Loan		4,321,150	4,552,150
Hire Purchase Contract		—	2,044
Total Non Current Interest Bearing Liabilities		<u>4,321,150</u>	<u>4,554,194</u>
		<u>4,456,872</u>	<u>4,906,233</u>
Secured liabilities are secured by a mortgage over the freehold property, together with an equitable mortgage over the other assets of the company. The bank loan is a bank bill facility which expires on 5th November 2018.			
13. Provisions			
Long Service Leave			
Current			
Employee entitlements	(note 1e)	66,278	56,393
Non current			
Employee entitlements	(note 1e)	81,753	69,241
		<u>148,031</u>	<u>125,634</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2012

14. Gaming Machine Profit and Community Development and Support Expenditure

The profit from poker machines for the poker machine tax year ended 31st August 2012 was \$5,553,521. The amount of community benefits paid under the Clubs Grant Scheme for the tax year was \$89,343.

15. Financial Risk Management

Credit Risk

Exposure to credit risk

The carrying amount of the company's financial assets represents the maximum credit exposure. The company's maximum credit exposure at 30 June 2012 was:

	Notes	Carrying Amount	
		2012	2011
		\$	\$
Receivables	8	36,772	23,256
Cash & cash equivalents	7	476,130	282,282
		<u>512,902</u>	<u>305,938</u>

The club's maximum exposure to credit risk for trade receivables at reporting date was solely focused on the immediate geographic region.

The club's maximum exposure to credit risk for trade receivables at reporting date by customer type was:

	Notes	Carrying Amount	
		2012	2011
		\$	\$
Sundry debtors	8	36,772	23,256
		<u>36,772</u>	<u>23,256</u>

Impairment Losses

The aging of the club's receivables at reporting date was as follows:

	Gross	Impairment Losses	Gross	Impairment Losses
		2012		2011
Not past due	36,772	-	23,256	-
	<u>36,772</u>	<u>-</u>	<u>23,256</u>	<u>-</u>

Based on historical default rates, the company believes that no impairment allowance is necessary in respect of receivables.

Notes to and forming part of the Accounts

For the year ended 30 June 2012

Liquidity Risk

The following are contractual maturities for financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

Financial Liabilities 30 June 2011	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Secure Bank Bills	4,552,150	4,552,150			4,552,150	
Hire Purchase	194,584	194,584	194,584	2,044	-	-
Liabilities						
Trade and other payables (excl. employee benefits and prepaid income	468,247	468,247	468,247	-	-	-
Bank overdraft	192,237	192,237	No fixed repayment terms			
	<u>5,407,918</u>	<u>5,407,918</u>	<u>662,831</u>	<u>2,044</u>	<u>4,552,150</u>	
Financial Assets 30 June 2012						
Cash & cash equivalent	476,130	476,130	476,130	-	-	-
Trade & other receivables	36,772	36,772	36,772	-	-	-
	<u>512,902</u>	<u>512,902</u>	<u>512,902</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities 30 June 2012						
Secure Bank Bills	4,321,150	4,321,150	-	-	4,321,150	-
Hire Purchase	2,681	2,681	2,681	-	-	-
Liabilities						
Trade and other payables (excl. employee benefits and prepaid income	393,798	393,798	393,798	-	-	-
Bank overdraft	133,040	133,040	No fixed repayment terms			
	<u>4,850,669</u>	<u>4,850,669</u>	<u>396,479</u>	<u>-</u>	<u>4,321,150</u>	<u>-</u>
Financial Assets 30 June 2011						
Cash & cash equivalent	282,682	282,682	282,682	-	-	-
Trade & other receivables	23,256	23,256	23,256	-	-	-
	<u>305,938</u>	<u>305,938</u>	<u>305,938</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2012

Interest Rate Risk

At the reporting date the interest rate profile of the company's interest bearing financial instruments was:

Fixed Rate Instruments	Note	Carrying Amount	
		2012	2011
Financial Liabilities	12	4,456,872	4,096,203
		<u>4,456,872</u>	<u>4,096,203</u>

Fair Values

Fair values versus carrying amount

The fair value of financial assets and liabilities were equal to the carrying amount shown in the balance sheet as at reporting date

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variable remain constant. The analysis is performed on the same basis for 2011.

	Profit or Loss		Equity	
	1% decrease	1% increase	1% decrease	1% increase
30 June 2012				
Fixed rate instruments	(43,211)	43,211	(43,211)	43,211
30 June 2011				
Variable rate instruments	(45,521)	45,521	(45,521)	45,521

16. Contingent Liabilities

The Company has no known contingent liabilities

17. Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a minimum of \$20 each to meet any outstandings and obligations of the entity.

At 30th June 2012 the number of members was 6,386.

Statement of Cash Flows

For the year ended 30 June 2012

	Notes	This Year Inflows (outflows) \$	Last Year inflows (outflows) \$
Cash Flows From Operating Activities			
Receipts from customers		10,219,587	10,129,905
Payments to suppliers and employees		(8,463,055)	(8,648,756)
Interest received		49	28
Interest and cost of finance paid		(359,736)	(454,931)
Net cash provided by operating activities	2	<u>1,396,845</u>	<u>1,026,246</u>
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(893,028)	(824,175)
Proceeds from sale of equipment		103,009	188,654
Net cash used in investing activities		<u>(790,019)</u>	<u>(635,521)</u>
Cash Flows From Financing Activities			
Repayment of borrowings		(353,481)	(415,528)
Proceeds from borrowings			-
Net cash used from financing activities		<u>(353,481)</u>	<u>415,528</u>
Net increase/(decrease) in cash held		253,345	(24,803)
Cash at the beginning of the financial year		89,745	114,548
Cash at the end of the financial year	1	<u><u>343,090</u></u>	<u><u>89,745</u></u>

Notes to the Statement of Cash Flows

For the year ended 30 June 2012

	Notes	This Year \$	Last Year \$
Income			
1. Reconciliation of cash statement			
For the purpose of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash on hand		464,860	260,530
Cash at bank		11,270	22,152
Bank Overdraft		(133,040)	(192,937)
		<u>343,090</u>	<u>282,682</u>
2. Reconciliation of net cash provided by operating activities to operating profit after income tax			
Operating profit/(loss) after income tax		454,853	190,240
Non cash flows in operating profit			
Loss on sale of fixed assets		–	–
Depreciation and amortisation		874,194	984,526
Goodwill write off		–	10,000
Change in assets and liabilities			
(Increase) decrease in trade debtors		(13,516)	331
(Increase) decrease in inventories		41,445	(22,536)
(Increase) decrease in prepaid expenses		48,301	(41,809)
(Decrease) increase in trade and other payables		26,317	2,946
(Decrease) increase in provisions		22,937	422
Profit on sale of fixed assets		(57,146)	(87,874)
		<u>1,396,845</u>	<u>1,026,246</u>

Profit and Loss Statement

For the year ended 30 June 2012

	Notes	This Year	Last Year
Income			
House Trading Profit		2,740,718	2,506,598
Caravan Park Trading		292,699	379,960
Subscriptions		121,018	123,899
Rent received		47,000	40,848
Rebates		80,740	-
Sundry income		68,330	43,983
Vending Machine Receipts		10,843	11,429
Interest Received		49	28
Profit on Sale of Fixed Assets		57,145	87,874
		<u>3,418,542</u>	<u>3,194,619</u>
Expenditure			
Advertising and Sponsorships		135,008	137,542
Annual Meeting and Member's Benefits		917	1,583
Auditor's remuneration		16,200	16,200
Bank Charges & Cash Handling		18,314	17,411
Computer Software		23,242	25,411
Courtesy Bus Expenses		45,078	31,007
Darts Expenses		642	551
Depreciation - Plant & Equipment		203,905	232,235
Depreciation - Buildings		307,791	294,944
Directors' Expenses		20,603	11,986
Donations		98,774	78,260
Fuel & Vehicle Expenses		21,563	12,768
Gas		42,969	63,467
General Expenses		8,393	9,244
Goodwill Write Off		0	10,000
Insurance		157,677	204,107
Interest and borrowing costs		356,373	363,677
Land Tax		33,070	36,000
Leasing & Hiring Charges		12,577	13,540
Legal Fees		8,155	12,017
Payroll Tax		99,024	99,019
Postage, Petty Cash and Stationery		56,769	40,841
Rates and Taxes		44,613	42,519
Registrations & Licences		12,281	15,923
Repairs & Maintenance		82,737	78,928
Security Costs		206,111	204,501
Ski Activities		50,446	138,903
Ski International Show		42,620	61,034
Staff Training		13,366	14,691
Subscriptions & Affiliations		11,178	11,887
Superannuation Contributions		186,414	188,908
Superstation Charges		48,180	46,733
Telephone		26,681	27,654
Travelling & Conference		22,263	7,447
Wages & Long Service Leave Provided		546,017	453,441
WH & S expenses		4738	0
		<u>\$2,963,689</u>	<u>3,004,379</u>
Net Profit from Operations		<u>454,853</u>	<u>190,240</u>
Less Income Tax		-	-
Net Profit After Income Tax		<u>454,853</u>	<u>190,240</u>
Retained profits - beginning of year		10,339,989	10,149,749
Retained Profits - End of Year		<u>\$10,794,842</u>	<u>10,339,989</u>

House Trading Account

For the year ended 30 June 2012

	Notes	This Year \$	Last Year \$
Income			
Bar Profit		1,615,274	1,643,923
Poker Machine Profit		5,553,521	5,404,153
Keno Commission		59,761	62,892
Club TAB		45,610	42,365
		<u>7,274,166</u>	<u>7,153,333</u>
Expenditure			
Wages		1,384,361	1,448,161
Entertainment		303,229	305,849
Catering & functions		25,905	25,822
Cleaning		221,674	228,463
Electricity		274,994	266,156
Staff expenses		50,686	56,407
Club promotions & members discounts		498,272	524,859
TAB costs		10,355	9,441
Keno expenses		7,593	7,364
		<u>2,777,069</u>	<u>2,872,522</u>
		<u>4,497,097</u>	<u>4,280,811</u>
Less - taxes		(1,162,013)	(1,222,161)
- poker machine GST		(594,365)	(586,576)
House Profit		<u>\$2,740,719</u>	<u>\$2,472,074</u>

Donations

For the year ended 31 August 2012

Yarrowonga Football & Netball Club	\$15,000
Rotary Club	\$500
Corowa Shire Tourism	\$378
Corowa Shire	\$2,000
Burramine Sports Club	\$500
Lions Club, Tungamah	\$250
Yarrowonga Lawn Tennis Club	\$500
Yarrowonga/Mulwala Cricket Club	\$500
Mulwala Football & Netball Club	\$4,000
Godfathers	\$200
Yarrowonga/Mulwala Tourism	\$5,000
Junior Ski Team	\$10,518
Mulwala Football & Netball Club	\$13,000
Mulwala Junior Football & Netball Club	\$828
Men's Shed	\$1,129
Yarrowonga Secondary College	\$500
Ben Sissons	\$250
Yarrowonga Junior Tennis Squad	\$500
Friends In Common	\$7,800
Cuppa For Cancer	\$2,000
White Ribbon Day	\$500
Pink Ribbon Breakfast	\$790
Sacred Heart College	\$200
Yarrowonga Community Health Centre	\$3,000
Sacred Heart Parents and Friends	\$5,000
Raymond Buncle	500
Dialysis House	\$3,000
Toy Library	\$1,000
Mulwala Pre-School	\$5,000
SES	\$5,000
	<hr/>
	\$89,343
	<hr/> <hr/>