

Host of the 2020 World Water Ski Show Championship – March 20-22

# 2019 Annual Report

**Mulwala**  
**WATERSKI**  
*Club*



One of two new high-rise apartments at our Ski Club Holiday Park

**iwwf**  
International Waterski &  
Wakeboard Federation

**World  
Water Ski  
Show  
Championship**

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## 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, 27th October 2019 at 10am

### Agenda

1. To confirm the minutes of the previous Annual General Meeting held on 14th October 2018.
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 27th September 2019 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.
4. Life Membership - A nomination has been received and tabled at the Board Meeting held on the 18th December 2018 for Mr. Len Langford to become a Life Member. The nomination was approved by the Board on this date. The nomination will be referred to the Annual General Meeting and voted on by the Financial Members attending.

Regards

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

## President's Report

This year has proven to be a very tough year for the club recording a profit of \$571,915 after recording nine years of growth and record profits. The profit of \$571,915 is \$939,231 down on last year due to gaming hold down \$401,000, depreciation up \$256,000 and donations up \$82,000 being some of the causes for the downturn. However we have still managed to complete a number of projects to keep up to date with our strategic plan. Capital expenditure for the past twelve months of \$3.13m has included projects such as -

- Upgrade of the gaming room. (\$273,000)
- Gaming system upgrade (\$400,000)
- New gaming machines (\$650,000)
- Two new Malibu Boats (\$190,000)
- Redevelopment of the holiday park. (\$1,000,000)
- Sealed Roads (holiday park)
- New caravan sites.
- Two new elevated portable apartments.
- Upgrades of water, power, gas & sewerage infrastructure.

The club was also fortunate to gain a NSW State Government grant of over \$300,000 along with another \$150,000 contributed by the club to upgrade our ski park to world class facilities with the installation of buildings for judges, meeting room, kitchen, toilets, viewing area and sealing of the road inside the ski park. This project is scheduled to be completed by December this year well ahead of the world Show Ski Championships being held at the Ski Park in March 2020. We look forward to hosting more International and

National Championships over the coming years which is a big boost for the local economy

In May this year the board and management held a strategic planning meeting to plan for the next phase of the club development and some of those projects include -

- New reception area.
- Enlarged kitchen area for the coffee shop.
- New design for the chinese restaurant.
- A roof top bar.
- Solar farm at the ski park
- Solar shade car park.
- Extend the deck to Papalia's Italian Restaurant.
- Two new Jetties on to the Lake.

Our Ski team led by Pete O'Neil have once again had a very successful year entertaining the Christmas crowd for over ten shows and then travelling to Perth in April where they won the National Show Ski Championship. Congratulation and well done to the entire team.

While not the profit we were hoping for the directors and management remain positive for next financial year and we will remain diligent in our plans for the growth of the club.

In concluding I would like to thank my fellow directors, management and staff for your efforts over the past year. Finally I would like the once again thank our members for their continued support.



*Len Langford  
President*

## Chief Executive Officer's Report

This year the club has reported a profit of \$571,915 for the 2018 – 2019 financial year which is a little disappointing after posting profits of over \$1,000,000 for the previous five years.

Gaming has been frustrating this year with revenue increasing by over \$425K however the club hold being down \$401K.

Overall, revenue for the club has been strong in all departments however this has not transferred to net profit. Some of the reasons being –

- Depreciation up \$256K
- Entertainment up \$38K
- Classic Hits concert takings down \$60K.
- Wages up \$95K
- Ski sponsorship up \$46K
- Insurance Costs up \$30K
- Donations up \$82K
- Cleaning up \$34K

After a slow start to the year due to the holiday park development and lowering of the lake all departments have made up ground on low sales finishing the year slightly ahead of the previous year.

Positive news for the club is the continued growth of our membership with membership now standing at 11,000, a growth of 12%. No doubt we are a destination place where people know they can come relax and be entertained.

Over the past twelve months the club has spent over \$3.13m on capital expenditure to further improve the facilities of the club and only have to look at the huge improvement of the holiday park. This has been largely financed out of cash flow of the club.

The financial year profit does not reflect how busy the club has been with more events held, such as Classic Hits Concert, Family Carnival Day, darts tournament, Ski Club's Got Talent, Motor Bike Show & Shine, Melbourne Cup Day and Oaks Day functions, plus live entertainment each weekend and ski shows over the Christmas period. This has seen an increase in trade and membership, and has kept the club vibrant throughout the year. This has meant that our staff, management and board have put in a lot of effort without the result desired.

However we believe we have built the foundations to rebound over the next couple of years with the development of the holiday park, gaming lounge, ski park, increased events, and a strategic plan incorporating major developments to further improve the facilities and revenue of the club.

In concluding I would like to thank our staff, management and the board for their efforts over the year and also thank you to our members for your continued support.

*Peter Duncan*  
Chief Executive Officer



## Water Ski Co-ordinators Report

Another Stella year for the ski show team with another win At the Ski Show National Championships in Perth in April. The team worked hard over summer then flew to Perth for a great performance. A little down on numbers at the higher end this year due to four of our skiers heading up to Seaworld to become full time employed water-skiers but the team was lead well under Boden and Breanna Strawhorn and they clinched a narrow victory.

The summer shows kicked out another fun summer with more and more youngsters joining in every year. The junior show over summer has become quite the place to be for young talent and we are very proud of their progress. Members skiing has seen many new participants this year and we are stoked to continue such a great program. With both schools this summer running PE programs in conjunction with the Ski Club and Pro Shop it's going to be another summer of new waterskiers.

The big news last season was the grant win for the ski park. Work has been underway and hopefully will be completed by summer. With a new road and building as well as upgrades to the gate — The ski park will become an asset all members can be proud of and access easily. This will make for an even better outcome for the World Ski Show Tournament being held there in March. With many of our local skiers participating we hope to see everyone there to cheer us on.

Big thank you to all the families that helped out through the year, Brutis Ryan and family in particular but so many mums and dads, and our senior skiers' chip in to make the ski shows work and the development at the ski park is only possible with the help of these members as well,

Bring on 2020

*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 14th October 2018 at 11.24am.

#### Present:

President Mr Len Langford and 279 Members.

#### Apologies:

The following apologies were received: Fred Haebich, Ken Williams and Boden Strawhorn.

#### Members Information:

Mr Duncan acknowledged the passing of Mr Brian Williamson who has been a long serving member of the Ski Club.

#### Minutes

The minutes of the previous Annual General Meeting held on 29th October 2017, 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 Leslie (18) and seconded by Gerard Flanagan (915). *Carried*

#### President's Report

Good morning to all our members who are present and thank you for taking the time to attend our Annual General Meeting for 2018.

For the fifth consecutive year I am pleased to announce a profit of over \$1million for the club with this year's profit being \$1,511,146 which is \$7874 behind last year's record profit.

This year in November we paid off the remaining balance of our debt which puts the club in a very sound position.

As in previous years we also put over \$108,829 back into the community through donations to various organisations.

This year we spent over \$3.2m in capital expenditure and some of those project were: A picture slideshow was presented on the screens.

- Eleven new cabins in the holiday park. (\$765,000)
- Development of roads and services in the holiday park. Stage 1 (\$400,000)
- Solar gas hot water system holiday park (\$46K)
- Two new Malibu boats. (\$166,000)
- New heating & cooling system for the club (\$800,000)
- New gaming machine software (\$450,000)
- Two new courtesy buses. (\$75,000)
- Car park lighting in the new car park. (\$51,000)
- New cash redemption terminal. (\$38,000)

- New reception desk. (\$8,000)

The board, management and staff have done a wonderful job over the past 12 months and I thank them very much for their efforts.

We have remained focused over the past eight years on reducing our debt of \$7m and as I have mentioned earlier we have now paid off that debt. Going forward we are endeavouring to improve infrastructure in the holiday park and upgrade the Gaming Lounge over the next 12 months.

I thank you for your support not only over the past twelve months but the past eight years and I hope to see you back here next year where we are reporting another great year

#### Director's Report

Mr Langford then explained the Directors Report as per the Annual Report and the Report was approved on the motion of Phil Ryan (7454) and seconded by William Hill (498). *Carried*

#### Financial Statements and Auditors Report:

The Financial Statements and Auditors Report for the year ended 30th June 2018, was approved on the motion of Michael O'Bryan (4476) and seconded by Kevin Hanson (6991). *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

*Ina Williams (8)* – Mrs Williams spoke on her husband Ken's behalf. He is in hospital recovering from a fall. Ken hasn't missed an AGM and is very proud to be a member of this club. He wanted to congratulate the Directors, Managers and all the Staff for all their fantastic work and having another successful year.

#### Elections

Mr Langford announces that it is time for the Board elections. Mr Langford vacates the chair to Vice President Mr Holgate.

Mr Holgate introduces the Returning Officer Mr Jeff Haebich to conduct the election.

Mr Holgate introduces the polling officers: Mr Michael O'Bryan & Mr Kevin Hanson.

Mr Duncan asks all candidates to come forward

## Minutes of the Annual General Meeting continued

and introduces them in order of the Ballot Paper: Mr Rodney Vodusek, Mr Paul Moat, Mr Garry Wilson, Mr Len Langford & Mr Kelvin Weston-Green.

Mr Holgate explains the voting procedure. There are three (3) positions which have been advertised in line with our constitution. At close of nominations there were five (5) nominations for the three (3) positions.

Members are to place a "X" in the box next to the 3 names they want to vote for and place their ballot papers in the ballot boxes provided.

Members vote and ballot papers collected by polling officers. The returning and polling officers then go and count the ballot papers.

Members are to mark their ballot papers & then place them in the ballot box.

The returning and polling officers then go and count the ballot papers.

### **CEO gives an update on future Capital Improvements.**

The Ski Club has spent more than \$13m over the past eight years on Assets and Capital improvements for the benefit of our members and guests.

In the next twelve months we plan to:

- Upgrade the holiday park – Stage 2 & 3. seal roads etc.
- Re design and upgrade the Gaming Lounge which includes new carpet, bases and screening.
- Upgrade facilities at the ski park.
- Acquired a \$300,000 Grant from the Stronger Communities Fund Project to upgrade facilities at the ski park. Mrs Randell was acknowledged for her work on this application.
- New furniture Cocktail Bar.
- Purchase two new Malibu boats.
- Maintain our poker machine purchase program \$750K annually.

### **Special Resolution**

Mr Duncan then presented the Resolutions.

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

The Special Resolution for directors expenses to comply with the Registered Clubs Act 1976, Section 10.

This resolution was read out by Mr Duncan.

This resolution was approved on the motion of Graeme Giggins (10879) and seconded by Jan Doyle (1999).

*Carried*

### **Ski Presentation**

Mr Holgate presents the ski team.

Mr Holgate asks Peter O'Neill and his ski team would come forward so that we can acknowledge their achievements over the past 12 months.

The ski team, led by Pete O'Neill and Brant Ryan have recently competed in the World Show Ski Championships in America where they finished second to the powerful American team. A great achievement.

Mr Holgate also announced that Mr O'Neill had won the highest individual award at this championship receiving the Most Outstanding Male Performer Trophy.

The Ski Club has also won the bid to host the World Show Ski Championships in 2020.

The ski team put on over 12 ski shows at the club for the many tourists that come to our town.

Mr O'Neill addresses the meeting and presents a video and picture presentation on the screens.

Mr O'Neill gave a brief overview of the year's achievements in skiing.

- World Show Ski Championships we supplied 24 of the 35 person national team.
- The team performed brilliantly in extremely rough weather.
- Thanked all the helpers, parents and sponsors.
- Members skiing available 2 nights a week with good coach for only \$15
- Upcoming Malibu tournaments
- Thanked the board & management for their continued support.

Mr O'Neill and Mr Ryan presented Mr Langford with the trophies from the World Show Ski Championships.

### **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 12.21pm.

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 2019.

### 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 (retired)  
Andrew James Starr  
Garry William Wilson

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-six 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 \$571,915 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

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

Garry W Wilson - Director  
 Experience - Board Member since 2018  
 Occupation - Retired

### 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	13
Matthew John Holgate	13	12
Trevor Stanley Bailey	13	12
Rodney Frank Vodusek (retired)	13	4
Kelvin John Weston-Green	13	12
Gavin Kenneth Williams	13	11
Andrew James Starr	13	13
Garry William Wilson	13	8

### 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 (retired)  
 K Weston-Green  
 G Williams  
 A Starr  
 G. Wilson  
 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:

	2019	2018
Ordinary Members	11,167	9,981
Life Members	6	6
Junior Members	108	98
Total	11,281	10,085

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 2019 the total amount that members of the company are liable to contribute if the company is wound up is \$225,620 (2018 - \$201,700).

## 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 2019 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 30th day of September, 2019.

L. Langford.....

Director.....

M. Holgate .....

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 2019 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Mulwala on this 30th day of September, 2019

L. Langford.....

Director.....

M. Holgate .....

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 30th June 2019, 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 3rd day of October 2019

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Notes	This Year	Last Year
<b>Income</b>			
Operating revenue		13,802,213	14,249,034
Subscriptions		191,058	166,771
Profit on disposal of fixed assets		136,117	170,846
		<u>14,129,388</u>	<u>14,586,651</u>
<b>Expenditure</b>			
Advertising and Sponsorships		151,489	165,323
Buses		199,796	206,570
Cleaning		326,392	296,421
Cost of Sales		1,582,241	1,557,431
Depreciation	1(c)	1,654,089	1,398,216
Directors expenses		36,981	13,428
Donations		190,576	108,829
Electricity and gas		366,197	353,463
Entertainment		540,588	502,459
Insurance		195,782	168,406
Other expenses		765,163	742,048
Personnel expenses		3,613,115	3,551,605
Poker machine taxes and monitoring fees		1,556,979	1,644,257
Promotions & members discounts		1,077,111	1,085,311
Repairs & Maintenance		295,404	327,982
Security Costs		203,964	229,364
Ski division costs		190,657	137,424
Other caravan park expenses		555,256	548,480
		<u>\$13,501,780</u>	<u>\$13,037,017</u>
<b>Result from operating activities</b>		627,608	1,549,634
<b>Finance income and expenses</b>			
Interest received		403	55
Finance costs		(53,596)	(38,543)
Profit before income tax		<u>574,415</u>	<u>1,511,146</u>
Income tax	1(g)		
<b>Profit (Loss) for the year</b>		<u>\$ 574,415</u>	<u>\$1,511,146</u>



## Statement of Comprehensive Income

For the year ended 30 June 2019

	This Year \$	Last Year \$
Profit for the year	571,915	1,511,146
Other comprehensive income	-	-
Total comprehensive income for the year	<u>571,915</u>	<u>1,511,146</u>
Total comprehensive income attributable to the members	<u>571,915</u>	<u>1,511,146</u>
<b>Other comprehensive income for the year</b>		
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>
Profit attributable to members of the entity	<u>571,915</u>	<u>1,511,146</u>
Total comprehensive income attributable to the members of the entity	<u>571,915</u>	<u>1,511,146</u>

## Statement of Financial Position

as at 30 June 2019

	Notes	This Year \$	Last Year \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	991,172	768,756
Trade and other receivables	8	21,239	27,910
Inventories	1(b)	224,946	242,954
Other - prepayments		92,857	43,617
- accrued income		25,396	23,936
<b>TOTAL CURRENT ASSETS</b>		<u>1,355,610</u>	<u>1,107,173</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1(c), 9	20,701,617	20,299,606
Intangible assets	1(f)		
<b>TOTAL NON-CURRENT ASSETS</b>		<u>20,701,617</u>	<u>20,299,606</u>
<b>TOTAL ASSETS</b>		<u>22,057,227</u>	<u>21,406,779</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,213,152	1,153,201
Interest bearing liabilities	12	990,000	880,000
Provisions	13	355,642	176,870
Term Loan		77,847	139,788
Other - accrued expenses		273,974	441,925
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,910,615</u>	<u>2,791,784</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables			
Interest Bearing Liabilities	12		
Provisions	13	108,266	96,137
Term Loan		116,325	168,752
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>224,591</u>	<u>264,889</u>
<b>TOTAL LIABILITIES</b>		<u>3,135,206</u>	<u>3,056,673</u>
<b>NET ASSETS</b>		<u>18,922,021</u>	<u>18,350,106</u>
<b>MEMBERS' EQUITY</b>			
Retained Profits		18,922,021	18,350,106
<b>TOTAL MEMBERS EQUITY</b>		<u>18,922,021</u>	<u>18,350,106</u>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the year ended 30 June 2019

	Notes	Retained Earnings
<b>Balance at 30 June, 2017</b>		16,838,960
Profit attributable to the entity		1,511,146
Total Other comprehensive income for the year		-
<b>Balance at 30 June, 2018</b>		<u>18,350,106</u>
Profit attributable to the entity		571,915
Total Other comprehensive income for the year		-
<b>Balance at 30 June, 2019</b>		<u><u>18,922,021</u></u>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the year ended 30 June 2019

	Notes	This Year Inflows (outflows) \$	Last Year inflows (outflows) \$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		14,097,332	14,565,919
Payments to suppliers and employees		(12,124,855)	(11,316,249)
Interest received		403	55
Interest and cost of finance paid		(53,996)	(38,542)
Net cash provided by operating activities	2	<u>1,918,884</u>	<u>3,211,183</u>
<b>Cash Flows From Investing Activities</b>			
Payment for property, plant and equipment		(1,994,513)	(3,047,808)
Proceeds from sale of equipment		302,412	335,249
Net cash used in investing activities		<u>(1,692,101)</u>	<u>(2,712,559)</u>
<b>Cash Flows From Financing Activities</b>			
Repayment of borrowings		(312,060)	(372,469)
Finance provided		307,692	117,600
Net cash used from financing activities		<u>(4,368)</u>	<u>(254,869)</u>
Net increase/(decrease) in cash held		222,415	243,755
Cash at the beginning of the financial year		768,756	525,001
Cash at the end of the financial year	1	<u><u>991,171</u></u>	<u><u>768,756</u></u>



## Notes to the Statement of Cash Flows

For the year ended 30 June 2019

	Notes	This Year \$	Last Year \$
<b>Income</b>			
<b>1. Reconciliation of cash statement</b>			
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		768,250	695,940
Cash at bank		222,921	72,816
		<u>991,171</u>	<u>768,756</u>
<b>2. Reconciliation of net cash provided by operating activities to operating profit after income tax</b>			
Operating profit/(loss) after income tax		571,915	1,511,146
Non cash flows in operating profit			
Depreciation		1,654,088	1,398,216
Goodwill write off		-	-
Change in assets and liabilities			
(Increase) decrease in trade debtors		6,671	135,355
(Increase) decrease in inventories		18,008	(30,670)
(Increase) decrease in prepaid expenses		(49,241)	3,822
(Decrease) increase in trade and other payables		(337,341)	323,770
(Decrease) increase in provisions		190,901	40,390
Profit on sale of fixed assets		(136,117)	(170,846)
		<u>1,918,884</u>	<u>2,271,952</u>

## Notes to and forming part of the Accounts

For the year ended 30 June 2019

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 30th September 2019 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 2019 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:-

	2019	2018
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 2019

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 2019

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 2019

	Notes	This Year \$	Last Year \$
<b>2. Revenue and Other Income</b>			
Operating activities			
- sale of goods and other trading revenue		13,737,340	14,108,493
- interest received	2(a)	403	55
- other revenue		255,526	307,256
- profit on sale of non-current assets		136,117	170,846
Total Revenue		<u>14,129,386</u>	<u>14,586,650</u>
2 (a) Interest received from - other persons		403	55
<b>3. Surplus for the year</b>			
Expenses			
- Interest expense on financial liabilities		53,595	
- Depreciation buildings and improvements		406,134	374,472
- Depreciation plant & equipment		1,247,954	1,023,744
- Employee benefit expense-contributions to defined contribution funds		281,133	264,170
- Rental expenses on operating leases		31,352	30,000
Rental expense on operation leases			
- minimum lease payments		31,352	30,000
<b>4. Auditors Remuneration</b>			
- Audit services		19,600	19,200
- Other services		0	0
<b>5. Directors Remuneration</b>			
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.			
<b>6. Capital and leasing commitments</b>			
(a) Operating lease commitments			
The company has an operating lease on land at an annual rental of \$31,352 payable annually.			
(b) Capital expenditure			
Holiday Park development		150,000	
Ski Park Development – (including grant of \$300,000)		450,000	
Commitments contracted for:			
Property, plant and equipment estimated not to exceed			810,000
		<u>600,000</u>	<u>810,000</u>

## Notes to and forming part of the Accounts

For the year ended 30 June 2019

	Notes	This Year \$	Last Year \$
<b>7. Cash and cash equivalents</b>			
Cash on hand		768,250	695,940
Cash at bank		222,922	72,816
		<u>991,172</u>	<u>768,756</u>
<b>8. Accounts Receivable and other Debtors</b>			
Current:			
Sundry debtors		21,239	27,910
		<u>21,239</u>	<u>27,910</u>
<b>9. Property, Plant and Equipment</b>			
(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		15,720,736	15,720,736
Water ski course improvements - at cost		384,786	380,968
		<u>17,997,339</u>	<u>17,993,521</u>
Less accumulated depreciation		5,328,224	4,922,089
Total Land and Buildings		<u>12,669,115</u>	<u>13,071,432</u>
(b) Plant and Equipment			
Plant and Equipment - at cost		18,147,339	16,494,018
Less accumulated depreciation		10,532,319	9,683,326
Total Plant and Equipment		<u>7,615,020</u>	<u>6,810,692</u>
Poker Machine Purchase Entitlements (at cost)		417,482	417,482
		<u>417,482</u>	<u>417,482</u>
Total		<u>20,701,617</u>	<u>20,299,606</u>

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

	Work in Progress	Freehold Land	Building & Improvements	Plant and Equipment	Poker Machine Entitlements	Total
Balance at 1 July 2018	580,730	1,541,817	11,529,616	6,229,961	417,482	20,299,066
Additions	-	-	725,874	1,496,520	-	2,222,394
Disposals	-	-	-	(166,295)	-	(166,295)
Depreciation expense	-	-	(406,134)	(1,247,954)	-	(1,654,088)
<b>Balance at 30 June 2019</b>	<u>580,730</u>	<u>1,541,817</u>	<u>11,849,356</u>	<u>6,312,232</u>	<u>417,482</u>	<u>20,701,617</u>
	Work in Progress	Freehold Land	Building & Improvements	Plant and Equipment	Poker Machine Entitlements	Total
Balance at 1 July 2017	580,730	1,541,817	11,506,139	5,205,893	417,482	19,252,061
Additions	-	-	397,949	2,212,216	-	2,610,165
Disposals	-	-	-	(164,404)	-	(164,404)
Depreciation expense	-	-	(374,472)	(1,023,744)	-	(1,398,216)
<b>Balance at 30 June 2018</b>	<u>580,730</u>	<u>1,541,817</u>	<u>11,529,616</u>	<u>6,229,961</u>	<u>417,482</u>	<u>20,299,606</u>

## Notes to and forming part of the Accounts

For the year ended 30 June 2019

	Notes	This Year \$	Last Year \$
<b>10. Intangible Assets</b>			
	1 (f)	200,000	200,000
Goodwill - at cost		200,000	200,000
Less: Accumulated amortisation		-	-
		<u>200,000</u>	<u>200,000</u>
<b>11. Accounts payable other payables</b>			
Current			
Unsecured liabilities		716,459	744,831
Trade creditors and accrued expenses		506,164	408,370
Prepaid Income		1,222,623	1,153,201
		<u>1,222,623</u>	<u>1,153,201</u>
<b>12. Interest Bearing Liabilities</b>			
Secured liabilities		990,000	880,000
Bank Loan		-	-
Total Secured Liabilities		<u>990,000</u>	<u>880,000</u>
Current		990,000	880,000
Bank Loan		-	-
Total Current Interest Bearing Liabilities		<u>990,000</u>	<u>880,000</u>
Non current			
Bank Loan		990,000	880,000
Total Current Interest Bearing Liabilities		<u>990,000</u>	<u>880,000</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 20th February 2020.			
<b>13. Employee Provisions</b>			
Long Service Leave			
Current		199,314	176,870
Employee entitlements	(note 1e)	-	-
Non current			
Employee entitlements	(note 1e)	108,266	96,137
		<u>307,580</u>	<u>273,007</u>
Opening Balance 1st July 2018		465,786	415,039
Provisions raised during the year		155,756	183,326
Less amounts paid		(157,634)	(132,579)
Balance at 30 June 2019		<u>463,908</u>	<u>465,786</u>

## Notes to and forming part of the Accounts

For the year ended 30 June 2019

### 14. Gaming Machine Profit and Club Grants Scheme

The profit from poker machines for the poker machine tax year ended 31st August 2019 was \$7,062,891.

The amount of community benefits paid under the Clubs Grant Scheme for the tax year was \$176,636.

### 15. Payment to consultants

During the reporting period, the number of instances the club engaged a consultant was 2.

The total costs paid by the club to consultants in the reporting period was \$28,640

### 16. 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 2019 was:

	Notes	Carrying Amount	
		2019	2018
		\$	\$
Receivables	8	21,239	27,980
Cash & cash equivalents	7	991,172	768,756
		<u>1,012,411</u>	<u>796,736</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	
		2019	2018
		\$	\$
Sundry debtors	8	21,239	27,980
		<u>21,239</u>	<u>27,980</u>

#### Impairment Losses

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

	Gross	Impairment Losses 2019	Gross
Not past due 12 months	21,239	-	21,239
	<u>21,239</u>	<u>-</u>	<u>21,239</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 2019

### Liquidity Risk

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

<b>Financial Liabilities</b> 30 June 2019	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Bank Loans	990,000	990,000	990,000			
Term Loans	194,172	77,847	77,847	38,478	-	-
Trade and other payables (excl. employee benefits and prepaid income	643,031	643,031	643,031	-	-	-
Bank overdraft	-	-	-			
	<u>1,827,203</u>	<u>1,710,878</u>	<u>1,710,878</u>	<u>38,478</u>		

### Financial Assets

30 June 2019						
Cash & cash equivalent	991,172	991,172	991,172	-	-	-
Trade & other receivables	21,239	21,239	21,239	-	-	-
	<u>1,012,411</u>	<u>1,012,411</u>	<u>1,012,411</u>	<u>-</u>	<u>-</u>	<u>-</u>

<b>Financial Liabilities</b> 30 June 2018	Carrying Amount	Contractual Cash Flows	<12 months	1-2 years	2-5 years	> 5 years
Bank Loans	880,000	880,000	880,000			-
Term Loans	308,540	308,540	139,788	168,752		
Trade and other payables (excluding employee benefits	710,866	710,866	710,866			
	<u>1,899,406</u>	<u>1,899,406</u>	<u>1,730,654</u>	<u>168,752</u>	<u>-</u>	<u>-</u>

### Financial Assets

30 June 2018						
Cash & cash equivalent	695,940	695,940	695,940	-	-	-
Trade & other receivables	27,910	27,910	27,910	-	-	-
	<u>723,850</u>	<u>723,850</u>	<u>723,850</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Notes to and forming part of the Accounts

For the year ended 30 June 2019

### Interest Rate Risk

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

<b>Fixed Rate Instruments</b>	<b>Note</b>	Carrying Amount	
		<b>2019</b>	<b>2018</b>
Financial Liabilities	12	990,000	800,000
		<u>990,000</u>	<u>800,000</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

<b>Capital management</b>	<b>Note</b>	Carrying Amount	
		<b>2019</b>	<b>2018</b>
Total Borrowings		1,184,172	1,188,540
Less cash and cash equivalents		991,172	768,756
Net debt		<u>193,000</u>	<u>419,784</u>
Total Capital		<u>18,922,021</u>	<u>18,350,106</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 2018.

	Profit or Loss		Equity	
	1% decrease	1% increase	1% decrease	1% increase
<b>30 June 2018</b>				
Fixed rate instruments	8,800	(8,800)		
<b>30 June 2019</b>				
Fixed rate instruments	9,900	(9,900)		

### 17. Contingent Liabilities

The Company has no known contingent liabilities

### 18. 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 2019 the number of members was 11,281.

## 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 2019 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 3rd October 2019, 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 2019 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 3rd day of October 2019.



## Donations

For the year ended 31 August 2019

Australian Formula Power Boats  
Yarrowonga Bowls Club  
Yarrowonga/Mulwala Historical Society  
Bluearth  
Helping Hands  
Yarrowonga Mulwala Tourism  
Friends In Common  
Yarrowonga/Mulwala Table Tennis  
Corowa High School  
Yarrowonga & Border Agriculture Show  
Tunzafun Community Group  
Rennie Football/Netball Club  
Mulwala Football Netball Club  
Sacred Heart Parents & Friends  
Tungamah Football/Netball Club  
Yarrowonga Lawn Tennis Club  
Yarrowonga Pre-School and Occasional Care  
Yarrowonga Football/Netball Club  
Wangaratta Football/Netball Club  
Wangaratta Turf Club  
Wangaratta Rovers Football/Netball Club  
Billabong Crows  
Congupna Football/Netball Club  
Yarrowonga Community Playgroup  
Corowa Race Club  
Palliative Care  
All Abilities Playground  
St James Golf Club  
Salvation Army  
Therapy Dog  
Amaranth Foundation  
Farmers Drought Relief  
Kilmister Family  
Ski Show Team