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2014

annual report



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 24th August 2014 at 11am

Agenda

1. To confirm the minutes of the previous Annual General Meeting held on 27th October 2013.
 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. Special Resolution: To create a new class of membership.
 6. To deal with any business for which due notice has been given.
 7. To deal with any business that the meeting may approve, of which due notice has not been given.
 8. Election 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 Monday 28th July 2014 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 extremely pleased to announce a record profit of \$1.14m for the 2013–2014 financial year and has come about with strong growth over the past four years. The result has been achieved by the continued efforts of our Management, Staff, and Directors of the club.

The club has worked hard at improving the facilities of the club for our members and guests by extending the coffee shop, new armchairs in Poker machine lounge and TAB, enlarging the outdoor gaming room, replacing the carpet in the main lounge and installing a new apartment in the Holiday Park. The club will continue to make improvements to our facilities as we have done in previous years as we see this as an integral reason for our financial success.

Our ski division under the leadership of Peter O'Neill and Brant Ryan continue to improve our ski team from year to year with this year's ski show being praised as the best yet. A number of our skiers also competed in the world barefoot titles held at the Max Kirwan Lakes with our ski professional Peter O'Neill being a member of the winning Australian team.

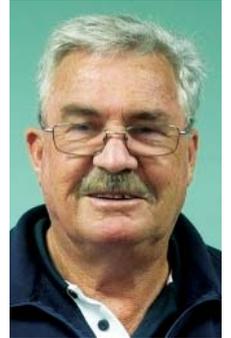
The Board of Directors continue to promote the sport of Water Skiing and over the past eighteen months we have held the World Junior Ski Titles, The World Barefoot Titles, National Ski Titles and National Wakeboard titles at our ski park. We are also developing our own local skiers

and have sent the team to Perth in April 2013, China in June 2013 and to America in September 2014.

The Mulwala Water Ski Club have become known for the entertainment and events we hold at the club. This is not only good for the club, it also brings tourists to our towns of Yarrowonga and Mulwala where we all prosper. Over the past twelve months we have held the Suzi Quatro concert with over 3,800 people attending, Ski Racing on the Lake, F1 Boat Races, Ski Club Family Carnival, World Barefoot Titles, Ski Club's Got Talent contest, and big name Bands every month.

As I have mentioned in past annual reports, the Directors and Management of the club are very mindful of our financial position and therefore are determined to stay on target to eliminate our debt by 2018. We will continue to improve the facilities of the club by following our strategic plan and adhering to our financial budget.

The last financial year has been very successful and this could not have been achieved without good staff, a proactive Board and Management team and the ongoing support of our members. I would like to thank every one of you and may we continue our success in the coming years.



Len Langford
President

Chief Executive Officer's Report

The Mulwala Water Ski Club achieved a record profit of \$1.14m for the past financial year which is a \$418K improvement on last year. This has been achieved by growing the business, keeping control of our expenses and improving the facilities of the club.

Sales in all sectors of the club have grown for the third consecutive year which indicates we are providing what our customers want. Bar sales increased by 7%, Gaming revenue 9%, Accommodation 6%, and our coffee shop recorded a 23% increase in sales.

Expenditure has been kept under control with major expenses such as wages kept down to a 2% increase which is well below the 3% CPI increase. Security and Power costs have reduced and interest on our loans have reduced by over \$50K due to debt reduction strategies.

Contributing to results this year has been our ski team who once again provided great entertainment for the many visitors to our club. I believe that this year's show was the best ever and congratulations must go to Peter O'Neill and Brant Ryan who are always looking for the latest big thing in water sports and they certainly found it with their Flyboard this year.

Our ski team is continuing to develop and will be representing Australia in the World Show Ski championships held in America in September 2014. We wish them good luck.

We continue to focus on our debt but at the same time

we need to provide up to date facilities for our members and guests to the club. Over the past twelve months we have spent over \$1.8m in capital improvements, some of the improvements being

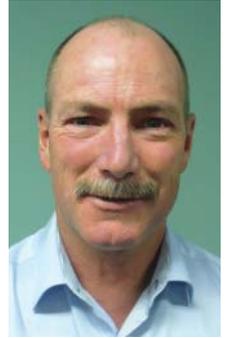
- New carpet in the main lounge
- Extended the coffee shop
- Carpeted and improved outside gaming
- New cooking facilities in the chinese restaurant
- Installed a new apartment in the Holiday Park
- New chairs in the poker machine lounge and TAB
- New tills in all bars

These improvements have been done and at the same time we have been able to accelerated repayments to our debt.

The President, Directors and Managers of the club have once again been very active in helping out at events run by the club and really rolled their sleeves up at the Suzi Quatro concert helping out on the gate and at the bars throughout the evening. Thank you for your help throughout the year.

Thank you to the staff of the Mulwala Water Ski Club who provide great service to our members and guest throughout the year. And finally a big thank you to our loyal members who support us year in and year out with your attendance at the club and feedback on club activities.

Peter Duncan
Chief Executive Officer



Bingo Report



Well! – Have we had a big year or what?.

Lots of fun, lots of happy prize winners and bigger crowds than ever. A whole bunch of new callers, Jake, Teagan, Lorraine, Bria and the regulars, Lee, Maree, Brian and myself (Phil)!

We all enjoy calling for you and love the little side jokes between ourselves and the players.

Unfortunately we lost a couple of stalwarts again this year but we carry on and remember the good times we had with them.

Hoping to see you all for another 12 months and beyond

Thank you
Phil (Phab) and crew

Pictured: Teagan, Phil, Julie, John and Lorraine.

Absent: Bria, Lee, Jake, Brian, Maree and Callum.

Water Ski Co-ordinators Report

2013/14 was another great year for the skiing in the local area, with lots of skiers representing their state at National Titles. Some bringing home medals and the Mulwala Water Ski Club has a few more National Champions to be proud of.

Member Skiing initially had a bad run with weather but once it was up and running another great turn out week after week saw impressive improvements. The Ski Parks this year hosted the World Barefoot Championships and the Ski Clubs facilities were utilized to maximum effect hosting the welcoming and closing ceremonies within the club.

The new expanded deck played host to one of the best welcoming ceremonies seen for a long time. Six local skiers competed at the worlds and Australia took home the gold medal in the Junior, Senior and Open categories.

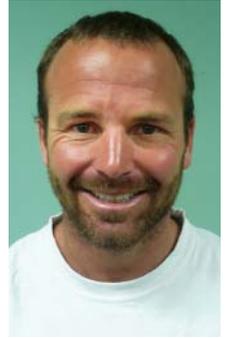
The Ski Show was a huge success with the introduction of the fly board and the incredibly high

level of skiing from our ever expanding team. After last season's National Titles win the ski team really took to the new challenges and some 19 skiers were selected from our club's team to represent Australia at the World Show Ski Titles in September. The clubs fundraising efforts from the skiers to management proving vital to help skiers with the travel expenses.

The great news for the skiing fraternity this year was the two new jumps. Both the Ski Show Lagoon and the Ski Parks were sporting new jump ramps, meaning more opportunities for locals to get involved in some higher-level skiing.

Next season looks promising with both the Three-Event National Titles and the Barefoot National Titles both taking place in Mulwala. Looking forward to the weather warming up already.

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 27th October 2013 at 11.05am.

Present:

Vice President Mr Matt Holgate and 75 Members.

Apologies:

The following apologies were received:

Len Langford, Cate Langford, Eleanor Barnes, Helen Purtle, Tom Purtle, Nick Purtle, Rod Green, Bruce Hutches, Brett New, Andrew Dowell, Judi Eden, Lyn Toohey, Pam Jenner & Jean Lovell.

Minutes

The minutes of the previous Annual General Meeting held on 28th October 2012, 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 John Barnes & seconded by Brian Williamson. Carried.

President's Report

Improvements: Extension to deck, men's toilet urinal, kids playground, tiled area in Coffee Shop, Club history display, ski memorabilia, TITO Gaming Loyalty System, stools and planter boxes.

Successes: Red Hot Summer Concert, World Junior Ski Titles, Street Parade and Flotilla of Boats, Ski Team won National Titles, Ski Team represented Australia in China, update Malibu Boats.

Future Improvements: New carpet in lounge, extend Coffee Shop, improve outside gaming, hold World Barefoot Championships 2014, Red Hot Summer Concert, new chairs in gaming and TAB lounges.

Mr Holgate went through the President's Report and the Directors' Report as per the Annual Report and was approved on the motion of Ross Lovel & seconded by Gary Wilson. Carried.

Ski Department Update:

- Winning the Perth Nationals, team raised \$20,000 towards trip.
- World Junior Ski Titles held here.
- Ski Team represented Australia in China and came 3rd.
- Very successful Ski Show.

Mr Duncan made a presentation of a framed wetsuit to Mr O'Neill for creating a record, by winning his 8th

Australian Barefoot Championship. The framed wetsuit will be displayed in the Club.

Financial Statements and Auditors Report:

The Financial Statements and Auditors Report for the year ended 30th June 2013, was approved on the motion of Gerard Ryan & seconded by Phil Ryan. 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 Brian Williamson (84) congratulated the Club on its speed in which they fixed the Mens Urinal in the Gaming Lounge. Mr Williamson brought that issue up last AGM. He also made comment on the height of the projector switch above the stage, (but that is at that height for a reason). He also commented that the lounge seating was uncomfortable.

Mr Ken Williams (8) congratulated and thanked Mr Holgate (Vice President), the Board of Directors, the Management and the staff for achieving such an outstanding profit and continuing to pay off the debt. He also commented on the improvements throughout the club which is to benefit its members. He also congratulated the performance of our skiers throughout the year and how the club keeps promoting water skiing.

Elections

Mr Holgate handed over the Microphone to the CEO Mr Duncan to explain.

There are four (4) positions which have been advertised in line with our constitution. At close of nominations there were four nominations for the four (4) positions. These being four current Directors who have re-nominated for the four (4) positions.

Mr Matt Holgate, Mr Gavin Williams, Mr Trevor Bailey & Mr Andrew Starr.

As there were no other nominations for the four positions for the Board of Directors, I declare Mr Holgate, Mr Williams, Mr Bailey & Mr Starr elected unopposed and congratulated them.

Minutes of the Annual General Meeting continued

Special Resolution

Mr Holgate and Mr Duncan then presented the two Resolutions.

1. Special Resolution – Each year the club must comply with the registered clubs act 1976 Section 10. This means we must have the cost of directors' expenses approved by the members. I will now hand over to the CEO to read out the Resolution:

The Special Resolution for Directors expenses to comply with the Registered Clubs Act 1976, Section 10. This resolution was read out by Mr Duncan.

This resolution was approved on the motion of Neil Lovel & seconded by Ken Williams. Carried

2. Special Resolution – The club would like to create another class of member for those who are actively involved in ski activities –

- Ski Member\$100.
- Junior Ski Member\$70.

Mr Holgate asked if anyone wanted to speak for the motion.

Mr Peter O'Neill spoke for the motion and listed the benefits for the Skiing Members with reduced costs on hiring the lake and training. He also commented on the ongoing costs of maintaining the boats and equipment for events, ski shows and the increasing insurance costs.

Mr Holgate asked if anyone wanted to speak against the motion.

There were no speakers against the motion.

The Special Resolution for another class of membership for active skiers was read out by Mr Duncan. This resolution was approved on the motion of Brant Ryan & seconded by Leonie Weston-Green.

Mr Duncan then ask for a show of hands for the motion. All voted for the motion except one member.

Close

Mr Holgate thanked the members for their patronage and participation.

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

There being no further business, the meeting closed at 11.34am.

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 2014.

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
Kelvin John Weston-Green
Gavin Kenneth Williams
Rodney Frank Vodusek
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 twenty-one 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 \$1,145,954 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. Strategies

- Increase revenue
- Control costs
- Improve facilities
- Technology advancements

7. Key Performance Measures

- Debt reduction targets
- Wages to sales
- Cash flow to budget
- Revenue income target

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 – Grain Marketing

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

Kelvin Weston-Green – Director
Experience – Board Member 2000-2003 and since 2004
Occupation – Irrigation Wholesaler/
Distributor

Directors' Report

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

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

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 expensed.

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	10
Matthew John Holgate	13	12
Trevor Stanley Bailey	13	11
Rodney Frank Vodusek	13	12
Kelvin John Weston-Green	13	11
Gavin Kenneth Williams	13	9
Andrew James Starr	13	11

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:

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:

	2014	2013
Ordinary Members	7,204	6,343
Life Members	7	7
Junior Members	192	245
Total	7,403	6,595

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee.

If the company is wound up the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any of the obligations of the entity. At 30 June 2014 the total amount that members of the company are liable to contribute if the company is wound up is \$144,080 (2013 \$126,860).

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 any part of those proceedings.

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

17. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 11 of the financial report.

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

Signed at Mulwala on this 1st day of August, 2014.

M. J. Holgate.....

Director.....

K. Weston-Green.....

Director.....

Directors' Declaration

In accordance with a resolution of the directors of Mulwala Water Ski Club Limited, the Directors declare that:

1. The financial statements and notes, as set out in pages 12 to 26, are in accordance with the Corporations Act:
 - (a) comply with Accounting Standards
 - (b) give a true and fair view of the financial position as at 30th June 2014 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 1st day of August 2014

M. J. Holgate.....

Director.....

K. Weston-Green.....

Director.....

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 2014, there have been no contraventions of:

- i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) any applicable code of professional conduct in relation to the audit.

J. F. Haebich FCA
Chartered Accountant
38 Belmore Street, Yarrawonga Vic 3730
Dated this 1st day of August 2014

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	Notes	This Year	Last Year
Income			
Operating revenue		11,487,878	10,584,458
Subscriptions		119,694	123,997
Profit on disposal of fixed assets		79,323	91,454
		<u>11,686,895</u>	<u>10,799,909</u>
Expenditure			
Advertising and Sponsorships		130,084	137,953
Buses		244,160	244,093
Cost of Sales		1,187,190	1,119,971
Cleaning		266,192	248,368
Depreciation	1(c)	875,731	877,842
Donations		81,159	103,106
Electricity and gas		386,759	412,691
Entertainment		372,000	321,008
Insurance		162,767	167,656
Other expenses		599,013	346,879
Personnel expenses		2,726,896	2,764,269
Poker machine taxes and monitoring fees		1,389,822	1,231,333
Promotions & members discounts		675,071	734,788
Repairs & Maintenance		274,262	203,641
Security Costs		175,637	181,408
Ski division costs		142,311	168,897
Other caravan park expenses		586,158	472,378
		<u>\$10,275,212</u>	<u>\$9,736,281</u>
Result from operating activities		1,411,683	1,063,628
Finance income and expenses			
Interest received		454	57
Finance costs		(266,183)	(336,467)
Profit before income tax		1,145,954	727,218
Income tax	1(g)	-	-
Profit (Loss) for the year		<u>\$1,145,954</u>	<u>\$727,218</u>

Statement of Comprehensive Income

For the year ended 30 June 2014

	This Year \$	Last Year \$
Profit for the year	1,145,954	727,219
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,145,954</u>	<u>727,219</u>
Total comprehensive income attributable to the members	<u>1,145,954</u>	<u>727,219</u>
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Profit attributable to members of the entity	<u>1,145,954</u>	<u>727,219</u>
Total comprehensive income attributable to the members of the entity	<u>1,145,954</u>	<u>727,219</u>

Statement of Financial Position

as at 30 June 2014

	Notes	This Year \$	Last Year \$
CURRENT ASSETS			
Cash and cash equivalents	7	711,459	725,963
Trade and other receivables	8	108,388	105,312
Inventories	1(b)	191,138	201,800
Other - prepayments		69,465	60,523
- accrued income		10,054	18,802
TOTAL CURRENT ASSETS		<u>1,090,504</u>	<u>1,112,400</u>
NON-CURRENT ASSETS			
Property, plant and equipment	1(c), 9	16,282,565	16,086,003
Intangible assets	1(f)	-	-
TOTAL NON-CURRENT ASSETS		<u>16,282,565</u>	<u>16,086,003</u>
TOTAL ASSETS		<u>17,373,069</u>	<u>17,198,403</u>
CURRENT LIABILITIES			
Trade and other payables	11	579,103	601,347
Interest bearing liabilities	12	926,211	1,026,660
Provisions	13	71,755	65,861
Other - accrued expenses		347,329	276,660
TOTAL CURRENT LIABILITIES		<u>1,924,398</u>	<u>1,970,528</u>
NON-CURRENT LIABILITIES			
Trade and other payables			
Interest Bearing Liabilities	12	2,719,951	3,648,659
Provisions	13	62,706	57,156
TOTAL NON-CURRENT LIABILITIES		<u>2,780,657</u>	<u>3,705,815</u>
TOTAL LIABILITIES		<u>4,705,055</u>	<u>5,676,343</u>
NET ASSETS		<u>12,668,014</u>	<u>11,522,060</u>
MEMBERS' EQUITY			
Retained Profits		12,668,014	11,522,060
TOTAL MEMBERS EQUITY		<u>12,668,014</u>	<u>11,522,060</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2014

	Notes	Retained Earnings
Balance at 30 June, 2010		10,149,748
Profit attributable to the entity		190,240
Total Other comprehensive income for the year		-
Balance at 30 June, 2011		<u>10,339,988</u>
Balance at 1 July, 2011		10,339,988
Profit attributable to the entity		454,853
Total Other comprehensive income for the year		-
Balance at 30 June, 2012		10,794,841
Profit attributable to the entity		727,219
Total Other comprehensive income for the year		-
Balance at 30 June, 2013		<u>11,522,060</u>
Profit attributable to the entity		1,145,954
Total Other comprehensive income for the year		-
Balance at 30 June, 2014		<u>12,668,014</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2014

	Notes	This Year Inflows (outflows) \$	Last Year inflows (outflows) \$
Cash Flows From Operating Activities			
Receipts from customers		11,682,190	10,713,341
Payments to suppliers and employees		(9,384,860)	(8,992,164)
Interest received		454	57
Interest and cost of finance paid		(265,462)	(315,693)
Net cash provided by operating activities	2	<u>2,032,322</u>	<u>1,405,541</u>
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(1,137,678)	(1,521,230)
Proceeds from sale of equipment		133,236	245,327
Net cash used in investing activities		<u>(1,004,442)</u>	<u>(1,275,903)</u>
Cash Flows From Financing Activities			
Repayment of borrowings		(1,106,659)	(510,675)
Proceeds from borrowings		75,504	826,210
Finance provided		(11,229)	(62,300)
Net cash used from financing activities		<u>(1,042,384)</u>	<u>253,235</u>
Net increase/(decrease) in cash held		(14,504)	382,873
Cash at the beginning of the financial year		725,963	343,090
Cash at the end of the financial year	1	<u><u>711,459</u></u>	<u><u>725,963</u></u>

Notes to the Statement of Cash Flows

For the year ended 30 June 2014

	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		493,460	472,748
Cash at bank		217,999	253,215
Bank Overdraft		-	-
		<u>711,459</u>	<u>725,963</u>
2. Reconciliation of net cash provided by operating activities to operating profit after income tax			
Operating profit/(loss) after income tax		1,145,954	727,219
Non cash flows in operating profit			
Loss on sale of fixed assets		-	-
Depreciation and amortisation		875,731	877,842
Goodwill write off		-	-
Change in assets and liabilities			
(Increase) decrease in trade debtors		8,153	(6,240)
(Increase) decrease in inventories		10,662	(40,855)
(Increase) decrease in prepaid expenses		(8,942)	3,622
(Decrease) increase in trade and other payables		68,643	(39,579)
(Decrease) increase in provisions		11,444	(25,014)
Profit on sale of fixed assets		(79,323)	(91,454)
		<u>2,032,322</u>	<u>1,405,541</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2014

The financial statements cover the Mulwala Water Ski Club Limited as an individual entity, incorporated and domicile in Australia the Mulwala Water Ski Club Limited is a company limited by guarantee. The financial statements were authorised for issue on 1st August 2014 by the directors of the company.

1. Summary of Significant Accounting Policies Basis of Preparation

- (a) This financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australia Accounting Standards.

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 statements, except for cash flow information, have 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.

Adoption of New & Revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on 1st July, 2013. The adoption of these new Standards and Interpretations has not resulted in any changes to the Company's accounting policies that have affected the amounts reported for the current or prior years.

Compliance with IFRSs

As Mulwala Water Ski Club Ltd is a Not-For-Profit entity it is not required to comply with all International Financial Reporting Standards (IFRSs). The Financial report of the Mulwala Water Ski Club Ltd is prepared in accordance with Australian

Equivalents to International Financial Reporting Standards applicable to Not-For-Profit entities.

Early Adoption of Accounting Standards

The company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1st July, 2013.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. There are no areas that involve a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements other than those described in following accounting policies.

Comparative Figures

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

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

Notes to and forming part of the Accounts

For the year ended 30 June 2014

replacement cost. The Directors of the club are satisfied, based on the depreciated replacement cost assessment performed at 30 June 2014 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:-

	2014	2013
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 the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

e) Employee Provisions

Provision is made for the company's liability for

employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick 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. In determining the liability, consideration is given to wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

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 under Division 50 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

Notes to and forming part of the Accounts

For the year ended 30 June 2014

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.

Receivable and payables are state inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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.

l) Accounts Receivable and other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets 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) Accounts Payable and Other Payables

Accounts payable 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 remains unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n) 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.

o) Economic Dependence

The company is not dependent upon any entity or event.

The company 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 club has utilised the provisions relating to determining 'value in use' by way of depreciated replacement cost. The Directors of the company are satisfied, based on the depreciated replacement cost assessment performed at 30 June 2014 the buildings are not impaired.

Notes to and forming part of the Accounts

For the year ended 30 June 2014

	Notes	This Year \$	Last Year \$
2. Revenue and Other Income			
Operating activities			
- sale of goods and other trading revenue		11,487,506	10,584,458
- interest received	2(a)	454	57
- other revenue		119,694	123,940
- profit on sale of non-current assets		79,323	91,454
Total Revenue		<u>11,686,977</u>	<u>10,799,909</u>
2 (a) Interest received from - other persons		454	57
3. Expenses			
- Interest expense on financial liabilities		266,183	336,467
- Buildings and improvements		298,308	325,653
- Plant & Equipment		577,423	552,189
- Employee benefit expense-contributions to defined contribution funds		193,139	190,285
- Rental expenses on operating leases		20,000	20,000
Rental expense on operation leases			
- minimum lease payments		20,000	20,000
4. Auditors Remuneration			
- Audit services		17,180	16,680
- 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		38,672	70,000

Notes to and forming part of the Accounts

For the year ended 30 June 2014

	Notes	This Year \$	Last Year \$
10. Intangible Assets			
	1 (f)	200,000	200,000
Goodwill - at cost		200,000	200,000
Less: Accumulated amortisation		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
11. Accounts payable other payables			
Current			
Unsecured liabilities		262,303	330,400
Trade creditors and accrued expenses		316,800	270,947
Prepaid Income		<u>579,103</u>	<u>601,347</u>
		<u><u>579,103</u></u>	<u><u>601,347</u></u>
12. Interest Bearing Liabilities			
Secured liabilities		3,191,150	4,016,150
Bank Loan		453,012	659,168
Hire Purchase Contract		-	-
Bank Overdraft		<u>3,644,162</u>	<u>4,675,318</u>
Total Secured Liabilities		<u><u>3,644,162</u></u>	<u><u>4,675,318</u></u>
Current		600,000	745,000
Bank Loan		326,211	281,660
Hire Purchase Contract		-	-
Bank Overdraft		<u>926,211</u>	<u>1,026,660</u>
Total Current Interest Bearing Liabilities		<u><u>926,211</u></u>	<u><u>1,026,660</u></u>
Non Current		259,450	3,271,150
Bank Loan		126,801	377,508
Hire Purchase Contract		<u>2,717,951</u>	<u>3,648,658</u>
Total Non Current Interest Bearing Liabilities		<u><u>3,644,162</u></u>	<u><u>4,675,318</u></u>
		<u><u>3,644,162</u></u>	<u><u>4,675,318</u></u>
<p>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.</p>			
13. Employee Provisions			
Long Service Leave			
Current		71,755	65,861
Employee entitlements	(note 1e)		
Non current		62,706	57,156
Employee entitlements	(note 1e)	<u>134,461</u>	<u>123,017</u>
		<u><u>134,461</u></u>	<u><u>123,017</u></u>

Notes to and forming part of the Accounts

For the year ended 30 June 2014

14. Gaming Machine Profit and Club Grants Scheme

The profit from poker machines for the poker machine tax year ended 31st August 2014 was \$6,300,278. The amount of community benefits paid under the Clubs Grant Scheme for the tax year was \$116,555.

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 2014 was:

	Notes	Carrying Amount	
		2014	2013
		\$	\$
Receivables	8	108,388	105,312
Cash & cash equivalents	7	711,459	725,963
		819,487	831,275

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	
		2014	2013
		\$	\$
Sundry debtors	8	108,388	105,312
		108,388	105,312

Impairment Losses

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

	Gross	Impairment Losses	Gross	Impairment Losses
		2014		2013
Not past due	108,388	-	105,312	-
	108,388	-	105,312	-

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 2014

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 2013	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Secure Bank Bills	3,871,150	3,871,150	600,000	600,000	1,800,000	871,150
Hire Purchase Liabilities	659,168	659,168	281,639	275,403	102,106	-
Trade and other payables (excl. employee benefits and prepaid income)	330,400	330,400	330,400	-	-	-
Bank overdraft	145,000	145,000	145,000	-	-	-
	<u>5,005,718</u>	<u>5,005,718</u>	<u>1,357,039</u>	<u>875,403</u>	<u>1,902,106</u>	<u>871,150</u>
Financial Assets 30 June 2013						
Cash & cash equivalent	725,963	725,963	725,963	-	-	-
Trade & other receivables	105,312	105,312	105,312	-	-	-
	<u>831,275</u>	<u>831,275</u>	<u>831,275</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities 30 June 2014	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Secure Bank Bills	3,191,150	3,191,150	600,000	600,000	600,000	191,150
Hire Purchase Liabilities	453,013	453,013	326,211	126,801	-	-
Trade and other payables (excluding employee benefits and prepaid income)	262,303	262,303	262,303	-	-	-
	<u>3,906,466</u>	<u>3,906,466</u>	<u>1,188,514</u>	<u>726,801</u>	<u>600,000</u>	<u>191,150</u>
Financial Assets 30 June 2014						
Cash & cash equivalent	711,459	711,459	711,459	-	-	-
Trade & other receivables	108,388	108,388	108,388	-	-	-
	<u>819,487</u>	<u>819,487</u>	<u>819,487</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2014

Interest Rate Risk

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

Borrowings	Note	Carrying Amount	
		2014	2013
Financial Liabilities	12	3,644,162	4,675,318
		<u>3,644,162</u>	<u>4,675,318</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

Capital management	Note	Carrying Amount	
		2014	2013
Total Borrowings		3,644,162	4,675,318
Less cash and cash equivalents		711,459	725,963
Net debt		<u>2,932,703</u>	<u>3,949,355</u>
Total Capital		<u>12,668,014</u>	<u>11,522,060</u>
		23.15%	34.28%

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 variables remain constant. The analysis is performed on the same basis for 2013.

	Profit or Loss		Equity	
	1% decrease	1% increase	1% decrease	1% increase
30 June 2014				
Fixed rate instruments	36,442	(36,442)	36,442	(36,442)
30 June 2013				
Variable rate instruments	46,753	(46,753)	46,753	(46,753)

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 outstanding obligations of the entity.

At 30th June 2014 the number of members was 7,403.

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 statement of financial position as at 30 June 2014 and the statement of profit and loss and 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 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 1st August 2014, would be in the same terms if provided to the directors as at the date of this auditor's report.

Electronic Presentation of Audited Financial Report

This auditor's report relates to the financial report of The Mulwala Water Ski Club Ltd for the year ended 1st August 2014, that may be included on the company's website. The auditor's report refers only to that financial report and it does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report.

Auditor's Opinion

In my opinion the financial report of the Mulwala Water Ski Club Limited is in accordance with the Corporations Act 2001 including

- i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- ii) complying with the Australian Accounting Standards and the Corporations Regulations.

JF HAEBICH FCA
CHARTERED ACCOUNTANT
38 Belmore Street, Yarrowonga, Vic 3730
Dated this 1st day of August 2014.

Donations

For the year ended 31 August 2014

Burramine Sports Club
Cuppa For Cancer
Friends In Common
Junior Ski Team
Lions Club, Tungamah
Mulwala Football & Netball Club
Men's Shed
Mulwala Pre-School
Mulwala Public School
Pink Ribbon Breakfast
Red Shield Appeal
Rennie Football Club
Sacred Heart College
Sacred Heart Primary School
Sacred Heart Parents and Friends
St Johns Ambulance
SES
Tungamah Football Club
Yarrowonga College P12
Yarrowonga Football & Netball Club
Yarrowonga Junior Tennis Squad
Yarrowonga Lawn Tennis Club
Yarrowonga-Mulwala Basketball
Yarrowonga-Mulwala Tourism