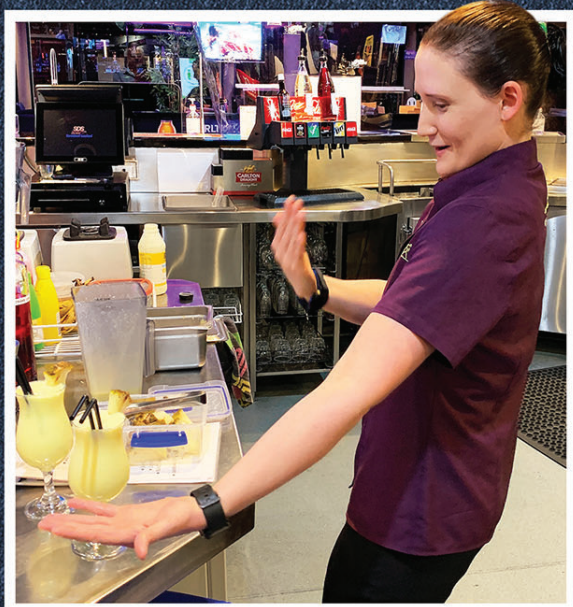


Mulwala Waterski Club
2020
Annual Report



Notice of Meeting

Notice is hereby given that the Annual General Meeting of
The Mulwala Water Ski Club Limited
will be held at the Clubhouse on Sunday, 15th November 2020 at 10am

Agenda

1. To confirm the minutes of the previous Annual General Meeting held on 27th October 2019.
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 closed Friday 16th October 2020 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. Legends Award — New club award to recognise those individuals for outstanding service to waterskiing, The Mulwala Water Ski Club.

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

President's Report

In my report last year I said it had been a tough year and this year has proven to be very challenging due to Covid 19 impacting the Nation in early 2020 and causing businesses to close for over two months. Although I am pleased to announce a profit of \$1,691,872 which is \$1,119,958 up on last year I must acknowledge the help of the Governments Job Keeper supplement of \$450,000 and the NSW State Government Grant of \$300,000 for the upgrade of our Max Kirwan Ski Park.

On a pleasing note I am extremely proud of the completed project of the upgrade of the Max Kirwan Ski Park which has made this facility world class. The project was finished on time to host the World Show Ski Championships and also enabled America, Canada, China and Belgium to train the week before the Championships. Unfortunately Covid-19 hit the Nation and the Championships were called off leaving the athletes and officials extremely disappointed. My sympathy goes out to our skiers and supporting crew who worked tirelessly to have the Ski Park looking absolutely magnificent.

The club has also installed two new jetties on the lake side of the lagoon, one a large jetty for the purpose of tourist boats to pick up and drop of passengers and a smaller jetty to use by the ski team in their ski shows. Another project to be completed was stage 3 of the

Holiday Park at a cost of over \$1m it has brought the facility up to a standard we can be enormously proud of.

With the events of covid19 in early 2020 a number of the projects in our strategic plan have been put on hold, but we will revisit these when the economy gets back to some semblance of normality.

A big thank you to our ski team led by Pete O'Neil and Brant Ryan for the shows they put on for the crowds over Christmas, the many hours of training they have done, and the large amount of work they have done at the Ski Park in readiness for the Championships.

On a sad note the club lost one of its greatest supporters in former Director Ken Williams. Ken will fondly be remembered for attending every AGM and congratulating the club on its achievements for the year, even in the tough years.

Closing off I'd like to announce that I will be standing down as President after 20 years in that role. I would like to thank all the Directors over the journey for their support to the club and myself. I must make special mention to Matt Holgate in his role as vice President over many years and his support has been very much appreciated. Also a thank you to our staff for the great job they do year after year and to our members who continue to support this great club.

*Len Langford
President*



Chief Executive Officer's Report

The year 2020 will long be remembered by the Mulwala Water Ski Club for a number of reasons particularly with the Covid-19 pandemic closing the club for over two months and forcing the cancellation of the World Show Ski Championships. The year also saw the club post a record profit of \$1,691,872 with the help of a NSW State Government Grant and the lifeline to businesses of Job Keeper.

Revenue for the club has been extremely strong with all business areas of the club showing growth and at the conclusion of February before the club was forced to close mid-March we were sitting at a profit of \$1.1m. Gaming was up 9%, Bar 3%, Holiday Park 14% and Coffee shop 13%

The figures above show that the investment the Board put into the Holiday Park has given the club a return on investment with increased occupancy and revenue. No doubt the club has received a spin off into other areas of operations.

The club had another strong year with events held at the club with Bands, Ski Shows, Major Race Days (Melbourne Cup, Oaks Day), Ski Clubs Got Talent, Darts Tournaments etc. All these events give atmosphere and make it a vibrant place to visit.

The club was to host the World Show Ski championship at the Max Kirwan Ski Park and with the help of a State Government Grant and a lot of tireless work from the Ski Team, all was in readiness. The Ski Park has never looked as good and our team were primed to take out the title. Unfortunately covid-19 hit and left a lot of very disappointed skiers and supporters.

Planning now commences for post-Covid 19 and how the club will need to operate to meet the challenges and opportunities that a new world will present us with.

I would like to pay special tribute to our staff for the positive attitude they have displayed throughout this challenging time. The team effort they have displayed and the many ideas they have put forward to improve and generate business has shown what a great team we have.

Also thank you to the board and management team for your efforts and the hours put in with the many meetings attended over the past months since Covid 19 first hit.

In concluding thank you to our loyal members for your support over the year and I hope 2021 will bring better offerings for us all.



Peter Duncan
Chief Executive Officer

Water Ski Co-ordinators Report

The ski season got off to a good start and finished with the start of the Covid Pandemic. Members skiing continues to be an excellent pathway for kids to get involved and rise to champions and the 2019/2020 season was no different with many skiers making state teams and the ones lucky enough to compete bringing home medals. Even more pleasing, we saw lots of new members and youngsters hit the water enjoying themselves and learning new skills

The ski parks underwent a massive overhaul with funding from the state government and the a big input from the club both financially and with work hours. This has truly been a case of what can be achieved when the club works as one unit. Multiple working Bees were held with many ski team members, directors, staff and members from the tournament division and barefoot

division all lending a hand. With so many helpers it was an inspirational and exciting place to be.

The new facility's are great, the area looks fantastic and the new dock built by the show team is such a great addition.

The season finished with the onset of the pandemic shutting the Ski Show World Titles down, this was heart breaking for many members who had put so much time and effort in both on and off the water. In hindsight though the year only got worse and moving forward we look forward to a great season. With new rules and regulations to follow to be covid safe, we are not sure how the season will progress. but we will ensure that water-skiing thrives and we will be enjoying ourselves on the water

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 27th October 2019 at 10am.

Present:

President Mr Len Langford and 117 Members.

Apologies:

The following apologies were received: Ken Williams, Lyn Ryan, Reg Ryan, Peter Seeliger and Jeff Haebich.

Members Information:

Mr Langford acknowledged the passing of Mr Fred Haebich who has been a director of the Ski Club and was a Life Member.

Minutes

The minutes of the previous Annual General Meeting held on 14th October 2018, 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 Peter Murray (3205) and seconded by Stephen Burns (7760). *Carried*

President's Report — 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 2019.

For the fifth consecutive year I am pleased to announce a profit of \$571,915 which is well down from the previous year's profit of \$1.5m. While this is not the profit that we would have liked to report there have been reasons for this —

- Gaming profit down \$401,000
- Depreciation up \$256,000
- Donations up \$82,000
- Skiing sponsorship up \$46,000

On the positive side, the club has completed some major projects that will set the club up for the years ahead. These include:

- **Holiday Park** — Over \$1m spent on new amenities building incorporating — five motel units, two new elevated apartments, sealed roads and caravan park sites, power, gas, sewerage upgrades
- **Gaming** — \$700,000 invested in — new carpet, new bases, system upgrade, new design
- **Skiing** — 2 new Malibu boats \$180,000.

A project currently underway is the development of the Ski Park. With the bonus of a \$300,000 grant obtained by the Club from the State Government. The road into the park has been sealed and we will have a

new judges' tower, meeting room, kitchen, toilet facilities and entrance gate installed this December.

The project will be finished in time for the World Ski Championships in March 2020 giving Mulwala the best skiing facilities in the world.

Our strategic plan has been updated and we have a number of projects to complete over the next couple of years to improve facilities and ensure our financial success. Some of these being:

- Solar farm at our Ski Lakes
- Solar car park
- Major upgrade to the Clubhouse
- Rooftop bar

In concluding I would like to thank the Board, Management and staff who have put in a lot of work over the past twelve months and I thank them very much for their efforts.

I thank you the members for your support over the past twelve months and I hope to see you back here again next 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 Chris Hogan (1488) and seconded by Barry Hogan (606). *Carried*

Financial Statements and Auditors Report:

The Financial Statements and Auditors Report for the year ended 30th June 2019, was approved on the motion of Kevin Hanson (6991) and seconded by William Hill (498). *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

There was no business arising for which due notice has not been given.

Elections

Mr Langford announces that it is time for the Board elections and hands over the microphone to the CEO Mr Peter Duncan to explain.

Mr Duncan introduces the Returning Officer Mr Neil Lovel to conduct the election and introduces the polling officers: Mr Michael O'Bryan & Mr Kevin Hanson.

Minutes of the Annual General Meeting continued

Mr Duncan asks all candidates to come forward and introduces them in order of the Ballot Paper: Mr Gavin Williams, Mr Matthew Holgate, Mr Trevor Bailey, Mr Fred Douglas & Mr Andrew Starr.

Mr Duncan explains the voting procedure. There are four (4) positions which have been advertised in line with our constitution. At close of nominations there were five (5) nominations for the four (4) positions.

Members are to place a "X" in the box next to the 4 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 leave the meeting to count the Ballot Papers.

CEO gives an update on future Capital Improvements.

While the Returning officers are counting the votes I will give you an update on future Capital Improvements the club has planned.

As displayed you can see on the overhead the Ski Club has spent more than \$13.0m over the past eight years on Assets and Capital improvements for the benefit of our members and guests.

In the next five years we plan to –

- Complete Stage 3 of the upgrade to the Holiday Park – Seal Road Melbourne Street side.
- Install Solar Farm at the ski park.
- Install Solar shade Car Park.
- Upgrade facilities at the Ski Park.
- Grant Success, thanked Cathy Randell for her work with the application.
- New furniture Chinese Restaurant.
- Extend the Deck to Papalia's Restaurant
- Major renovations to the Clubhouse (See plans)
- Roof Top Bar

Mr Langford announces the election results.

Mr Langford congratulated the incoming directors Mr Gavin Williams, Mr Matthew Holgate, Mr Trevor Bailey and Mr Andrew Starr.

Mr Langford thanked the Mr Fred Douglas for his nomination

Special Resolutions

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 S1. Special Resolution – Each year the club must comply with the registered clubs act 1976 section 10. This means we must have the cost of director's 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 Phil Ryan (7454) and seconded by Gerad Flanagan (915).

Carried.

4. Special Resolution – Mr Duncan hands the microphone over to Mr Holgate to presents the nomination for Life Membership of Mr Len Langford.

A nomination from Mr Matthew Holgate and seconded by Mr Kelvin Weston-Green was received and tabled at the Board meeting held on 18th December 2018 for Mr Len Langford to become a life member. The nomination was approved by the Board on this Date and will be voted on by the members at this year's AGM.

Mr Holgate reads out the nomination and supporting statement –

Mr Holgate informs the members that this now needs to be voted on by the members present and needs to have a 75% majority. He ask for a show of hands for members in favour. The nomination was passed unanimously.

Mr Holgate congratulates Mr Langford on becoming a Life Member.

Mr Langford responds and thanked his fellow Directors (*present and past*), Members, CEO's (present and past), the Ski Team and his wife and family.

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.

Minutes of the Annual General Meeting continued

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 2020.

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
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-seven 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 \$1,691,872 after tax.

The directors acknowledge the impact of the Covid 19 pandemic on the operating result for the June 2020 year.

The club was forced to shut from 23 March 2020 to 1 June 2020 under NSW Public Health Order. This closure along with the NSW / Victorian border restrictions has and will continue to have a negative impact on the club's trading.

Social distancing rules have seen additional costs (wages / personal hygiene/cleaning etc)

The club has been in receipt of the Jobkeeper 1.0 wage subsidy and will be eligible for Jobkeeper 2.0

The club has also benefited from the ATO Cashflow boost and various NSW State Government grants.

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. 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.

10. 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

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
K Weston-Green
G Williams
A Starr
G. Wilson
P Duncan

11. 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.

12. 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	13
Trevor Stanley Bailey	13	13
Kelvin John Weston-Green	13	13
Gavin Kenneth Williams	13	13
Andrew James Starr	13	12
Garry William Wilson	13	13

13. 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

14. 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:

	2020	2019
Ordinary Members	11,137	11,167
Life Members	5	6
Junior Members	94	108
Total	11,236	11,281

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 30th June 2020 the total amount that members of the company are liable to contribute if the company is wound up is \$224,720 (2019 - \$225,620).

15. 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.

16. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 11 of the financial report.

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 25, 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 2020 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 15th day of October, 2020

L. Langford.....

President.....

M. Holgate

Vice President.....

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 2020, 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.

Brian McCleary (RCA 665)
Brian McCleary & Co
126 End Street, Deniliquin NSW 2710
Dated this 16th day of October 2020

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Notes	This Year	Last Year
Income			
Operating revenue		13,430,653	13,802,213
Subscriptions		197,004	191,058
Profit on disposal of fixed assets		73,937	136,117
		<u>13,701,594</u>	<u>14,129,388</u>
Expenditure			
Advertising and Sponsorships		108,474	151,489
Buses		119,855	199,796
Cleaning		239,332	326,392
Cost of Sales		1,339,913	1,582,241
Depreciation	1(c)	1,642,893	1,654,089
Directors Expenses		14,197	36,981
Donations		82,908	190,576
Electricity and gas		294,637	366,197
Entertainment		374,152	540,588
Insurance		211,503	195,782
Other expenses		765,828	765,163
Personnel expenses		3,505,268	3,615,615
Poker machine taxes and monitoring fees		1,377,176	1,556,979
Promotions & members discounts		836,033	1,077,111
Repairs & Maintenance		316,744	295,404
Security Costs		148,009	203,964
Ski division costs		141,091	190,657
Other caravan park expenses		446,957	555,256
		<u>11,964,971</u>	<u>\$13,504,280</u>
Result from operating activities		1,736,623	625,108
Finance income and expenses			
Interest received		1,337	403
Finance costs		(46,088)	(53,596)
		<u>1,691,872</u>	<u>571,915</u>
Profit before income tax		1,691,872	571,915
Income tax	1(g)		
		<u>\$1,691,872</u>	<u>\$ 571,915</u>
Profit (Loss) for the year			

Statement of Comprehensive Income

For the year ended 30 June 2020

	This Year \$	Last Year \$
Profit for the year	1,691,872	571,915
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,691,872</u>	<u>571,915</u>
Total comprehensive income attributable to the members	<u>1,691,872</u>	<u>571,915</u>
Other comprehensive income for the year		
Total comprehensive income for the year	<u>-</u>	<u>-</u>
Profit attributable to members of the entity	<u>1,691,872</u>	<u>571,915</u>
Total comprehensive income attributable to the members of the entity	<u>1,691,872</u>	<u>571,915</u>

Statement of Financial Position

as at 30 June 2020

	Notes	This Year \$	Last Year \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,432,798	991,172
Trade and other receivables	8	48,304	21,239
Inventories	1(b)	178,415	224,946
Other - prepayments		25,288	92,857
- accrued income		226,789	25,396
Capital Works in Progress		68,892	533,270
TOTAL CURRENT ASSETS		<u>1,980,486</u>	<u>1,888,880</u>
NON-CURRENT ASSETS			
Property, plant and equipment	1(c), 9	21,315,985	20,168,347
Right to Use Asset		155,000	
Intangible assets	1(f)	-	-
TOTAL NON-CURRENT ASSETS		<u>21,470,985</u>	<u>20,168,347</u>
TOTAL ASSETS		<u>23,451,471</u>	<u>22,057,227</u>
CURRENT LIABILITIES			
Trade and other payables	11	680,993	1,213,152
Interest bearing liabilities	12	300,000	990,000
Equipment Loans	12	256,501	77,847
Lease Liability Right to Use Asset	12	31,000	-
Provisions	13	410,457	355,642
Other - accrued expenses		704,397	273,974
TOTAL CURRENT LIABILITIES		<u>2,383,348</u>	<u>2,910,615</u>
NON-CURRENT LIABILITIES			
Equipment Loans	12	243,144	116,325
Lease Liability Right to Use Asset	12	124,000	-
Provisions	13	87,086	108,266
TOTAL NON-CURRENT LIABILITIES		<u>454,230</u>	<u>224,591</u>
TOTAL LIABILITIES		<u>2,837,578</u>	<u>3,135,206</u>
NET ASSETS		<u>20,613,893</u>	<u>18,922,021</u>
MEMBERS' EQUITY			
Retained Profits		20,613,893	18,922,021
TOTAL MEMBERS EQUITY		<u>20,613,893</u>	<u>18,922,021</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2020

	Notes	Retained Earnings
Balance at 30 June, 2018		18,350,106
Profit attributable to the entity		571,915
Total Other comprehensive income for the year		-
Balance at 30 June, 2019		<u>18,922,021</u>
Profit attributable to the entity		1,691,872
Total Other comprehensive income for the year		-
Balance at 30 June, 2020		<u><u>20,613,893</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2020

	Notes	This Year Inflows (outflows) \$	Last Year inflows (outflows) \$
Cash Flows From Operating Activities			
Receipts from customers		13,197,818	14,097,332
Payments to suppliers and employees		(9,732,417)	(12,124,855)
Interest received		1,337	403
Interest and cost of finance paid		(46,088)	(53,996)
Net cash provided by operating activities	2	<u>3,420,650</u>	<u>1,918,884</u>
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(2,849,277)	(1,994,513)
Proceeds from sale of equipment		196,964	302,412
Net cash used in investing activities		<u>(2,652,313)</u>	<u>(1,692,101)</u>
Cash Flows From Financing Activities			
Repayment of borrowings		(799,875)	(312,060)
Finance provided		473,164	307,692
Net cash used from financing activities		<u>(326,711)</u>	<u>(4,368)</u>
Net increase/(decrease) in cash held		441,626	222,415
Cash at the beginning of the financial year		991,172	768,756
Cash at the end of the financial year	1	<u><u>1,432,798</u></u>	<u><u>991,171</u></u>

Notes to the Statement of Cash Flows

For the year ended 30 June 2020

	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		1,031,460	768,250
Cash at bank		401,338	222,921
		<u>1,432,798</u>	<u>991,171</u>
2. Reconciliation of net cash provided by operating activities to operating profit after income tax			
Operating profit/(loss) after income tax		1,691,872	571,915
Non cash flows in operating profit			
Depreciation		1,681,108	1,654,088
Goodwill write off		-	-
Change in assets and liabilities			
(Increase) decrease in trade debtors		(27,065)	6,671
(Increase) decrease in inventories		46,531	18,008
(Increase) decrease in prepaid expenses		(133,824)	(49,241)
(Decrease) increase in trade and other payables		424,746	(337,341)
(Decrease) increase in provisions		33,635	190,901
Profit on sale of fixed assets		(73,937)	(136,117)
		<u>3,643,066</u>	<u>1,918,884</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2020

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 15th October 2020 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.

The financial statement have been prepared on a going concern basis, despite the impact of the Covid 19 pandemic. The club was forced to shut under a NSW Public Health Order on 23 March 2020 and could not re open until 1 June 2020. This had a negative impact the club's trading as did the NSW / VIC border restrictions. The club has been in receipt of both the ATO Cashflow boost and Job Keeper payments. The ATO Cashflow boost has ceased as of 30 September 2020. but the club remains eligible for Jobkeeper 2.0 which runs until 31 December 2020.

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 2020 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:-

	2020	2019
Buildings	2.50%	2.50%
Plant & Equipment	5% - 30%	5% - 30%
Leased Plant & Equipment	5% - 30%	5% - 30%

Notes to and forming part of the Accounts

For the year ended 30 June 2020

d) Leases

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

The club has fully adopted AASB 116 in relation to right to use /leased assets (see Note 12)

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 by virtue of section 51-45 of the Income Tax Assessment Act 1997. In view of the advice received, the Directors have resolved to self assess as being exempt from income tax. This has been ratified at a directors meeting dated 15th October 2020

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.

Notes to and forming part of the Accounts

For the year ended 30 June 2020

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

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

l) 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.

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.

n) Comparative figures

Where applicable comparatives figures have been reclassified to align with the 2020 format.

Notes to and forming part of the Accounts

For the year ended 30 June 2020

	Notes	This Year \$	Last Year \$
2. Revenue and Other Income			
Operating activities			
- gaming revenue		6,591,284	7,247,924
- sale of goods and other trading revenue		5,625,780	6,489,416
- interest received		1,337	403
- other revenue		364,756	255,526
- profit on sale of non-current assets		73,937	136,117
- grants received.			
	Capital Grant Ski Park	300,000	0
	Job Keeper Subsidy	672,000	0
	ATO Cash Boost	62,500	0
	NSW Govt Grants	10,000	0
Total Revenue		<u>13,701,594</u>	<u>14,129,386</u>
Interest received from - other persons		1,337	403
3. Surplus for the year			
Expenses			
- Interest expense on financial liabilities		46,088	53,595
- Depreciation buildings and improvements		433,533	40,6134
- Depreciation plant & equipment		1,247,575	1,247,954
- Employee benefit expense-contributions to defined contribution funds		251,274	281,133
- Rental expenses on operating leases		31,760	31,352
Rental expense on operation leases			
- minimum lease payments		31,760	31,352
4. Auditors Remuneration			
- Audit services		20,000	19,600
- Other services		0	0
5. Directors Remuneration			
No remuneration has been paid to directors, none of whom are in full time employment of the club. Directors expenses incurred are expenses incurred in carrying out directors duties and obligations.			
6. Capital and leasing commitments			
(a) Operating lease commitments			
The company has an operating lease on land at an annual rental of \$31,760 payable annually.		31,760	31,352
		<u>31,760</u>	<u>31,352</u>
(b) Capital expenditure			
Holiday Park development		0	150,000
Ski Park Development – (including grant of \$300,000)		0	450,000
Commitments contracted for:			
Property, plant and equipment estimated not to exceed		0	600,000

Notes to and forming part of the Accounts

For the year ended 30 June 2020

	Notes	This Year \$	Last Year \$
7. Cash and cash equivalents			
Cash on hand		1,031,460	768,250
Cash at bank		401,338	222,922
		<u>1,432,798</u>	<u>991,172</u>
8. Trade and other receivables			
Current:			
Sundry debtors		48,304	21,239
		<u>48,304</u>	<u>21,239</u>
9. Property, Plant and Equipment			
(a) Land and Building			
Freehold land - at cost		1,569,600	1,569,600
			-
Improvements at Cost		19,133,576	17,567,937
Less accumulated depreciation		(5,761,757)	(5,328,224)
		<u>14,941,419</u>	<u>13,809,313</u>
		-	-
Total land and buildings		<u>14,941,419</u>	<u>13,809,313</u>
(b) Plant and Equipment			
Plant and equipment - at cost		17,436,705	16,473,872
Less accumulated depreciation		(11,415,433)	(10,532,320)
Total plant and equipment		<u>6,021,272</u>	<u>5,941,552</u>
Poker Machine Purchases Entitlements (at cost)		353,294	417,482
Total		<u>21,315,985</u>	<u>20,168,347</u>

Notes to and forming part of the Accounts

For the year ended 30 June 2020

	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			
Trade creditors and accrued expenses		273,057	716,459
Prepaid Income		407,936	506,164
		<u>680,993</u>	<u>1,222,623</u>
12. Interest Bearing Liabilities			
Secured liabilities			
Bank Loan		300,000	990,000
Equipment Loans		499,645	0
Lease Liability - right to use asset		155,000	0
Total Secured Liabilities		<u>954,645</u>	<u>990,000</u>
Current			
Bank Loan		300,000	990,000
Equipment Loans		256,501	0
Lease Liability - right to use asset		31,000	-
Total Current Interest Bearing Liabilities		<u>587,501</u>	<u>990,000</u>
Non-Current			
Bank Loan		0	0
Equipment Loans		243,144	0
Lease Liability - right to use asset		124,000	0
Total Non-Current Interest Bearing Liabilities		<u>367,144</u>	<u>0</u>
Total Interest Bearing Liabilities		<u>954,645</u>	<u>990,000</u>

Bank Loan

The term loan which stood at \$300,000 as at 30 June 2020 has been fully paid out after balance date. The facility remains in place should the directors decide to redraw against the existing mortgage.

Equipment Loans

These loans are non interest bearing and relate to gaming machines and are considered by management and directors to be a cost effective method to update the gaming floor whilst using cashflow and not using up working capital.

Lease Liability - Right Use Asset

This is a requirement following a recent change to the accounting standard for leased assets AASB 116. In the case of the Mulwala Water Ski Club Ltd, the right to use asset and the right to use liability is the lease from the Federation Council for part of the land that the Holiday Park operates from.

Notes to and forming part of the Accounts

For the year ended 30 June 2020

	Notes	This Year \$	Last Year \$
13. Provisions			
Current			
Annual Leave		178,795	156,328
Long service leave			
Current	1 (e)	231,662	199,314
Employee entitlements - Current		<u>410,457</u>	<u>355,642</u>
Non Current			
Long service leave	1 (e)	87,086	108,266
		<u>497,543</u>	<u>463,908</u>

14. Contingent Liabilities

The Company has no known contingent liabilities

15. 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 2020 the number of members was 11,228

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 2020 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 15th October 2020, would be in the same terms if provided to the directors as at the date of this auditor's report.

Emphasis of Matter

We draw attention to Item 4 in the Director's report which describes the impact of the Covid 19 pandemic on the club for the 2020 year.

The longer term effects of the pandemic and in particular, the withdrawal of government financial assistance over time will need to be managed carefully by the board and management.

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 2020 and of its performance for the year ended on that date; and
- ii) complying with the Australian Accounting Standards and the Corporations Regulations.

Brian McCleary (RCA 665)
Brian McCleary & Co
126 End Street, Deniliquin NSW 2710
Dated this 16th day of October 2020

Donations

For the year ended 31 August 2020

Yarrowonga Bowls club
Bluearth
Helping Hands
Sacred Heart College
Yarrowonga Mulwala Tourism
Friends In Common
Corowa High School
Drought Appeal
Yarrowonga College P - 12
Yarrowonga & District Health Services
Tunzafun Community Group
Cobram SES
Yarrowonga Lawn Tennis Club
Corowa Race Club
Rotary Club
Lonsdale Recreations Reserve
Corowa Rescue Squad
Fire Relief
Wangaratta Urban Landcare Group