

MULWALA & DISTRICT
SERVICES CLUB LIMITED

ANNUAL REPORT 2016

ClubMulwala

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>

Let's go there!

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ordinary Members of the Mulwala & District Services Club Limited ACN 000 908 485 will be held at the Clubhouse, Melbourne Street, Mulwala on Sunday 16th October, 2016 at 11am.

BUSINESS:

1. To confirm the Minutes of the previous Annual General Meeting held on 18th October, 2015
2. To confirm the Extraordinary Meeting held on 31st August, 2016
3. To receive and consider the reports of the Board of Directors.
4. To receive and consider the Financial Statements and Auditors report.
5. To introduce the Board for the ensuing year.
6. To deal with business of which due notice has been given. See Resolution below
7. To deal with other business of which due notice has been given.
8. To deal with any business that the meeting may approve of for which due notice has not been given.

Mulwala
19th September, 2016

By Order of the Board
Alan S. Rowe
Chief Executive Officer

MEMBERS PLEASE NOTE:

1. Questions pertaining to the financial statements are required to be lodged in writing, with the Chief Executive Officer, seven (7) days prior to this meeting.

Ordinary Resolution 1

Members will be asked to consider and if thought fit pass the following ordinary resolution

1. 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:
 - a. The reasonable cost of meals and beverages for each Director at an appropriate time before or after a Board or Committee Meeting and which is incurred on the day of the meeting.
 - b. 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.
 - c. The professional development and education of Directors over the following twelve months including: The reasonable cost of Directors attending ClubsNSW meetings, seminars, lectures, trade displays and other similar events that may be determined by the Board from time to time. The reasonable cost of Directors attending other Clubs throughout the State or relevant overseas venues for the purpose of observing their facilities and methods of operation.

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

MULWALA & DISTRICT SERVICES CLUB LIMITED

ACN 000 908 485

BOARD OF DIRECTORS:

Chairman: Mr B.W. Cossar (Retired 11 Dec 2015)

Deputy Chairman: Mr B.P. Bouchier

Mr S.D. McBurnie

Directors: Mrs L.M. Dowsett

Mr R.D. Ingram

Mr P.M. Jones

Mr D.W. King

Mr I.W. McKenzie

Mr K.W. Pendergast

CHIEF EXECUTIVE OFFICER: Mr A.S. Rowe

AUDITOR: Mr J.F. Haebich F.C.A

MULWALA & DISTRICT SERVICES CLUB LIMITED

Minutes of the Annual General Meeting of Members of the Mulwala & District Services Club Limited, held at the Clubhouse, Melbourne Street Mulwala on Sunday 18th October, 2015 at 11.00am

PRESENT: Mr B Cossar (Chairman), twenty five (25) ordinary RSL Members and twenty four (24) Associate Members – Total of 49.

WELCOME: Mr Cossar in opening the meeting welcomed all those present, great to see a good crowd, including warm welcome to life members H Teale and his wife Jean, and Auditor Mr Jeff Haebich.

APOLOGIES: Apologies were received from Kerry Pendergast, Brian Bouchier, Russell Ingram, Tony Nieuwenhout, Gary Wise, Christine Maloney and Jennifer Ridley.

MINUTES: Resolved on the motion of Messrs F Wolfe and S Clarke that the minutes of the Annual General Meeting held on 19th October 2014, a copy of which had been circulated to all members be confirmed as a true record of proceedings.

Carried

DIRECTORS REPORT AND STATEMENT: A copy of the Directors report and statement by Directors as circulated to all members pg 13-16 of Annual Report 2015.
Fitting at this stage to acknowledge the passing last month of long serving Member, Director and Life Member Mr Doug Gillespie. We shall long remember his jovial nature, complete honesty and as a very strong Board Member.
Present Chairman's report available to peruse on page 7, past year has been a rebuilding year to get finances in order and have come a long way in achieving this. However, still an enormous way to go in building this Club back to where it should be, with committed Directors, Managers and staff we will continue to enhance facilities for our Members.
Apologies to Members for timing and availability of the completed 2015 Annual General Report. New systems and procedures are now in place and monitored diligently by the Board each month.
Resolved on the motion of L Foote and J Burn that the report and statement be received.

Question - Les Foote queried Profit and Loss in sale of poker machine entitlements of \$160K what does this mean – Auditor J Haebich advised that during the Financial year the Club sold poker machine licence entitlements and they were subject to capital gains if those entitlements were acquired after September 1985, but they were acquired prior to this, you will notice that has been \$160K transferred to a reserve which is a pre-capital gains tax reserve so its protected against being taxed.

Carried

**FINANCIAL
STATEMENTS &
AUDITORS REPORT:**

Resolved on the motion of T Christie and J Futchter that the financial statements, a copy of which had been circulated to all members, be accepted.

Carried

*Question – Stan Clarke re; accounting services of Crowe Howarth \$60,250 what was that for and how did it come about? The Board engaged Crowe Howarth to finalise our Finances at the end of last financial year and they also provided financial assistance by way of accounting for a short time in the current financial year, provided reports for payments that were required to be paid to our former employees M Mullarvey and G Edis. Stan queried that we had to go to an outside firm? Chairman noted that Crowe Howarth were recognised within the Club industry for their expertise.
Queried was this over and above the use of our Auditor J Haebich – Chairman answered in the affirmative.*

**INTRODUCTION
OF BOARD:**

Chairman Cossar introduced the Board of Directors for the ensuing 2015-2016 year, being the Boards second year of two year tenure: Vice Chairmen; Brian Bouchier (absent) & Shane McBurnie
Directors; Lynne Dowsett, Russell Ingram (absent), Peter Jones (absent), David King, Ian McKenzie & Kerry Pendergast (absent).

RESOLUTION:

A copy of the resolution was circulated to all members, being a resolution required under the registered clubs act, to expend up to \$35,000 for the cost of out of pocket expenses incurred by the directors, the cost of attending conferences and professional development.

The resolution was passed on the motion of J Dunstan and T Spencer

Carried

GENERAL BUSINESS:

Due to time constraints with the publication of the Annual Report, General Business items without pre-notice were heard from the floor.

Question - Mr Stan Clarke interested in Memorabilia, at turn of century Lake Rowan presented the RSL an honour role, Lake Rowan now has a hall of their own if the honour role was donated back they would be absolutely delighted, here it is in storage.

Board will take request into consideration and advise of outcome after November Board Meeting.

Question - John Dunstan queried - When required Dakota Aircraft had 2 engines downstairs, spare parts – are still property of club or have they been disposed?

The topic has arisen recently, CEO wasn't aware of this matter and he is now currently following up as to location and condition. Will advise of outcome in coming weeks.

Question - Chester Bodycoat noted concerns about staff morale, seems to be as low as have ever seen it, I think the system needs addressing used to be joyful place, staff looking for jobs elsewhere if can, if don't address will be without staff. Possibly need survey or to communicate with staff.

Chairman responded that this is being addressed, have to remember that year ago this Club was at its lowest, we have had to have rebuilding program which is hard on Directors, Staff and Members everyone feels that pinch. However, we shall endeavour to ensure that staff morale is positive, as they are the front line of our club and we will make sure addressed.

Was noted that remember Staff are your best asset, if don't look after and communicate with them they will be gone sooner than you think.

Question - Jo Cogan Query was made about Bingo and negativity of PETS, used to play 3 sessions per day now only come 1 session due to dislike of these.

Chairman advised will take onboard and revisit this issue.

Question - Val Flanagan (not registered as attending meeting): Regarding Bowling Club she queried reduced support from the Club, seem to sponsor elsewhere but not inhouse, Club that brings money into the premises.

CEO requested Daryl Richmond's response, Daryl clarified that the Bowls Club is supported very well by ClubMulwala who covers Greenskeeper wage, donates vouchers, buses and CEO has ensured financial support if required. Fully in support and grateful for the sponsorship offered by ClubMulwala.

Question - Terry Christie When Alan not here who is responsible? – as there is a persistent visitor to the Club who continuously wears hat.

Chairman acknowledges that has been an issue for many years, if person is wearing a hat staff member approaches in the correct manner reminding that in this Club that hats not permitted unless for medical reasons. Issue to be directed to the Duty Manager.

There were no other items of general business.

CLOSURE

There being no further business the meeting closed at 11.22 am.

I certify that the above as a true record of proceedings.

CHAIRMAN.....Brian Cossar..... DATE.....19th October 2015.....

MINUTES OF THE EXTRAORDINARY MEETING OF CLUBMULWALA
Held at Melbourne Street, Mulwala on Wednesday 31st August, 2016 at 5.00pm

1. 5.04pm Closing of Register. Minimum for Quorum: 35
Chairperson of Meeting: Deputy Chairman Brian Bouchier
Number of persons attending are: 56 Number to carry resolution: 42
2. **Welcome** to Members to the Extraordinary General Meeting for 2016. This meeting is to Vote on Special Resolution to alter the Mulwala & Districts Services Club Ltd Constitution. The Resolution has been proposed and moved by the Board of Directors of ClubMulwala.
3. **Apologies:** P.Jones, S.McBurnie, J.Macdermid, M.Adams, S.Clarke, M.Baker
4. **Business:**

Item 1. Section 88 (d) Replace with: A Special Resolution may be raised as a whole or separate resolutions. Each Resolution is to be voted upon independently. A Special Resolution cannot be amended from the floor of the meeting.

Speakers:	For: Darren Lean	Against: Nil
Vote:	For: 52 / Against: 4	Motion Carried

5. Meeting concluded: 5.10pm
 1. Chairman asked if second meeting could be conducted ahead of schedule and with no objections from the floor second meeting was opened at 5.10pm
 2. **Welcome** to Members to the Extraordinary General Meeting for 2016. This meeting is to Vote on Special Resolutions to alter the Mulwala & Districts Services Club Ltd Constitution. The Resolutions have been proposed and moved by the Board of Directors of ClubMulwala.
 3. **Business:**

Item 1. Section 46 (d) Insert: At no time shall the Chairman of ClubMulwala also hold the position of President of the Yarrawonga Mulwala RSL Sub-Branch.

Speakers:	For: Darren Lean	Against: Nil
Vote:	For: 51 / Against: 5	Motion Carried

Item 2. Section 15 (a) Insert: In the event of closure and/or amalgamation of the Mulwala & District Services Club Ltd with another Club the donated memorabilia will remain the property of the Yarrawonga Mulwala RSL Sub-Branch. In the event the Yarrawonga Mulwala RSL Sub-Branch ceases to exist the donated memorabilia will be passed on to the Victorian Returned Services League.

Speakers:	For: Darren Lean	Against: Nil
Vote:	For: 55 / Against: 1	Motion Carried

Item 3. Section 21 (a) Replace with: Candidates for Ordinary Membership nomination shall give the full name and address of the candidate and other details so desired by the Club, in such forms as the Board shall from time to time require.

Speakers: For: Darren Lean Against: Nil
Vote: For: 52 / Against: 4 Motion Carried

Item 4. Section 54 (a) (i) (j) Insert: If as a person who is a member of the governing body of a registered club fails to within 12 months of becoming a member, to complete the required training as prescribed by section 26 of the Registered Clubs Regulations.

Speakers: For: Darren Lean Against: Nil
Vote: For: 56 / Against: 0 Motion Carried

Item 5. Section 46 (b) Replace with: The Board shall consist of an appointed Chairman and eight (8) other members.

Section 46 (c) Replace with: At the first meeting of Directors following the election of the Board, the members of the Board will elect from their members one (1) Chairperson and two (2) Deputy Chairpersons.

Speakers: For: Darren Lean Against: Ian Summers
Trevor Hargreaves
Vote: For: 2 / Against: 54 Motion Defeated

Item 6. Section 47 Replace first line with: The Chairperson shall at all times be at minimum an affiliate member of the Yarrowonga Mulwala RSL Sub-Branch and an RSL Member of the Club.

Speakers: For: Darren Lean Against: Ian Summers
Russel Ingram
Vote: For: 7 / Against: 49 Motion Defeated

4. Meeting Concluded: 5.26pm

I certify that the above as a true record of proceedings.

CHAIRMAN.....Brian Bouchier DATE.....19th September, 2016.....

CHAIRMAN's REPORT (Interim)

MEMBERS:



Firstly, I would like to thank and acknowledge the work, Brian Cossar did as Chairman till December and wish him all the best.

Secondly it is with great pleasure that I submit a report for our members with the news that ClubMulwala is in a solid position due to an operating profit of around \$770,000 for the financial year ending 2016.

This was a tremendous turn around over the previous couple of years.

ClubMulwala is looking at reinvesting back in our facility as evidenced by the commencement of our escalator which should be completed by early December 2016.

I would also like to congratulate ClubMulwala on being a finalist in the Clubs NSW Community Awards, this was an outstanding effort.

Thank you also to the fellow directors, management and staff for all their hard work and input over the year.

We are certainly looking forward to keeping our Club strong and vibrant over many years to come.

Kerry Pendergast

Interim Chairman Jan 2016- August 2016

CEO's REPORT

MEMBERS:



Firstly, I would like to personally thank all Staff and Members for being so supportive of ClubMulwala.

It does give me great pleasure to present my second report to our Members.

The 2015/16 year has been one of consolidation with the outlook to reinvest.

ClubMulwala has returned a Profit of \$770,173 for the 2015/16 financial year this compares to 2014/15 whereby the club lost \$164,797.

The turnaround of ClubMulwala has now given us an extremely strong business model to use as a base for future reinvestment back in our club, this can be seen already with the installation by Christmas [2016] of our escalators.

ClubMulwala is very focused on the Yarrawonga/Mulwala community with over \$320,000 of either cash or in-kind donations made throughout our community through numerous beneficiaries, we also support the RSL Sub Branch included in this are Legacy, Ladies Auxiliary and also Mulwala Elderly Citizens Village.

Employing for the most over 100 employees we are very serious about our commitment to Yarrawonga/Mulwala and will always continue to be, without our Members support we would not be in a position to do this, so for this tremendous support we do get, I would like to say thank you.

I would like to take this opportunity to personally thank Brian Cossar and wish Brian and Sheryl all the best.

I would sincerely like to thank all of our staff for the tremendous job each and every one has done over the past 12 months, all staff are valued members of our team.

I would also like to acknowledge the Board of ClubMulwala and the work they have put in.

I would like to acknowledge and congratulate all of our intra house affiliates including Indoor Bowls, outdoor Lawn Bowls and Snooker. Thank you for your ongoing support of our Club.

We will be reinvesting back in our already wonderful facility over the coming years and implementing more and more positive changes for all our members and visitors to enjoy.

We can certainly look forward to the future with confidence as we continue to make ClubMulwala one of the premier clubs and destinations on the Murray.

Alan Rowe

CHIEF EXECUTIVE OFFICER

INTRA HOUSE CLUB REPORTS

INDOOR BOWLS 2015 - 2016

It gives me great pleasure to present this Report for the year 2015 – 2016.

To Alan Rowe, the Board Members and your great Staff – Thank you for your generosity and support.

To Peter and Kerry in Catering and their Staff thank you for your great service.

To the girls at Reception thanks for your typing and photocopying.

Our Social nights have been well attended, they included a Chinese night and our Trip on the Cumbaroona.

Presentation night was great with entertainment by Ray McCartney, a lovely meal and good company.

Congratulations to all our bowlers who entered our Club Tournaments. Our Members were down again and some Tournaments had to be cancelled. Let's hope that our new Members will enter our next lot of Tournaments.

Our three big tournaments Ladies Day, Gala Day and Charity Day were very successful. On our Charity Day we raised \$1,300 and donated it to M.H.A Food bank.

I am very grateful to our Members who donated to our special effort table.

I would like to thank my Committee – Ian, Marna, Anne and Fay for all your help also Glenyce and her match Committee; Reg, Val, Barb, Fran and Jill. Special Thanks to Reg and Val for the extra work they continue put in. To the Men and Ladies who put out the mats and bowls for each game, all help is greatly appreciated.

A special thanks to Glenyce for her years of work on the match committee, Glenyce will now organize the big tournaments and advise and help the match committee.

Thank you Phyllis for your Reports in the Chronicle each week.

Thank you to the Ladies who have been doing the catering.

To my Committee may we have ongoing success for the coming year.

Thank you

Tricia Murphy
President

PRESIDENT'S REPORT

CLUB MULWALA BOWLS SEASON 2015-2016

Our Pennant Teams this season performed well:
Saturday A4 finished fifth and B2 made the finals.
Midweek O2 beaten in the final and O3 made the finals.

We had four other clubs using our green and joining with us for social bowls: Greensborough, Williamstown, Victorian Railways Institute and Belmont. These clubs were delighted with our greens and meals provided by Club Mulwala, along with the accommodation.

The Ovens and Murray League also selected our Club to use our Greens for a day of finals matches.

To our Greenkeeper, Ged, a big Thank You from everyone in the club, along with our visitors for providing again the best greens in the area.

Thank you to everyone who helped during the year including: Match Committee, Selectors, Jean for the Catering, and Dodi and Betty for their help with the 2 Bowl Triples each month.

Thanks must also go to Dodi, Peter, and Russell for assisting Ged over three days with the bottom green top dressing.

Congratulations to all our award winners on Presentation Night. Thank you to Club Mulwala for providing the excellent catering for the dinner.

To our State Champion Bowler, Laureen Smith, thank you for the work you have put into this club, not only this year but over many years – acting as our Coach, our Secretary, Umpiring both at our club and in State events. We wish you well for your Umpiring in the World Titles to be held in November in New Zealand.

Finally, congratulations to the incoming Committees.

To Alan and the Club Mulwala Board Members, a big Thank You for your support and sponsorship of Club Mulwala Bowls.

Daryl Richmond

President 2015-2016

2016 Snooker Report

It's been another great year for the Snooker Intra-house Club, with member's competition snooker played on Monday night's and social snooker on every Wednesday night from the start of February to the end of November.

Our Club Champion this year, for the third year running was Samantha Macheda, who then backed up with her mother Shirley Ridley to win the Doubles Championship. We also had our annual challenge day against Albury Commercial club in May, where Club Mulwala won by the slimmest of margins, after a great day of snooker.

Our members have again excelled in tournaments across the state and country, with Adrian Ridley winning the Victorian State Snooker Championship's for a first time, which was one of the only tournaments in the country that had eluded him. Adrian has been ranked No.1 in Australia for a large portion of the year and it is a pleasure to watch him play in our local club, where he plays quite often, though as you can imagine, he has to give a huge handicap start. We also had Jake Thompson and Angus McMillan represent us at the Victorian state under 21 titles, where both players acquitted themselves very well. Jake also played in the Victorian under 15 titles where he won and took home another trophy. In July this year we had Jake Thompson and Mason Turner travel to Adelaide for the Australian Junior Snooker Championships where both boy's played well in their round robin groups and made it through to the last 8 knockout finals. Though in the quarter finals they draw each other, with Jake coming out on top and ended up going on to win the Australian under 15 Championship. Jake also played in the Victorian team in the Mitchell Billiards Cup – Australian Junior Teams Challenge, which Victoria won in a close match against Queensland in the Final.

We have recently had a couple of new members join the club who are not only nice blokes, but very handy with the cue. So if you are sick of sitting at home on Wednesday nights come down to the snooker room, get your name down by 7.00pm and have a good night of snooker and socializing. While getting to watch or even play against some of the country's best adult and junior players, with a handicap to make if a fair game, with Club Mulwala vouchers and cash prizes for the finalists.

President

Darren Thompson

COMMUNITY SUPPORT & DEVELOPMENT

The following local organisations have benefited from assistance from ClubMulwala:

- Yarrawonga Mulwala RSL Sub-Branch
- Yarrawonga Cobram Legacy Groups
- Yarrawonga Mulwala RSL Women's Auxiliary
- The Veteran Community
- Yarrawonga Health Palliative Care
- Yarrawonga Community Health
- Moira Health Alliance
- Meals on Wheels
- PALS – Gorman / Respite House
- Yarrawonga Friends in Common
- Yarrawonga SES
- Yarrawonga Neighbourhood House
- Salvation Army – Red Cross
- Yarrawonga St Vincent de Paul
- Mulwala Fire Brigade
- Yarrawonga Fire Brigade
- NSW Rural Fire
- Yarrawonga Men's Shed
- Yarrawonga Rotary
- Tungamah Lions Club
- Yarrawonga & Mulwala Probus Clubs'
- Yarrawonga Mulwala Lions Club
- Mulwala Elderly Citizens Village
- Yarrawonga & Mulwala Senior Citizens
- Mulwala Progress Association
- Yarrawonga Mulwala Chamber of Commerce
- Yarrawonga Mulwala Tourism
- ClubMulwala Lawn Bowls Club
- ClubMulwala Snooker Club
- ClubMulwala Indoor Bowls Club
- Yarrawonga & Border Agricultural Society – Annual Show
- Corowa Pastoral, Agricultural & Horticultural Society – Annual Show
- Yarrawonga Holiday Park
- Buckles & Boots Linedancing
- Yarrawonga & Border Country Women's Assoc.
- Mulwala Blue Light Disco
- Daniel Morcombe Foundation
- Fred Hollows Foundation
- Beyond Blue
- Angel Gowns Australia
- Lara Jean Association
- Variety Bash – The Children's Charity
- Sacred Heart Primary School
- Sacred Heart College
- Yarrawonga College P-12 Primary
- Yarrawonga College P-12 Secondary
- Yarrawonga College P-12 'Kokoda Trek'
- Mulwala Public School
- Mulwala Pre-School
- Savernake Public School
- St Francis Xavier School Urana
- Finley Public School
- Murray Football League
- Yarrawonga Football Netball Club
- Mulwala Football Netball Club
- Tungamah Football Netball Club
- Dookie Football Netball Club
- CDHBU Football Netball Club
- Albury Tigers Football Club
- Cobram Football Netball Club
- Strathmerton Football Netball Club
- Yarrawonga Lawn Tennis Club
- Yarrawonga Mulwala Lakers Cricket Club
- Yarrawonga Mulwala Table Tennis Assoc.
- Yarrawonga Mulwala Basketball Assoc.
- Yarrawonga Mulwala Swimming Club
- Yarrawonga Junior Football
- Yarrawonga Junior Tennis
- Yarrawonga Godfathers
- Yamaha Cod Classic
- St James Golf Club
- Lake Mulwala Angling Club
- Sun Country Dance Studio'
- Youanmite Hall
- Yarrawonga Gala Ball & Dance W'end group
- Laverton Bowls Club
- Wangaratta Harness Club
- Yarrawonga McDonalds McHappy Day
- Various Cancer Fundraisers: Peter MacCallum Center, Relay for Life etc
- Lutheran Aged Care
- Heath Martin Children Fund
- Sun Country Historic Vehicle & Machinery Club

Club Mulwala is proud to be able to support these and many other worthy organisations throughout the year.

DIRECTOR'S REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2016.

1. DIRECTORS

The names of each person who has been a Director during the year and to the date of this report are:

Brian Patrick Bouchier

Brian William Cossar – Resigned 11 December 2015

Lynne Michelle Dowsett

Russell Digby Ingram

Peter Maxwell Jones

David Wilfred King

Shane Douglas McBurnie

Ian Walter McKenzie

Kerry William Pendergast

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 Alan Rowe – Mr Rowe has been employed as the Chief Executive since 1st day of December 2014.

3. PRINCIPAL ACTIVITIES & OBJECTIVES

The principal activities & objectives of the company during the year were that of a Registered Club providing various facilities and amenities including accommodation and a Day Spa, bar and dining facilities and entertainment for its members. These activities assisted in achieving the company's objectives by providing funds to allow the ongoing upkeep and enhancement of the facilities. The company measures its performances by being able to upgrade and enhance its facilities within its financial limitations.

4. STRATEGIES

The company strives to attract and retain quality staff who are committed to upkeep the Clubs mission statement which is 'To achieve total customer satisfaction by providing service excellence, using employees and products produced in a caring and safe environment, whilst at all times following the ideals of the Returned & Services League.

5. KEY PERFORMANCE MEASURES

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the company and whether the company's objectives are being achieved.

6. OPERATING RESULT

The net amount of operating profit of the Company for the year was \$770,173 plus the profit of \$397,910 from the sale of two residential properties, bringing the total profit to \$1,168,083.

7. DIVIDENDS PAID OR RECOMMENDED

The company has not paid or declared any dividend since the end of the previous financial year. The constitution of the company prohibits a distribution of a dividend.

8. REVIEW OF OPERATIONS

The Profit from ordinary trading operations was \$770,173 compared with the operating loss of \$164,797 in the prior year. The net profit including capital gains was \$1,168,083 the prior year was a loss of \$4,797.

9. FINANCIAL POSITION

A review of the balance sheet shows the movements in the company's position as follows:

Net increase in current assets	\$977,270
Net increase in total assets	\$344,288
Decrease in liabilities	\$823,796
Purchases of fixed assets	\$675,131

10. 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.

11. 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.

12. FUTURE DEVELOPMENTS

The installation of the escalator is scheduled for October / November 2016. The project is being completed by local contractor 'Kennedy Builders', the cost of which is not to exceed \$500,000.

13. ENVIRONMENTAL ISSUES

The company's operations are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory. The board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

14. INFORMATION ON DIRECTORS

	<u>Experience:</u>	<u>Occupation:</u>
Brian Patrick Bouchier <i>Deputy Chairman</i>	- Board Member since 2007 -Member of Club Directors Institute	Funeral Director
Brian William Cossar <i>Chairman – resigned Dec 2015</i>	- Board Member since 2008 - Member of Club Directors Institute	Retired
Lynne Michelle Dowsett	- Board Member since 2014 -Member of Club Directors Institute	Director Business owner
Russell Digby Ingram	- Board Member since 2011 -Member of Club Directors Institute	Pharmacist
Peter Maxwell Jones	- Board Member since 2014 -Member of Club Directors Institute	Retired
David Wilfred King	- Board Member since 2014 -Member of Club Directors Institute	Retired
Shane Douglas McBurnie <i>Deputy Chairman</i>	- Board Member since 2010 -Member of Club Directors Institute	Director Business owner
Ian Walter McKenzie	- Board Member since 2014 -Member of Club Directors Institute	Insurance Adviser
Kerry William Pendergast	- Board Member since 2010 -Member of Club Directors Institute	Retired

15. DIRECTOR'S 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, save and except Mr S McBurnie and Mr R Ingram who are employees of a company with whom the club has traded.

16. MEETINGS OF DIRECTORS

During the financial year twelve Monthly meetings of Directors were held. Attendances by each Director during the year were as follows:

	Number Eligible to attend	Number Attended
Mr Brian Bouchier	12	10
Mr Brian Cossar	5	5
Mrs Lynne Dowsett	12	12
Mr Russell Ingram	12	8
Mr Peter Jones	12	12
Mr David King	12	12
Mr Shane McBurnie	12	8
Mr Ian McKenzie	12	12
Mr Kerry Pendergast	12	10

17. 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 wilful breach of duty in relation to the company.

B.P.Bouchier, B.W. Cossar, L.M. Dowsett, R.D. Ingram, P.M Jones, D.W. King, S.D. McBurnie, I.W McKenzie, K.W. Pendergast, A.S. Rowe

18. MEMBERSHIP

The number of Members as at 30 June is as follows:

	2016	2015
RSL	299	308
Life Members	3	5
Associates	<u>8,669</u>	<u>9,404</u>
TOTAL	<u>8,971</u>	<u>9,717</u>

Members Guarantee

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 \$5 each to meet any outstanding obligations of the company. At 30 June 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$44,855 (2015 \$48,560)

19. 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 a party to any such proceedings during the year.

20. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 35 of the financial report.

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

Signed at Mulwala, on this the 19th day of September, 2016

B.P. Bouchier
Director

K.W. Pendergast
Director

MULWALA AND DISTRICT SERVICES CLUB LIMITED ACN: 000 908 485

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Trading revenue		13,038,849	12,705,419
Subscriptions		141,422	167,538
Other revenue		3,338,556	2,501,749
	2	<u>16,518,827</u>	<u>15,374,706</u>
Advertising		177,692	104,406
Amortization	1(b) & 3	210,542	211,240
Buses		130,680	237,493
Cost of sales		2,313,781	1,858,908
Customer loyalty program		113,568	150,967
Depreciation	1(b) & 3	1,030,608	1,065,420
Donations and sponsorship		103,084	167,015
Cleaning		77,576	128,033
Electricity and gas		441,261	472,954
Entertainment		469,113	275,328
Insurance		170,287	348,480
Other expenses		1,411,921	838,136
Personnel expenses		5,434,506	5,373,374
Poker machine taxes and monitoring fees		1,741,353	1,647,208
Members Benefits & Promotions	1(o)	1,433,363	1,937,915
Repairs and maintenance		388,873	412,435
Training costs		7,715	46,770
		<u>15,655,926</u>	<u>15,276,082</u>
Result from operating activities		862,900	98,624
Rent paid RSL		92,727	133,636
Finance income and expense			64,870
Finance costs			
Profit before income tax		<u>770,173</u>	<u>-99,882</u>
Income tax	1(g)	0	
Operating Profit/-Loss for the year		770,173	
Profit on Sale of Residential Properties		397,910	
Prior Year Adjustments	1 (p)		-64,915
Net Operating Profit/-Loss		<u>1,168,083</u>	<u>-164,797</u>

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
		\$	\$
Net current year surplus/-loss		770,173	-99,882
Other comprehensive income		397,910	160,000
Adjustment to Previous Financial Year	1(p)		-64,915
Total income/-loss attributable to members of the entity		<u>1,168,083</u>	<u>-4,797</u>
Transfer to pre-capital gains tax reserve			160,000
		<u>1,168,083</u>	<u>-164,797</u>

The accompanying notes form part of these financial statements.

MULWALA AND DISTRICT SERVICES CLUB LIMITED ACN: 000 908 485

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Notes	This Year \$	Last Year \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,561,255	723,084
Trade and other receivables	7	39,459	43,694
Inventories	1(a)	248,808	230,239
Other - prepayments		162,586	37,821
Total Current Assets		<u>2,012,108</u>	<u>1,034,838</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	10,781,296	11,414,278
Investments		32	32
Other - unsecured loan		<u>651,134</u>	<u>651,134</u>
Total Non-Current Assets		<u>11,432,462</u>	<u>12,065,444</u>
TOTAL ASSETS		<u>13,444,570</u>	<u>13,100,282</u>
CURRENT LIABILITIES			
Trade and other payables	9	1,480,410	1,124,366
Adjustment to Previous Financial Year	1(p)		80,164
Interest bearing liabilities	10	120,000	153,892
Provisions	11	<u>325,524</u>	<u>340,169</u>
Total Current Liabilities		<u>1,925,934</u>	<u>1,698,591</u>
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	907,298	1,885,143
Provisions	11	<u>41,478</u>	<u>114,772</u>
Total Non-Current liabilities		<u>948,776</u>	<u>1,999,915</u>
TOTAL LIABILITIES		<u>2,874,710</u>	<u>3,698,506</u>
NET ASSETS		<u>10,569,859</u>	<u>9,401,776</u>
MEMBERS'EQUITY			
Current Years Earnings			
Retained profit		<u>10,569,859</u>	<u>9,401,776</u>
TOTAL MEMBERS'EQUITY		<u>10,569,859</u>	<u>9,401,776</u>

The accompanying notes form part of these financial statements.

MULWALA AND DISTRICT SERVICES CLUB LIMITED ACN: 000 908 485
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2016

Notes	Retained Surplus \$
Balance as at 1 July, 2014	<u>9,406,573</u>
Comprehensive Income	
Surplus (Deficit) for the year attributable to members of the entity	-164,797
Other comprehensive income for the year	160,000
Total income attributable to members of the entity	
Balance as at 30 June, 2015	9,466,691
Adjustment to Previous Financial Year	-64,915
Adjusted Balance as at 30 June, 2015	<u>9,401,776</u>
There are no revaluation or financial reserves	
Balance as at 1 July, 2015	<u>9,401,776</u>
Surplus for the year attributable to members of the entity	770,173
Total income attributable to members of the entity	<u>770,173</u>
Comprehensive income	
Sale of residential properties	397,910
Balance as at 30 June, 2016	<u>1,168,083</u>
Balance as at 30 June, 2016 - Total Members Equity	<u>10,569,859</u>
There are no revaluation or financial reserves.	

MULWALA AND DISTRICT SERVICES CLUB LIMITED ACN: 000 908 485

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Notes	This Year inflows/-outflows \$	Last Year inflows/-outflows \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		15,451,109	15,371,291
Payments to suppliers & employees		-13,829,322	-14,088,548
Finance costs		-74,064	-64,870
Interest Received		3,106	
Adjustment to Previous Financial Year			14,775
Net cash provided by operating activities	2	1,550,829	1,232,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		-750,265	-524,553
Proceeds from sale of fixed assets		459,300	
Proceeds from sale of Poker Machine Licences			160,000
		-290,965	-364,553
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-695,222	-199,465
Proceeds from borrowings		273,529	435,095
Net cash flows from financing activities		-421,693	235,630
Movement in cash		838,171	1,088,950
Cash at the beginning of the financial year		723,084	-365,866
Cash at the end of the financial year	1	1,561,255	723,084

NOTES TO THE CASH FLOW STATEMENT

1. Reconciliation of cash

For the purpose of the statement 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 flow is reconciled to the related items in the balance sheet as follows:

	This Year	Last Year
Cash at bank	1,096,510	253,394
Cash on hand	464,745	469,690
Bank overdraft	0	0
	1,561,255	723,084

2. Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax

Operating loss after income tax	1,168,083	-99,882
Adjustment to Previous Financial Year		-64,915
ADD - Non cash flows in operating activities		
Amortisation	210,542	211,240
Depreciation	1,030,607	1,065,420
	2,409,232	1,111,863
LESS - Profit on sale of fixed assets	-392,334	-1,710
	2,016,898	1,110,153
Change in operating assets & liabilities		
Increase (Decrease) Creditors & accruals	-293,305	-27,768
Adjustment to Previous Financial Year		79,690
(Decrease) Increase Subscriptions & deposits in advance	-33,844	13,323
(Increase) Decrease Trade debtors	4,234	-28
(Increase) Decrease Prepayments	-124,765	58,850
(Increase) Decrease Stock on hand	-18,569	-1,572
Cash flows from operations	1,550,649	1,232,648

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 JUNE 2016

Reporting Entity

The financial statements cover Mulwala & District Services Club Ltd as an individual entity, incorporated and domiciled in Australia. Mulwala & District Services Club Ltd is a company limited by guarantee.

The financial statements were authorized for issue on 19th September, 2016 by the directors of the company.

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

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

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

The financial statements, except for the cashflow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Early Adoption of Accounting Standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015.

Critical Accounting Estimates

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

Comparative Figures

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

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 (IFRS).

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.

Economic Dependence

Mulwala & District Services Club Ltd is not dependent upon any entity or event.

Note 1:**a) Inventories**

Inventories are measured at the lower of cost, current replacement costs or 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.

b) Property, plant and equipment

Each class of property, plant and equipment is carried at a cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

Freehold land and buildings are shown at their value based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value. Increases in the carrying amount arising on revaluation of land and buildings are recognized in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognized in other comprehensive income under the heading of revaluation surplus. All other decreases are recognized in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost or for nominal cost are valued and recognized at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognized either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognized as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognized at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the company commencing from the time the asset is available for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used in each class of depreciable assets are:

Buildings	2.50%
Plant & Equipment	18-22.5%
Leasehold Improvements	Term of Lease

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognized in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

c) 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, including 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.

d) Financial Instruments

The company has no financial instrument.

e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognized in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognized against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

f) Employee Provisions

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Contributions are made by the company to employee superannuation funds and are charged as an expense 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 plan's assets.

g) Income Tax

The company recognises the principles of tax effect accounting in terms of Australian Accounting Standards. However, in view of the method of calculation of the company's taxable income (a calculation of non member income only) the effect of the application of the principle would be insignificant and the amount of the deferred tax and liabilities to be eventually realised or payable are uncertain. For these reasons, tax effect accounting has not been applied in these accounts.

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.

Receivables 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) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Accounts receivable are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

l) Provisions

Provisions are recognized when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognized represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognized as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company

o) Promotions

Not all Members Benefits and internal promotion expenses are accounted for in our accounting system. In previous years' internal journals were entered increasing the income and shown as an expense against promotion.

p) Adjustments to previous financial year

Prior year adjustments were made to correct computer glitch relating to accrued wages.

2. Revenue	Notes	This Year	Last Year
Opening activities		\$	\$
Sale of goods and other trading revenue		15,447,602	15,326,412
Rental revenue		27,540	31,584
Profit on sale of non-current assets		397,910	161,710
Interest received		3,106	
Total Revenue		15,876,158	15,519,706

3. Expenses

Interest expense on financial liabilities, includes hire purchase charges	74,064	64,870
Employee benefits expense - contributions to defined superannuation funds	451,254	443,409
Minimum lease payments		133,636
Audit Fees		
Audit Services	18,000	18,000
Other services	5,640	
Profit from ordinary activities before income tax has been determined after		
Depreciation of non-current assets		
Buildings	11,363	14,213
Plant and equipment	1,019,245	1,051,207
Total Depreciation	1,030,608	1,065,420
Amortisation of non-current assets		
Leasehold improvements	210,542	211,240
Rental expense on operating Leases		
Land rental	5a 92,727	133,636
Finance Cost	74,064	64,870

4 Director's 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.

5 Capital and Leasing Commitments

(a) Operating Lease Commitments

The company has an operating lease on land at an annual rental of \$109,090 payable annually.

(b)The company has a capital commitment for the construction of an elevator in the foyer for \$490,000. The club site lease is for a (12) twelve month period with fifty-four renewable options, rental negotiable. The club intends to take up the options of the club site lease. The current rental is \$109,090.

	This Year \$	Last Year \$
6. Cash and cash equivalents		
Cash on hand	464,745	469,690
Cash at bank	1,096,510	253,394
	1,561,255	723,084
7. Trade and other receivables		
Current: Trade Debtors	39,459	43,694
8. Property, Plant and Equipment		
(a) Land and Buildings		
Freehold land - at cost Less impairment	1,361,004	1,361,004
	-661,004	-661,004
	700,000	700,000
Residential land and buildings	299,604	507,297
Less accumulated depreciation	-185,254	-312,041
	114,350	195,256

Leasehold improvements: - Clubhouse, motel building, bowling green and surrounds - at cost	15,323,984	15,323,984
Less accumulated amortization	<u>-8,293,162</u>	<u>-8,082,620</u>
Total land and buildings	<u>7,030,822</u>	<u>7,241,364</u>
 (b) Plant and Equipment		
Plant and equipment - at cost	12,997,356	12,322,135
Less accumulated depreciation	<u>-10,061,232</u>	<u>-9,044,477</u>
Total Plant and equipment	<u>2,936,124</u>	<u>3,277,658</u>
 Total	 <u>10,781,296</u>	 <u>11,414,278</u>

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

	Freehold	Residential Land & Buildings	Leasehold Improvements	Equipment, Fitting & vehicles	Total
Balance as at 1 July 2015	700,000	195,256	7,241,364	3,277,658	11,414,278
Additions				674,795	674,795
Disposals		-66,629			-66,629
Depreciation expense		-14,278	-210,542	-1,016,329	-1,241,149
Balance at 30 June 2016	700,000	114,349	7,030,822	2,936,124	10,781,295
	Notes	This Year		Last Year	
		\$		\$	
9. Trade and other payables					
Current					
Unsecured liabilities					
Trade creditors and accrued expenses		1,246,307			856,420
*Adjustment to Previous Financial Year					80,164
Prepaid income		234,103			267,946
		1,480,410			1,204,530
Non-Current					
Unsecured liabilities					
loan RSL Sub Branch		120,000			120,000
10. Interest Bearing Liabilities					
Secured liabilities					
Debenture Mortgage		907,298			1,650,000
		907,298			1,650,000
Hire Purchase and Term Contracts		542,566			285,284
Less Unexpired Charges					-5,222
		542,566			280,062
Total Secured Liabilities		1,449,864			1,930,062

Current		
Hire Purchase and Term Contracts	294,883	163,919
Secured Debenture Mortgage	300,000	*300,000
	<u>594,883</u>	<u>463,919</u>
Non-Current		
Hire Purchase and Term Contracts	247,682	115,143
Secured Debenture Mortgage	<u>607,298</u>	<u>*1,350,000</u>
Unsecured Liability Interest Bearing		
Current		
Loan - RSL Sub Branch	<u>120,000</u>	<u>120,000</u>
Total Interest Bearing Liability	<u>1,027,298</u>	<u>2,049,062</u>

Secured liabilities are secured by a registered mortgage over the assets and income of the company. Interest is charged at prevailing market rates.

11. Employee Provisions

	Employee Provision	
	\$	
Opening Balance as at 1 July 2015	454,941	547,193
Additional provisions raised during year	203,690	450,367
Amounts used	-291,629	-542,619
	<u>367,002</u>	<u>454,941</u>
Balance as at 30 June 2016		
	<u>367,002</u>	<u>454,941</u>
Analysis of Employee Provisions	2016	2015
	\$	\$
Current:		
Annual leave entitlements	254,119	282,205
Long service leave entitlements	<u>71,405</u>	<u>40,526</u>
Total current employee provisions	<u>325,524</u>	<u>322,731</u>
Non-Current:		
Long service leave entitlements	<u>41,478</u>	<u>132,210</u>

12. Gaming Machine Profit and Community Support and Development

The profit from poker machines for the poker machine tax year ended 31 August 2016 was \$7,822,140.

The amount of community benefits paid under the Club grants Scheme for the poker machine tax year was \$267,298.

13. Financial Risk Management

Liquidity Risk

Liquidity risk is the risk that the club will not be able to meet its financial obligations when they fall due. The company's approach to managing liquidity risk is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions without incurring unacceptable losses or risk damage to the company's reputation.

Credit Risk

Exposure to credit risk

The carrying amount of the company's financial assets represents the maximum credit exposure. The company's maximum credit exposure at 30 June 2016 was:

	Notes	This Year Carrying Amount	Last Year Amount
Receivables	7	39,459	43,694
Cash & cash equivalents	6	1,561,255	723,084
Loan unsecured		651,134	651,134
		<u>2,251,848</u>	<u>1,417,912</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 report date by customer type was:

		Carrying Amount	Amount
Trade debtors	7	39,459	43,694
		<u>39,459</u>	<u>43,694</u>

Impairment Losses

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

	Gross	2016 Impairment Losses	Gross	2015 Impairment Losses
Not past due	39,459	0	43,694	0

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

Liquidity Risk

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

Financial Liabilities

	Carrying Amount \$	Contractual Cash Flows \$	<12 months \$	1-2 Years \$	2-5 Years \$	>5 Years \$
30 June 2015						
Unsecured Loan	120,000	120,000	No repayment arrangements at 30 June 2015			
	0	0				
Hire purchase liabilities	279,062	279,062	163,919	115,143		
Trade & other payables (excl. employee benefits & prepaid income)	683,144	683,144	683,144			
Debenture Mortgage	1,650,000	1,650,000	No repayment arrangement as at 30 June 2016			
	2,732,206	2,732,206	847,063	115,143		

Financial Assets

	Carrying Amount \$	Contractual Cash Flows \$	<12 months \$	1-2 Years \$	2-5 Years \$	>5 Years \$
30 June 2015						
Cash & cash equivalents	723,084	723,084	723,084			
Loan unsecured	651,134	651,134	No repayment arrangement as at 30 June 2015			
Trade and other receivables	43,694	43,694	43,694			
	1,417,912	1,417,912	766,778			

Financial Liabilities

	Carrying Amount \$	Contractual Cash Flows \$	<12 months \$	1-2 Years \$	2-5 Years \$	>5 Years \$
30 June 2016						
Unsecured Loan	120,000	120,000	120,000	No repayment arrangements at 30 June 2016		
Trade & other payables (excl. employee benefits & prepaid income)	703,741	703,741	703,741			
Debenture Mortgage	907,298	907,298	300,000	300,000	300,000	7,298
Gaming Machines	542,565	542,565	294,883	180,679	67,003	
	2,273,604	2,273,604	1,418,624	480,679	367,003	7,298

Financial Assets

	Carrying Amount \$	Contractual Cash Flows \$	<12 months \$	1-2 Years \$	2-5 Years \$	>5 Years \$
30 June 2016						
Cash & cash equivalents	1,561,255	1,561,255	1,561,255			
Loan unsecured	651,134	651,134	No repayment arrangement as at 30 June 2016			
Trade and other receivables	39,459	39,459	39,459			
	2,251,848	2,251,848	1,600,714			

Interest Rate Risk

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

	Carrying Amount		
	Note	2016	2015
Hire purchase contract	10		279,062
Loan	10	120,000	120,000
Variable instruments		907,298	1,650,000
			0

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposure to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

The sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2016		
+/- 1% interest rates	10,272	10,272
Year ended 30 June 2015		
+/- 1% interest rates	20,490	20,490
	2016	2015
	Carrying Amount	Carrying Amount
	\$	\$
Financial assets		
Cash on hand	1,561,255	723,084
Accounts receivable and other debtors	39,459	43,694
Total Financial assets	<u>1,600,714</u>	<u>766,778</u>
Financial liabilities		
Accounts payable and other payables	497,231	1,204,530
Hire purchase liabilities	542,565	279,062
Total Financial liabilities	<u>1,039,796</u>	<u>1,483,592</u>

The fair values disclosed in the above table have been determined based on the following methodologies.

Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

Fair Values

Fair values versus carrying amount

The fair values of financial assets and liabilities were equal to the carrying amount shown in the balance sheet as at reporting date.

14 Contingent Liabilities and Assets

The Company has no known contingent liabilities.

15 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is to wound up, the constitution states that each Member is required to contribute a maximum of \$5 each to meet any outstandings and obligations of the company.

At 30 June 2016 the number of Members was 8,971.

16 Consulting Fees

The NSW Registered Club Act requires fees paid in excess of \$30,000 to be reported.

Fees reportable are: Nil

MULWALA & DISTRICT SERVICES CLUB LIMITED ACN 000 908 485
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Mulwala & District Services Club Limited, the Directors declare that:

1. The financial statements and notes, as set out on pages 19 to 34 are in accordance with the Corporations Act 2001 and:
 - a) Comply with Australian Accounting Standards; and
 - b) Give a true and fair view of the financial position of the company as at 30 June 2016 and of its performance for the year ended on that date.
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.

B.P. Bouchier
Director

K.W. Pendergast
Director

Dated this 19th Day of September, 2016.

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE MULWALA AND DISTRICT SERVICES CLUB LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 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.

JF HAEBICH FCA
CHARTERED ACCOUNTANT
38 Belmore Street, Yarrowonga VIC 3730

Dated this 19th Day of September, 2016.

INDEPENDENT AUDITOR'S REPORT

To The Members of the MULWALA AND DISTRICT SERVICES CLUB LIMITED

Report on The Financial Report

I have audited the accompanying financial report of the Mulwala & District Services Club Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 information, and the Directors' Declaration.

Directors Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view, and is free from material misstatement, whether due to fraud or error.

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 we 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 judgment, 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 entity'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 entity'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 Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of the Mulwala & District Services Club Limited, would be in the same terms if given to the Directors as at the date of this audit report.

Electronic Presentation of Audited Financial Reports

This auditor's report relates to the financial report of the Mulwala & District Services Club Ltd for the year ended 30 June 2016, that may be included on the company's website. The auditor's report refers only to that financial report and it does not provide an option on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in this audited financial report.

Auditor's Opinion

In my opinion, the financial report of the Mulwala & District Services 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, 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations regulations 2001.

JF HAEBICH FCA
CHARTERED ACCOUNTANT
38 Belmore Street, Yarrawonga VIC 3730

Dated this 19th Day of September, 2016.