

mulwala
waterski
Club
2015
annual report



Mulwala Water Ski Club, www.mulwalawaterski.com.au
Melbourne Street, Mulwala NSW 2647. Phone: (03) 5744 1888.

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 6th September 2015 at 11am

Agenda

1. To confirm the minutes of the previous Annual General Meeting held on 24th August 2014.
 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 Friday 7th August 2015 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

For the second year running I am pleased to announce a record profit of \$1.25m for the 2014-2015 financial year. This result has been achieved by a team effort of our management, staff, and directors of the club.

While we are mindful of our debt, we are also focused on improving the facilities of the club and in the past twelve months we have completed a number of projects which include –

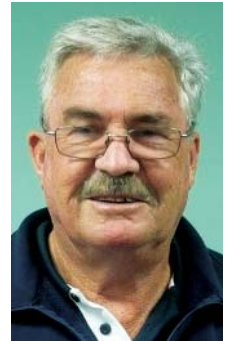
- New fleet of vehicles. (including two courtesy Buses)
- Purchased new Poker Machines.
- Installed security gates for the holiday park.
- Installed a new cabin in the holiday park.
- Built a new conference room for meetings.
- Built a store room in La Porchetta Restaurant.
- Upgraded the outdoor gaming area.
- Sealed the car park in front of Lake Edge Resort.
- Installed new irrigation system on the harbour side of the club.
- Dredged the harbour to deepen and clean out the lagoon.

Once again the Mulwala Water Ski Club have been proactive in entertainment and events to bring people to

our two towns. This year we held the Red Hot Summer Tour, Family Carnival, F1 boat racing, Ski Shows, Fire Works, Ski Clubs Got Talent and numerous big bands throughout the year.

Our ski team have had another amazing year by winning the National Show Ski Championships held at Patterson Lakes in Victoria, and our ski pro Peter O'Neill winning his tenth National Barefoot title. This combined with twelve ski shows over summer and going to China in May to perform ski exhibitions has proven to be a very successful year. Congratulation to Peter O'Neill, Brant Ryan and the team on a great year.

Over the last five years the club has seen an increase in profit year on year and this could not have been achieved without a lot of effort and a proactive approach from our staff, management and the board. Finally I would like to thank the members of the club who have continued to support us which has enabled the club to record these profits.



Len Langford
President

Chief Executive Officer's Report

This year has seen the club record a profit of \$1.25m which is up on last year's profit of \$1.14m, an increase of \$104K and a new record for the club. We have continued to grow the business in all areas of the club and at the same time reduce our debt and improve facilities of the club.

Sales in all sectors have increased for the fourth consecutive year: bar 10%, gaming 4%, holiday park 7% and coffee shop 26%. This indicates that we are providing what our customers want and we will continue to explore the market to meet the needs of our customers.

We have continued to monitor our expenses with major items such as wages increased by 2.18% which is under CPI of 3%, interest on loans decreased by \$46K, Power decrease by \$50K. Areas such as entertainment, security and advertisement have slight increases.

The debt of the club continues to fall and we are on target to be debt free by December 2017. The current debt stands at \$2.42m as of 30th June 2015. This is a great result as we have also paid off the gaming system debt over three years of \$750k as of 29th August 2015. Capital expenditure this year has been over \$1.7m with major improvements being new security gates in the holiday park, new cabin in the holiday park, gaming machine

purchases, sealing of the car park in front of Lake Edge and a new fleet of vehicles including two courtesy buses.

Our ski team has once again performed well and it was a real pleasure to watch them perform and win the National Show Ski Championship at Patterson Lakes Victoria. Well done to Pete O'Neill, Brant Ryan and the ski team. Pete O'Neill must also be congratulated on winning his tenth National Barefoot title this year, a great achievement.

Going forward we will continue to focus on reducing debt, however we are also mindful of the need to continually improve the facilities of the club and some of the projects we are looking at include –

New chairs for the lounge, new front entrance, new Malibu Deck Bar, boutique bar, glycol system for the bar, and new cabins for the holiday park.

Finally I would like to thank the staff, managers, and directors of the club for your efforts which made this result possible. Also to our members for your support to the club and the feedback given throughout the year.



Peter Duncan
Chief Executive Officer

Bingo Report



Hello again to all Bingo Players!

Well! Another year is over and we are getting bigger (more games). This year, we unfortunately lost another couple of regulars who will be sadly missed.

We also introduced 2 new sessions on Wednesday and Thursday mornings with the opportunity to play books of 6 which is proving popular.

We will continue to look at ways of improving what we do in regards to bingo and will be asking for input.

Anyway, let's look forward to the coming year and have as much, if not more fun than ever

Thank you
Phil (Phab) and crew

Pictured: Some of our regular bingo players: Noreen, Maureen, Joyce and Betty along with 3 of our bingo callers: Phil, Jake and Lee

Water Ski Co-ordinators Report

Hey Skiers.

The ski seasons are getting better and better and The Mulwala Waterski Club was well represented through the disciplines. The Three-Event Nationals Championships and the Barefoot National Championships were both held at the Max Kirwan Ski Park with skiers from the Mulwala Water Ski Club performing well in both many winning medals and even bringing in titles of National Champion. The National Show Ski Championships held in March were also a success for the club with Mulwala coming in first with the Pirates of Lake Mulwala Ski Show

The ski show in front of the club was another big success with great crowds and a really good atmosphere.

The juniors coming through the ranks and progressing into the national team was very promising to see.

Member skiing has again been well attended with lots of skiers getting valuable time on the water and learning new skills.

As we head into the next season we may see a lot of skiers heading of to world titles and hopefully bringing back some hardware to fill the cabinet.



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 24th August 2014 at 11.05am.

Present:

President Mr Len Langford and 62 Members.

Apologies:

The following apologies were received: Eleanor Barnes, Tom Purtle, Robert Purtle, Ross Lovel, Jeff Haebich, Doug Mc Ervale & Jennifer Ridley.

Minutes

The minutes of the previous Annual General Meeting held on 27th October 2013, 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 Rod Green and seconded by Peter O'Neill.

President's Report

Mr Langford introduce Managers and Staff from all departments of the Club to the Members.

Mr Langford read out his report. This year has been very pleasing with an exceptional end of financial year result of \$1,145,954. This is a record for the club and we are proud to report that not only did we make a one million dollar profit, we also put over one million dollars back into capital improvements of the clubs facilities. Some of those improvements being –

- Extension of the Coffee shop.
- New apartment in the Holiday Park.
- New Cooking facilities in the Chinese Restaurant.
- New armchairs in the Poker machine lounge.
- Updated the water supply to our Apartments in the Holiday Park.
- Updated our Poker machines.
- Carpeted and enlarged our out- door gaming area.
- New Tills in all Bars.
- New Ice machine.
- New carpet in the main lounge.
- New Ski Jump at Max Kirwan Lakes.
- And two new Malibu Boats.

We were able to record this profit, make these capital improvements and at the same time pay off over \$750K off our loan (we remain on target to be debt free by October 2017). Along with this we also contributed over

\$80K back into the community through donations to various organisations.

The Board, Management and staff have done a wonderful job over the past twelve months and I thank them very much for their efforts.

I would like to assure you that we will not be sitting back on our laurels, as we are committed to growing the business, continue to improve facilities and eliminate our debt.

I thank you for your support over the past twelve months and I hope to see you back here next year where I hope I am reporting another great year.

Mr Langford then explained the Directors Report as per the Annual Report and was approved on the motion of Peter Cannon & seconded by John Shorten.

Carried.

Financial Statements and Auditors Report:

The Financial Statements and Auditors Report for the year ended 30th June 2014, 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) brought up the issue that he brought up at the last AGM about the height of the projector switch above the stage. He is concerned that it is dangerous with staff using a chair to operate the switch. He would like it moved to a safer area.

Mr Ken Williams (8) congratulated and thanked Mr Langford (President), the Board of Directors, the Management and the staff for achieving such an outstanding effort, producing a record profit in such a trying economy. He commented on all the new improvements, paying off the debt and the success of the ski department throughout the year and wished them success at the upcoming world titles. Mr Williams said he was so proud to be a part of such a fantastic, well run organisation.

Minutes of the Annual General Meeting continued

Dates Saturday 4th October to Saturday 8th November 2014.

Elections

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

There are three (3) positions which have been advertised in line with our constitution. At close of nominations there were three nominations for the three (3) positions. These being four current Directors who have re-nominated for the three (3) positions.

Mr Len Langford, Mr Kelvin Weston-Green & Mr Rodney Vodusek.

As there were no other nominations for the three positions for the Board of Directors, I declare Mr Langford, Mr Weston-Green & Mr Vodusek elected unopposed and congratulated them.

Special Resolution

Mr Langford and Mr Duncan then presented the Resolution.

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

Members Reward

Mr Langford then announced that we intend to reward our members for their loyalty and support by announcing a "End of Year Members Reward" of \$50K in prizes that can only be won by our members.

He handed the microphone to the CEO to explain the details.

The MWSC will give away \$8000 every Saturday evening for five weeks and on the sixth week we will give away \$10,000.

How it works – just be a member of the club and must be present to win.

Weeks 1 to 5 (Draws 7.30pm, 8pm, 8.30pm, 9pm)
3 x \$1,000 Draws (If prize not claimed on the first draw – nearest number will win)

1 x \$5,000 Draw (3 Draws then on the 4th draw if not claimed nearest number wins)

Week 6 (Draws 7pm, 7.30pm, 8pm, 8.30pm, 9pm, 9.30pm)

5 x \$1,000 Draws (same conditions)

1 x \$5,000 Draw (same conditions)

Special Resolution

Mr Langford then ask for Peter O'Neill and his Ski team to come forward so that we can acknowledge their achievements over the past 12 months, wish them well on their trip to America to contest the World Show Ski Championship and to present a cheque of \$30,000 raised by the club with help from our show ski sponsors.

Mr O'Neill then gave a brief address on the Teams achievements over the last 12 months and the upcoming events. He also thanked the Ski Club for their wonderful support towards Water Skiing.

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 11.34am.

Chairman

Date

Directors' Report

Your Directors present their report on the company for the financial year ended 30th June 2015.

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-two 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 \$1,250,226 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
- Customer satisfaction

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

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	12
Gavin Kenneth Williams	13	10
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:

	2015	2014
Ordinary Members	7,707	7,204
Life Members	7	7
Junior Members	125	192
Total	7,839	7,403

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 2015 the total amount that members of the company are liable to contribute if the company is wound up is \$154,140 (2014 - \$144,080).

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.

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

Signed at Mulwala on this 13th day of August, 2015.

M. J. Holgate.....

Director.....

17. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 11 of the financial report.

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 2015 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 13th day of August 2015

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 2015, 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, Yarrowonga Vic 3730
Dated this 13th day of August 2015

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2015

	Notes	This Year	Last Year
Income			
Operating revenue		12,190,394	11,487,878
Subscriptions		133,914	119,694
Profit on disposal of fixed assets		196,981	79,323
		<u>12,521,289</u>	<u>11,686,895</u>
Expenditure			
Advertising and Sponsorships		156,979	130,084
Buses		228,930	244,160
Cost of Sales		1,229,034	1,187,190
Cleaning		265,256	266,192
Depreciation	1(c)	978,623	875,731
Donations		137,111	81,159
Electricity and gas		344,218	386,759
Entertainment		380,727	372,000
Insurance		176,088	162,767
Other expenses		657,688	599,013
Personnel expenses		2,884,117	2,726,896
Poker machine taxes and monitoring fees		1,447,514	1,389,822
Promotions & members discounts		889,702	675,071
Repairs & Maintenance		307,532	274,262
Security Costs		187,963	175,637
Ski division costs		175,703	142,311
Other caravan park expenses		613,297	586,158
		<u>\$11,060,482</u>	<u>\$10,275,212</u>
Result from operating activities		1,460,807	1,411,683
Finance income and expenses			
Interest received		162	454
Finance costs		(210,743)	(266,183)
		<u>1,250,226</u>	<u>1,145,954</u>
Profit before income tax		1,250,226	1,145,954
Income tax	1(g)	-	-
Profit (Loss) for the year		<u>\$1,250,226</u>	<u>\$1,145,954</u>

Statement of Comprehensive Income

For the year ended 30 June 2015

	This Year \$	Last Year \$
Profit for the year	1,250,226	1,145,954
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,250,226</u>	<u>1,145,954</u>
Total comprehensive income attributable to the members	<u>1,250,226</u>	<u>1,145,954</u>
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Profit attributable to members of the entity	<u>1,250,226</u>	<u>1,145,954</u>
Total comprehensive income attributable to the members of the entity	<u>1,250,226</u>	<u>1,145,954</u>

Statement of Financial Position

as at 30 June 2015

	Notes	This Year \$	Last Year \$
CURRENT ASSETS			
Cash and cash equivalents	7	804,643	711,459
Trade and other receivables	8	24,654	108,388
Inventories	1(b)	197,850	191,138
Other - prepayments		42,678	69,465
- accrued income		5,871	10,054
TOTAL CURRENT ASSETS		<u>1,075,696</u>	<u>1,090,504</u>
NON-CURRENT ASSETS			
Property, plant and equipment	1(c), 9	16,964,212	16,282,565
Intangible assets	1(f)	-	-
TOTAL NON-CURRENT ASSETS		<u>16,964,212</u>	<u>16,282,565</u>
TOTAL ASSETS		<u>18,039,908</u>	<u>17,373,069</u>
CURRENT LIABILITIES			
Trade and other payables	11	788,079	579,103
Interest bearing liabilities	12	1,159,525	926,211
Provisions	13	111,178	71,755
Other - accrued expenses		297,254	347,329
TOTAL CURRENT LIABILITIES		<u>2,356,036</u>	<u>1,924,398</u>
NON-CURRENT LIABILITIES			
Trade and other payables			
Interest Bearing Liabilities	12	1,710,814	2,719,951
Provisions	13	54,818	62,706
TOTAL NON-CURRENT LIABILITIES		<u>1,765,632</u>	<u>2,780,657</u>
TOTAL LIABILITIES		<u>4,121,668</u>	<u>4,705,055</u>
NET ASSETS		<u>13,918,240</u>	<u>12,668,014</u>
MEMBERS' EQUITY			
Retained Profits		13,918,240	12,668,014
TOTAL MEMBERS EQUITY		<u>13,918,240</u>	<u>12,668,014</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2015

	Notes	Retained Earnings
Balance at 30 June, 2011		10,339,988
Profit attributable to the entity		454,853
Total Other comprehensive income for the year		-
Balance at 30 June, 2012		<u>10,794,841</u>
Balance at 1 July, 2012		10,794,841
Profit attributable to the entity		727,219
Total Other comprehensive income for the year		-
Balance at 30 June, 2013		11,522,060
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>
Profit attributable to the entity		1,250,226
Total Other comprehensive income for the year		-
Balance at 30 June, 2015		<u>13,918,240</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2015

	Notes	This Year Inflows (outflows) \$	Last Year inflows (outflows) \$
Cash Flows From Operating Activities			
Receipts from customers		12,346,117	11,682,190
Payments to suppliers and employees		(9,935,252)	(9,384,860)
Interest received		162	454
Interest and cost of finance paid		(210,743)	(265,462)
Net cash provided by operating activities	2	<u>2,200,284</u>	<u>2,032,322</u>
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(1,719,510)	(1,137,678)
Proceeds from sale of equipment		312,644	133,236
Net cash used in investing activities		<u>(1,406,866)</u>	<u>(1,004,442)</u>
Cash Flows From Financing Activities			
Repayment of borrowings		(1,131,491)	(1,106,659)
Proceeds from borrowings		357,668	75,504
Finance provided		73,529	(11,229)
Net cash used from financing activities		<u>(700,294)</u>	<u>(1,042,384)</u>
Net increase/(decrease) in cash held		93,124	(14,504)
Cash at the beginning of the financial year		711,459	725,963
Cash at the end of the financial year	1	<u><u>804,583</u></u>	<u><u>711,459</u></u>

Notes to the Statement of Cash Flows

For the year ended 30 June 2015

	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		425,490	493,460
Cash at bank		379,153	217,999
Bank Overdraft		-	-
		<u>804,643</u>	<u>711,459</u>
2. Reconciliation of net cash provided by operating activities to operating profit after income tax			
Operating profit/(loss) after income tax		1,250,226	1,145,954
Non cash flows in operating profit			
Loss on sale of fixed assets		-	-
Depreciation and amortisation		978,623	875,731
Goodwill write off		-	-
Change in assets and liabilities			
(Increase) decrease in trade debtors		10,205	8,153
(Increase) decrease in inventories		(6,713)	10,662
(Increase) decrease in prepaid expenses		30,970	(8,942)
(Decrease) increase in trade and other payables		102,478	68,643
(Decrease) increase in provisions		31,535	11,444
Profit on sale of fixed assets		(196,981)	(79,323)
		<u>\$2,200,343</u>	<u>2,032,322</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2015

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 13th August 2015 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, 2014. 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, 2014.

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 2015

replacement cost. The Directors of the club are satisfied, based on the depreciated replacement cost assessment performed at 30 June 2015 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:-

	2015	2014
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 2015

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 2015 the buildings are not impaired.

Notes to and forming part of the Accounts

For the year ended 30 June 2015

	Notes	This Year \$	Last Year \$
2. Revenue and Other Income			
Operating activities			
- sale of goods and other trading revenue		12,190,232	11,487,506
- interest received	2(a)	162	454
- other revenue		133,914	119,694
- profit on sale of non-current assets		196,981	79,323
Total Revenue		<u>12,521,289</u>	<u>11,686,977</u>
2 (a) Interest received from - other persons		162	454
3. Surplus for the year			
(a) Expenses			
- Interest expense on financial liabilities		210,743	266,183
- Depreciation Buildings and improvements		305,614	298,308
- Depreciation Plant & Equipment		673,010	577,423
- Employee benefit expense-contributions to defined contribution funds		221,363	193,139
- Rental expenses on operating leases		20,000	20,000
Rental expense on operation leases			
- minimum lease payments		20,000	20,000
(b) Significant Revenue			
Property Plant and Equipment			
- Proceeds on Disposals		312,614	133,236
- Disposals at carrying Amount		115,663	79,323
- Net Gain on Disposals		<u>196,981</u>	<u>53,913</u>
4. Auditors Remuneration			
- Audit services		17,616	17,180
- Other services		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		401,719	38,672

Notes to and forming part of the Accounts

For the year ended 30 June 2015

	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>200,000</u>	<u>200,000</u>
11. Accounts payable other payables			
Current			
Unsecured liabilities		451,317	262,303
Trade creditors and accrued expenses		336,761	316,800
Prepaid Income		788,078	579,103
		<u>1,576,156</u>	<u>1,158,206</u>
12. Interest Bearing Liabilities			
Secured liabilities		2,421,150	3,191,150
Bank Loan		449,189	453,012
Hire Purchase Contract		-	-
Bank Overdraft		2,870,339	3,644,162
Total Secured Liabilities		<u>5,740,678</u>	<u>7,288,324</u>
Current		840,000	600,000
Bank Loan		319,525	326,211
Hire Purchase Contract		-	-
Bank Overdraft		1,159,525	926,211
Total Current Interest Bearing Liabilities		<u>2,319,050</u>	<u>1,852,422</u>
Non Current		-	-
Bank Loan		1,581,150	2,591,150
Hire Purchase Contract		129,664	126,801
Total Non Current Interest Bearing Liabilities		<u>1,710,814</u>	<u>2,717,951</u>
		<u>4,030,864</u>	<u>4,570,373</u>
		<u>2,870,339</u>	<u>3,644,162</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			
Employee entitlements	(note 1e)	111,178	71,755
Non current			
Employee entitlements	(note 1e)	54,818	62,706
		<u>165,996</u>	<u>134,461</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2015

14. Gaming Machine Profit and Club Grants Scheme

The profit from poker machines for the poker machine tax year ended 31st August 2015 was \$6,831,598. The amount of community benefits paid under the Clubs Grant Scheme for the tax year was \$121,000.

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	
		2015	2014
		\$	\$
Receivables	8	24,654	108,388
Cash & cash equivalents	7	804,643	711,459
		829,297	819,487

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	
		2015	2014
		\$	\$
Sundry debtors	8	24,654	108,388
		24,654	108,388

Impairment Losses

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

	Gross	Impairment Losses	Gross	Impairment Losses
		2015		2014
Not past due	24,654	-	108,388	-
	24,654	-	108,388	-

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 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	453,103	453,103	326,211	128,801	-	-
Trade and other payables (excl. employee benefits and prepaid income)	262,303	262,303	262,303	-	-	-
Bank overdraft	-	-	-	-	-	-
	<u>3,906,556</u>	<u>3,906,556</u>	<u>1,188,514</u>	<u>728,801</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>819,847</u>	<u>819,847</u>	<u>819,847</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities 30 June 2015	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Secure Bank Bills	2,421,150	2,421,150	840,000	741,115		
Hire Purchase Liabilities	449,189	449,189	319,525	129,664		
Trade and other payables (excluding employee benefits and prepaid income)	451,317	451,317	451,317	-	-	-
	<u>3,321,656</u>	<u>3,321,656</u>	<u>1,610,842</u>	<u>870,779</u>	<u>-</u>	<u>-</u>
Financial Assets 30 June 2015						
Cash & cash equivalent	804,643	804,643	804,643	-	-	-
Trade & other receivables	24,654	24,654	24,654	-	-	-
	<u>829,297</u>	<u>829,297</u>	<u>829,297</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2015

Interest Rate Risk

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

Borrowings	Note	Carrying Amount	
		2015	2014
Financial Liabilities	12	2,870,340	3,644,162
		<u>2,870,340</u>	<u>3,644,162</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	
		2015	2014
Total Borrowings		2,870,340	3,644,162
Less cash and cash equivalents		804,643	711,459
Net debt		<u>2,065,697</u>	<u>2,932,703</u>
Total Capital		<u>13,918,240</u>	<u>12,668,014</u>
		14.84%	23.15%

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 2014.

	Profit or Loss		Equity	
	1% decrease	1% increase	1% decrease	1% increase
30 June 2015				
Fixed rate instruments	28,703	(28,703)	28,703	(28,703)
30 June 2014				
Variable rate instruments	36,442	(36,442)	36,442	(36,442)

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 2015 the number of members was 7,839.

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 2015 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 13th August 2015, 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 2015 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 13th day of August 2015.

Donations

For the year ended 31 August 2015

Mulwala Public School
Variety Bash
Yarrowonga Bowls club
Yarrowonga/Mulwala Palliative Care
Rennie Football Club
PALS - Gorman House
Dialysis & Transplant Association
SES Yarrowonga
Noble Healthcare
Sacred Heart Primary School
Yarrowonga College P - 12
Sacred Heart College
Yarrowonga/Mulwala Toy Library
Yarrowonga/Mulwala Cricket Club
Allawah
Friends In Common
Tungamah Lions Club
Yarrowonga/Mulwala Table Tennis
Moira Health Care
Corowa High School
Yarrowonga/Mulwala Little Athletics
Yarrowonga & District Netball Association
Tungamah Primary School
Rennie Football/Netball Club
Yarrowonga Football/Netball Club
Denique Peace
Sacred Heart Parents & Friends
Mulwala Progress Society
Royal Children's Hospital
Yarrowonga Lawn Tennis Club
Yarrowonga Neighbourhood House
Cancer Council Victoria
Red Shield Appeal
Yarrowonga Junior Tennis Squad
Rotary Club of Yarrowonga
Yarrowonga & Border CWA
Corowa Rutherglen Football/Netball Club