

The best seat in town!



malibudeck

The perfect place to relax with friends and take in the superb views of Lake Mulwala. The new-and-improved Malibu Deck has got the lot. A retractable roof, misting fans, TVs, bar, coffee shop, a playground for the kids and by far the best view in town.



2017

annual report



mulwala
WATERSKI
Club

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 29th October 2017 at 10am

Agenda

1. To confirm the minutes of the previous Annual General Meeting held on 16th October 2016.
2. To receive and consider the report for the Board of Directors.
3. To receive and consider the financial statements and auditors' report.
4. Resolution: Comply with Registered Club Act 1976 Section 10.
5. To deal with any business for which due notice has been given.
6. To deal with any business that the meeting may approve, of which due notice has not been given.
7. 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 29th September 2017 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:

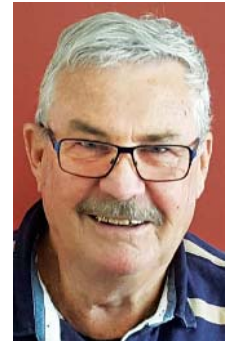
1. The reasonable cost of meal and beverages for each Director or Senior Management Officer at an appropriate time before or after a Board or Committee Meeting and which is incurred on the day of that meeting.
2. Reasonable expenses incurred by a Director either within the Club or elsewhere in relation 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

It is pleasing as the President of The Mulwala Water Ski Club to announce a record profit for the club of \$1.51m. This is the fourth consecutive year that we have recorded a record profit and the seventh year of growth on the previous year.

The aim of this Board is to continue to grow the club by investing in the infrastructure and facilities for our members and guests to enjoy. At the same time we are prudent in the projects we undertake so that we remain on a sound financial footing.



In the past year we have completed the following projects –

- Retractable roof on the Deck
- New Bar on the Deck
- New fencing around the Chinese Terrace
- New carpet in the TAB
- New shade sails over the Terrace
- New TAB electronic form
- Four New Cabins in Holiday Park
- Fences around Garbage areas
- Renewed Brush fences in Holiday Park
- Extended Storage/Boat Shed
- New Bench Tables and Chairs for the main lounge
- Upgrade TV's and audio system

The strategic plan going forward is to improve the facilities of the Holiday Park and over the next twelve months we will replace fifteen cabins, seal the roads, and install artificial grass for the onsite vans.

The other major project is to replace the current air conditioning system that is over twenty years old with a new system that will be more efficient and save the club on electricity and gas costs.

The Ski team have once again put in a big year by performing twelve ski shows over Christmas and winning the Australian Ski Show championships. Last September the ski team came second in the World Show Ski Championships held in America. Congratulations to Peter O'Neil, Brutis Ryan and the ski team on a great year.

Thank you to the directors and management for continuing to look at ways to advance the club to make it a progressive, enjoyable and entertaining venue for our members and visitors to the club. Also a big thanks to our staff who provide the great service for our customers.

Finally, thank you to our members who continue to support the club throughout the year and a very positive outcome is that our membership base continues to grow.

Len Langford
President

Chief Executive Officer's Report

The Mulwala Water Ski Club has again had a good trading year with all departments recording growth which has allowed us to post a profit of \$1.51m. The bar has improved sales by 18%, Coffee shop 9%, Holiday Park 6%, and while Gaming has shown only a 1% growth in profit it has seen revenue into gaming grow by over 4% or \$1m.

Membership of the club has increased by 10% and we now have a membership base of 9524. This is very pleasing as new members to our club have been increasing steadily and shows that investing in improving the facilities of the club encourages people to come and enjoy the amenities on offer.

Expenses in some areas experienced increases such as entertainment 3%, depreciation 11%, wages 5%, superannuation 9%, bar purchases 17%, members discounts 24%, and security 13%. These increases are in line with the increased trade to the club while depreciation is due to the large amount of capital improvement to the club.

Debt reduction is on target and we will have our loan of \$7m paid out by November this year. This has been

a fantastic effort by the club as we have also spent over \$10m in capital improvements on the club facilities over the past seven years while at the same time paying off this debt.

Over the next 12 months we will be following the strategic plan of upgrading the Holiday Park and replacing our air-conditioning system. We will also be installing lights in our Northern car park and replacing carpet and poker-machine bases in the gaming room.

Congratulations to our ski team led by Pete O'Neil and Brutis Ryan on a very successful year. It is great to see the team working together and the development of the young skiers in the team.

Thank you to our directors for setting a strong and clear direction for the club and a big thank you to the management team and staff for the service and effort put in to achieve the results we have.

Finally thank you to our members for your support and constructive feedback, both positive and negative which enables us to correct or explain the actions of the club.

Peter Duncan
Chief Executive Officer



Bingo Report



Hi everyone! Well we had another great year, all our callers Lee, Jamalie, Debbie, Michelle, Olivia, Amy and myself hope you have enjoyed it.

Once again we lost a couple stalwarts of our club but we carry on. We don't forget them, we remember the fun we had when they were here.

We hopefully have had lots of fun, made new friends and enjoy old ones.

We play 250 games of bingo each week and, we as a group, enjoy calling for you and we will continue to do so.

In addition to the 250 games of bingo played each week, which have prizes of over \$5000 we also hold our daily raffles which cap off the games.

Keep coming along, we love to see you.

Thanks, *Phil and Crew*

Water Ski Co-ordinators Report

Another season come and gone and once again we saw a huge number of participants in skiing. The summer show was a great success with the star of the show being switched between two of our youngest members showing off what a great depth of talent we now have in the club.

Members skiing was once again packed out with the nightly sessions booked out and it was a pleasure to see improvement across all of the skiing divisions.

This season the Mulwala Club hosted the 2017 National Show Ski Championships at the Max Kirwan Ski Park. With new grandstands and a lot of work from management, the board and volunteers, the park has never looked better to host such a massive event with over 1000 people attending both days. It was also great to see the ski show team take out another win claiming there third consecutive National Title. Well done to all involved

Brutis and Pete



Minutes of the Annual General Meeting

Minutes of the Annual General Meeting of members held in the clubhouse, Melbourne Street Mulwala on 16th October 2016 at 10am.

Present:

President Mr Len Langford and 48 Members.

Apologies:

The following apologies were received: Eleanor Barnes, Helen Purtle, Leonie Bailey, Kate Langford & Brandt Ryan.

Minutes

The minutes of the previous Annual General Meeting held on 6th September 2015, 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 (4614) & seconded by Brian Williamson (84) *Carried*

President's Report

Mr Langford asked Mr Duncan to address the members on the new works that has taken place on the Malibu Deck which included the retractable roof and new bar.

Mr Langford presented his report: Good morning to all our members who are present and thank you for taking the time to attend our Annual General Meeting for 2016. For the third consecutive year I am pleased to announce a record profit for the club. This year we recorded a profit of \$1,401,700 which is \$151,474 or 12% up on last year. This year we reduced our debt by \$920,000 and as of 30th June our debt stands at \$1.5m, which we aim to have paid off by November 2017.

As in previous years we also put over \$103,000 back into the community through donations and sponsorship to various organisations.

This year we spent over \$1.7m in capital expenditure and some of those projects were –

- Two new Cabins in the Holiday Park.
- New water feature and entrance to the club.
- Two new Malibu Boats and a Twin Rig Boat.
- New ceiling feature and lights in the lounge.
- Upgrades to the coffee shop.
- Increased the poker machine replacement program.
- New couches and coffee tables.
- New Glycol Beer System.
- New chairs in the main lounge.
- New awning in La Porchetta's alfresco area.

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 the Report was approved on the motion of *Graeme Bayley (4132)* & seconded by *Margaret Clarke (2941)*. *Carried*

Mr Duncan then gave an update on future capital improvements – As you can see on the power point presentation the Ski Club has spent more than \$9M over the past five years on Assets and Capital improvements for the benefit of our members and guests.

In the next twelve months we plan to –

- New chairs in La Porchetta.
- New Malibu Bar & retractable cover for the Deck.
- Update glasswashers.
- New apartments for the Holiday Park.
- Seal roads in Holiday Park.
- New air-conditioning System \$750K.
- Build a boutique bar off Gaming Lounge.
- Lighting on new car park.
- Extend the boat storage shed.
- Extend coffee shop.
- New poker machine bases.

Financial Statements and Auditors Report:

The Financial Statements and Auditors Report for the year ended 30th June 2016, was approved on the motion of *Gerard Ryan (7455)* & seconded by *Phil Ryan (7454)*.

Carried

Business to which due notice given

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

Business to which no notice was given

Mr Ken Williams (8) congratulated and thanked Mr Langford (President), the Board of Directors, the Management and the Staff for the amazing profit and having such a wonderful year. He wanted to pay tribute to the staff who are the backbone of the club and do a great job. He is proud to be a member of such a progressive club with amazing facilities and ask the members to join him in congratulating all involved. He congratulated the skiers on their success throughout the year and wished them all the success in the future.

Minutes of the Annual General Meeting continued

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 (3) nominations for the three (3) positions. These being three (3) 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 (3) 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 *Ken Williams (8)* & seconded by *Margaret Clarke (2941)*.

Carried

Ski Presentation

Mr Langford then asked for Mr Peter O'Neill to come forward so that we can acknowledge their achievements over the past 12 months.

Mr Peter O'Neill and Mr Brutis Ryan have just returned from America where 27 of the 35 person Australian team came from our Mulwala Water Ski Club, a great achievement. The Australian Team came 2nd in the World Ski Show Titles. Each year they put on over 12 Ski Shows at the club for the many tourists that come to our town.

I would like to now call on Mr Pete O'Neil to come forward and address the meeting.

Mr O'Neill presented a slideshow highlighting the following:

- World Ski Show Titles in which they came 2nd.
- Ski Park quality for training & events. (one of 3 in Australia)
- 27 members of the Australian Team are all locals.
- Twin rig boat able to tow more skiers & able to perform more tricks providing a higher standard at world events.
- National & World events that are planned.

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 10.29am.

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 2017.

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-four 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 \$1,519,020 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 – Retired

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 – Building Construction
 Supervisor

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

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:

	2017	2016
Ordinary Members	9,359	8,560
Life Members	7	7
Junior Members	158	156
Total	9,524	8,723

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 2017 the total amount that members of the company are liable to contribute if the company is wound up is \$187,180 (2016 - \$171,200).

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 2017 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 6th day of October, 2017.

G. Williams.....

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 2017 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 on this 6th day of October, 2017

G. Williams.....

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 2017, 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 6th day of October 2017

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Notes	This Year	Last Year
Income			
Operating revenue		13,664,425	12,855,926
Subscriptions		158,883	148,909
Profit on disposal of fixed assets		218,137	174,310
		<u>14,041,445</u>	<u>13,179,145</u>
Expenditure			
Advertising and Sponsorships		193,386	181,550
Buses		210,849	220,015
Cleaning		281,143	275,216
Cost of Sales		1,532,186	1,319,004
Depreciation	1(c)	1,281,195	1,161,591
Donations		173,337	103,820
Electricity and gas		309,870	308,950
Entertainment		466,051	454,343
Insurance		148,091	156,394
Other expenses		683,817	558,720
Personnel expenses		3,259,092	3,106,982
Poker machine taxes and monitoring fees		1,554,245	1,525,286
Promotions & members discounts		1,032,265	1,002,573
Repairs & Maintenance		298,434	325,147
Security Costs		225,214	199,064
Ski division costs		189,080	130,061
Other caravan park expenses		551,338	587,945
		<u>\$12,389,593</u>	<u>\$11,616,661</u>
Result from operating activities		1,651,852	1,562,484
Finance income and expenses			
Interest received		64	84
Finance costs		(132,896)	(160,868)
Profit before income tax		<u>1,519,020</u>	<u>1,401,700</u>
Income tax	1(g)	-	-
Profit (Loss) for the year		<u>\$1,519,020</u>	<u>\$1,401,700</u>

Statement of Comprehensive Income

For the year ended 30 June 2017

	This Year \$	Last Year \$
Profit for the year	1,519,020	1,401,700
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,519,020</u>	<u>1,401,700</u>
Total comprehensive income attributable to the members	<u>1,519,020</u>	<u>1,401,700</u>
Other comprehensive income for the year		
Total comprehensive income for the year	-	-
Profit attributable to members of the entity	<u>1,519,020</u>	<u>1,401,700</u>
Total comprehensive income attributable to the members of the entity	<u>1,519,020</u>	<u>1,401,700</u>

Statement of Financial Position

as at 30 June 2017

	Notes	This Year \$	Last Year \$
CURRENT ASSETS			
Cash and cash equivalents	7	525,001	838,546
Trade and other receivables	8	154,278	27,408
Inventories	1(b)	212,284	245,393
Other - prepayments		47,438	45,237
- accrued income		150,523	11,176
TOTAL CURRENT ASSETS		<u>1,089,524</u>	<u>1,167,760</u>
NON-CURRENT ASSETS			
Property, plant and equipment	1(c), 9	18,671,331	17,526,868
Intangible assets	1(f)	-	=
TOTAL NON-CURRENT ASSETS		<u>18,671,331</u>	<u>17,526,868</u>
TOTAL ASSETS		<u>19,760,855</u>	<u>18,694,628</u>
CURRENT LIABILITIES			
Trade and other payables	11	708,517	807,299
Interest bearing liabilities	12	1,250,000	780,580
Provisions	13	151,157	121,772
Term Loan		207,965	108,803
Other - accrued expenses		419,752	404,666
TOTAL CURRENT LIABILITIES		<u>2,737,391</u>	<u>2,223,120</u>
NON-CURRENT LIABILITIES			
Trade and other payables			1,031,150
Interest Bearing Liabilities	12		
Provisions	13	81,460	72,646
Term Loan		103,044	47,770
TOTAL NON-CURRENT LIABILITIES		<u>184,504</u>	<u>1,151,566</u>
TOTAL LIABILITIES		<u>2,921,895</u>	<u>3,374,686</u>
NET ASSETS		<u>16,838,960</u>	<u>15,319,942</u>
MEMBERS' EQUITY			
Retained Profits		16,838,960	15,319,940
TOTAL MEMBERS EQUITY		<u>16,838,960</u>	<u>15,319,942</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2017

	Notes	Retained Earnings
Balance at 30 June, 2015		13,918,240
Profit attributable to the entity		1,401,700
Total Other comprehensive income for the year		-
Balance at 30 June, 2016		<u>15,319,940</u>
Profit attributable to the entity		1,519,020
Total Other comprehensive income for the year		-
Balance at 30 June, 2017		<u><u>16,838,960</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2017

	Notes	This Year Inflows (outflows) \$	Last Year inflows (outflows) \$
Cash Flows From Operating Activities			
Receipts from customers		13,709,067	12,997,634
Payments to suppliers and employees		(11,021,062)	(10,486,983)
Interest received		64	84
Interest and cost of finance paid		(132,896)	(160,868)
Net cash provided by operating activities	2	<u>2,555,173</u>	<u>2,349,867</u>
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(2,734,621)	(1,764,268)
Proceeds from sale of equipment		390,798	350,340
Net cash used in investing activities		<u>(2,343,823)</u>	<u>(1,413,928)</u>
Cash Flows From Financing Activities			
Repayment of borrowings		(407,295)	(902,036)
Finance provided		(117,600)	
Net cash used from financing activities		<u>(524,895)</u>	<u>(902,036)</u>
Net increase/(decrease) in cash held		(313,545)	33,903
Cash at the beginning of the financial year		838,546	804,643
Cash at the end of the financial year	1	<u><u>525,001</u></u>	<u><u>838,546</u></u>

Notes to the Statement of Cash Flows

For the year ended 30 June 2017

	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		470,210	535,670
Cash at bank		54,791	302,876
		<u>525,001</u>	<u>838,546</u>
2. Reconciliation of net cash provided by operating activities to operating profit after income tax			
Operating profit/(loss) after income tax		1,519,020	1,401,700
Non cash flows in operating profit			
Loss on sale of fixed assets		-	-
Depreciation and amortisation		1,281,193	1,161,591
Goodwill write off		-	-
Change in assets and liabilities			
(Increase) decrease in trade debtors		(148,617)	(8,059)
(Increase) decrease in inventories		33,108	(47,541)
(Increase) decrease in prepaid expenses		(2,201)	(2,559)
(Decrease) increase in trade and other payables		52,608	(9,378)
(Decrease) increase in provisions		38,198	28,423
Profit on sale of fixed assets		(218,136)	(174,310)
		<u>\$2,555,173</u>	<u>\$2,349,867</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2017

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 6th October 2017 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.

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

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

Not for profit entity

- The club has analysed its purpose, objectives and operating philosophy and determined that it does not profit generation as its main objective
- In preparing the financial report the company has taken the exemption available to non profit entities to report under the International Reporting Standards

b) Inventories

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

c) Property, plant and equipment

Property, plant and equipment are brought to account at cost or at independent Director's valuation,

less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The club has determined that it is a not for profit entity for financial reporting purposes. In this regard, when performing an impairment test for buildings, the company has utilised the provisions relating to determining 'value in use' by way of depreciated replacement cost. The Directors of the club are satisfied, based on the depreciated replacement cost assessment performed at 30 June 2017 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:-

	2017	2016
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

Notes to and forming part of the Accounts

For the year ended 30 June 2017

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 Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave 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.

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 a 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 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 the expense.

Receivable and payables in the Balance Sheet are shown inclusive of GST.

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

i) Cash

Cash and cash equivalents comprises 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

Notes to and forming part of the Accounts

For the year ended 30 June 2017

occurred. The directors are satisfied that there are no indications of an impairment loss and accordingly no formal estimates have been undertaken.

l) Trade and Other Receivables

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

m) Compliance with AIFRS

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

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

Notes to and forming part of the Accounts

For the year ended 30 June 2017

	Notes	This Year \$	Last Year \$
2. Revenue and Other Income			
Operating activities			
- sale of goods and other trading revenue		13,452,491	12,855,842
- interest received	2(a)	64	84
- other revenue		370,754	148,909
- profit on sale of non-current assets		218,136	174,310
Total Revenue		<u>14,041,445</u>	<u>13,179,145</u>
2 (a) Interest received from - other persons		64	84
3. Surplus for the year			
Expenses			
- Interest expense on financial liabilities		132,896	160,868
- Depreciation Buildings and improvements		346,008	328,523
- Depreciation Plant & Equipment		935,185	833,068
- Employee benefit expense-contributions to defined contribution funds		238,404	218,044
- Rental expenses on operating leases		30,000	20,000
Rental expense on operation leases			
- minimum lease payments		30,000	20,000
4. Auditors Remuneration			
- Audit services		18,300	17,970
- Other services			
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			
New air conditioning system		789,000	
New apartments		250,000	
Commitments contracted for:			
Property, plant and equipment estimated not to exceed			561,893
		<u>1,039,000</u>	<u>561,893</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2017

	Notes	This Year \$	Last Year \$
7. Cash and cash equivalents			
Cash on hand		470,210	535,670
Cash at bank		54,791	302,876
		<u>525,001</u>	<u>838,546</u>
8. Accounts Receivable and other Debtors			
Current:			
Sundry debtors		<u>154,278</u>	<u>27,408</u>
9. Property, Plant and Equipment			
(a) Land and Buildings			
Freehold land at cost		1,541,817	1,541,817
Clubhouse and improvements at: Director's valuation 30/06/1982		350,000	350,000
Additions - at cost		15,332,787	14,440,439
Water ski course improvements - at cost		380,968	380,968
		<u>17,595,572</u>	<u>16,713,224</u>
Less accumulated depreciation		<u>4,547,617</u>	<u>4,223,833</u>
Total Land and Buildings		<u>13,047,955</u>	<u>12,489,391</u>
(b) Plant and Equipment			
Plant and Equipment - at cost		14,214,576	13,281,526
Less accumulated depreciation		<u>9,008,682</u>	<u>8,661,531</u>
Total Plant and Equipment		<u>5,205,894</u>	<u>4,619,995</u>
Poker Machine Purchase Entitlements (at cost)		<u>417,482</u>	<u>417,482</u>
Total		<u>18,671,331</u>	<u>17,526,868</u>

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

	Freehold Land	Building & Improvements	Plant and Equipment	Poker Machine Entitlements	Total
Balance at 1 July 2016	1,541,817	10,947,575	4,619,994	417,482	17,526,868
Additions	-	882,348	1,711,045	-	2,593,393
Disposals	-	-	(172,476)	-	(172,476)
Depreciation expense	-	(323,784)	(952,670)	-	(1,276,454)
Balance at 30 June 2017	<u>1,541,817</u>	<u>11,506,139</u>	<u>5,205,893</u>	<u>417,482</u>	<u>18,671,331</u>

	Freehold Land	Building & Improvements	Plant and Equipment	Poker Machine Entitlements	Total
Balance at 1 July 2015	1,541,817	11,188,642	3,816,281	417,482	16,964,222
Additions	-	87,456	1,780,683	-	1,868,139
Disposals	-	-	(143,902)	-	(143,902)
Depreciation expense	-	(328,523)	(833,068)	-	(1,161,591)
Balance at 30 June 2016	<u>1,541,817</u>	<u>10,947,575</u>	<u>4,619,994</u>	<u>417,482</u>	<u>17,526,868</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2017

	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		314,962	448,183
Trade creditors and accrued expenses		393,555	359,116
Prepaid Income		708,517	807,299
		<u>708,517</u>	<u>807,299</u>
12. Interest Bearing Liabilities			
Secured liabilities		1,250,000	1,811,730
Bank Loan		-	156,573
Total Secured Liabilities		<u>1,250,000</u>	<u>1,968,303</u>
Current		125,000	780,580
Bank Loan		-	108,803
Total Current Interest Bearing Liabilities		<u>125,000</u>	<u>889,383</u>
		-	-
Current		-	1,031,150
Bank Loan		-	47,770
Total Current Interest Bearing Liabilities		<u>-</u>	<u>1,078,920</u>
		-	-
Secured liabilities are secured by a mortgage over the freehold property, together with an equitable mortgage over the other assets of the company. The bank loan is a bank bill facility which expires on 5th November 2018.		<u>-</u>	<u>1,968,303</u>
13. Employee Provisions			
Long Service Leave			
Current		151,157	121,772
Employee entitlements	(note 1e)	182,413	187,772
		<u>333,570</u>	<u>309,544</u>
Non current			
Employee entitlements	(note 1e)	81,460	72,646
		<u>81,460</u>	<u>72,646</u>
		<u>415,030</u>	<u>382,190</u>
Opening Balance 1st July 2016		382,190	
Provisions raised during the year		167,943	
Less amounts paid		(135,094)	
Balance at 30 June 2017		<u>415,039</u>	

Notes to and forming part of the Accounts

For the year ended 30 June 2017

14. Gaming Machine Profit and Club Grants Scheme

The profit from poker machines for the poker machine tax year ended 31st August 2017 was \$6,971,689. The amount of community benefits paid under the Clubs Grant Scheme for the tax year was \$138,263.

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 2016 was:

	Notes	Carrying Amount	
		2017	2016
		\$	\$
Receivables	8	154,278	27,408
Cash & cash equivalents	7	525,001	838,546
		<u>679,279</u>	<u>865,954</u>

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

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

	Notes	Carrying Amount	
		2017	2016
		\$	\$
Sundry debtors	8	154,278	27,408
		<u>154,278</u>	<u>27,408</u>

Impairment Losses

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

	Gross	Impairment Losses 2017	Gross
Not past due	154,278	-	154,278
	<u>154,278</u>	<u>-</u>	<u>154,278</u>

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

Notes to and forming part of the Accounts

For the year ended 30 June 2017

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 2017	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Bank Loans	1,250,000	1,250,000	1,250,000			
Term Loans	311,009	311,009	207,965	108,803	-	-
Trade and other payables (excl. employee benefits and prepaid income)	314,962	314,962	314,962	-	-	-
Bank overdraft	-	-	-			
	<u>1,875,971</u>	<u>1,875,971</u>	<u>1,772,927</u>	<u>108,803</u>		
Financial Assets 30 June 2015						
Cash & cash equivalent	525,001	525,001	525,001	-	-	-
Trade & other receivables	154,278	154,278	154,278	-	-	-
	<u>679,279</u>	<u>679,279</u>	<u>679,279</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities 30 June 2016	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Secure Bank Bills	1,631,150	1,631,150	600,000	600,000		-
Hire Purchase Liabilities	156,573	156,573	108,803	47,770		
Market rate bank facility	180,580	180,580				
Trade and other payables (excluding employee benefits and prepaid income)	448,183	448,183	448,183	-	-	-
	<u>2,416,486</u>	<u>2,416,486</u>	<u>1,156,986</u>	<u>647,770</u>	<u>-</u>	<u>-</u>
Financial Assets 30 June 2016						
Cash & cash equivalent	838,546	838,546	838,546	-	-	-
Trade & other receivables	27,408	27,408	27,408	-	-	-
	<u>865,954</u>	<u>865,954</u>	<u>865,954</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2017

Interest Rate Risk

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

Fixed Rate Instruments	Note	Carrying Amount	
		2017	2016
Financial Liabilities	12	1,250,000	1,871,300
		<u>1,250,000</u>	<u>1,871,300</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	
		2017	2016
Total Borrowings		1,561,009	1,968,303
Less cash and cash equivalents		679,279	838,546
Net debt		<u>881,730</u>	<u>1,129,757</u>
Total Capital		<u>16,838,960</u>	<u>15,320,068</u>

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 2016.

	Profit or Loss		Equity	
	1% decrease	1% increase	1% decrease	1% increase
30 June 2016				
Fixed rate instruments	18,713	(18,713)	(18,713)	
30 June 2017				
Fixed rate instruments	12,500	(12,500)	(12,500)	

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 2017 the number of members was 9,524.

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 2017 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 6th October 2017, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion the financial report 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 2017 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 6th day of October 2017.

Donations

For the year ended 31 August 2017

Mulwala Public School
Australian Formula Power Boats
Yarrowonga Bowls Club
Rennie Football Club
Yarrowonga/Mulwala Historical Society
Rotary Club
Mulwala Pre School
Cobram Junior Cricket Association
Sacred Heart College
Yarrowonga Mulwala Tourism
Friends In Common
Yarrowonga/Mulwala Table Tennis
Corowa High School
SES Yarrowonga
Yarrowonga & District Health Services
Yarrowonga & Border Agriculture Show
Rennie Football/Netball Club
Mulwala Football/Netball Club
Yarrowonga Football/Netball Club
Mulwala Progress Association
Sacred Heart Parents & Friends
Ski Racing Victoria
Victorian Speed Boat Club
Yarrowonga Lawn Tennis Club
Wangaratta Basketball
Ski Show Team
Yarrowonga Rodeo
Corowa Race Club
Yarrowonga Mulwala Men's Shed
Cobram & District Special School
Corowa Rutherglen Football/Netball Club
Mulwala Public School
St James Golf Club
Salvation Army