

ClubMulwala

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MULWALA & DISTRICT SERVICES CLUB LIMITED

ANNUAL REPORT 2014

Perfect... any season, any reason!

MULWALA & DISTRICT SERVICES CLUB LIMITED
ACN 000 908 485

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the Annual General Meeting of Mulwala & District Services Club Limited which is to be held on **Sunday 19th October, 2014** at 11.00am at the premises of the Club located at 271 Melbourne Street Mulwala

BUSINESS OF THE ANNUAL GENERAL MEETING:

1. To confirm the Minutes of the previous Annual General Meeting held 20th October, 2013.
2. To receive and consider the reports of the Board of Directors.
3. To receive and consider the financial statements and auditors report.
4. To introduce the Board for the ensuing year.
5. To deal with business of which due notice has been given. *See Resolutions below*
6. To deal with other business of which due notice has been given.
7. To deal with any business that the meeting may approve of for which due notice has not been given.

Mulwala
15th September, 2014

By Order of the Board
Rob Dick
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 that 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.

Ordinary Resolution 2

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

‘That Jeffrey Francis Haebich of Yarrawonga be removed from the office of auditor of Mulwala & District Services Club Limited’

Special Resolution

Members will be asked to consider and if thought fit pass the following resolution as a special resolution

"That Crowe Horwath Albury of 491 Smollet Street, Albury NSW 2640, be hereby appointed as auditor of the Mulwala & District Services Club Limited."

Notes to members on the resolutions

1. Ordinary Resolution 1 is required under the Registered Clubs Act and is to approve the reasonable costs of Directors in carrying out their duties including professional development and education.
2. Ordinary Resolution 2 will, if passed by members, have the effect of removing the current auditor from office as auditor of the Club. The Board and management of the Club conducted a tender for the Club's auditing services and Crowe Horwath in Albury were the successful tenderers.
3. To be passed the Ordinary Resolutions require a simple majority (50% plus 1) of votes from those members who being eligible to do so vote in person at the meeting.
4. If the Special resolution is passed by members it will mean that Crowe Horwath accountants from Albury will become the auditors of the Club
5. To be passed the Special Resolution requires votes from a three-quarters majority (75%) of those members who being eligible to do so vote in person at the meeting.
6. The Special Resolution will only be considered if Ordinary Resolution 2 is passed.
7. Attached to this notice is a copy of the nomination of Crowe Horwath Albury as the auditor of the Club.
8. Crowe Horwath Albury have provided the Club with their written consent to be appointed as the auditor.
9. Under the Registered Clubs Act, proxy voting is prohibited and members who are employees of the Club are not eligible to vote on any meeting of the Club.

(Nomination of New Auditor)

The Chief Executive Officer
Mulwala & District Services Club Limited

Pursuant to Section 328B (1) of the Corporations Act we hereby nominate Crowe Horwath Albury to be the auditor of Mulwala & District Services Club Limited in the event that Jeffrey Francis Haebich of Yarrawonga is removed from office.

Dated: 25th August 2014

John Pearson 1160
Proposer (print name & membership no.)

[Signature]
Proposer signature

Brian Beauchier 2987
Seconded (print name & membership no.)

[Signature]
Seconded Signature

MULWALA & DISTRICT SERVICES CLUB LIMITED

ACN 000 908 485

BOARD OF DIRECTORS:

Chairman: Mr B.W. Cossar

Vice-Chairmen: Mr B.P. Bouchier
Mr J.E. Pattison

Directors: Mr J.M. Clarke
Mr R.D. Ingram
Mr S.D. McBurnie
Mr K.W. Pendergast

CHIEF EXECUTIVE OFFICER: Mr M.P. Mullarvey C.C.M

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 20 October, 2013 at 11.00am

- PRESENT:** Mr B Cossar (Chairman), nineteen (19) ordinary Members and twenty one (21) associate Members.
- WELCOME:** Mr Cossar in opening the meeting welcomed all those present including life members H Teale and A Nieuwenhout
- APOLOGIES:** Apologies were received from J Curtis-Smith, T Hargreaves, S McBurnie, R Ingram, D Richmond, P Dobson, K McColl and N Nieuwenhout
- MINUTES:** Resolved on the motion of Messrs F Wolfe and L Foote that the minutes of the Annual General Meeting held on 21 October 2012, a copy of which had been circulated to all members be confirmed as a true record of proceedings.
- Resolved on the motion of A Dodman and J Lonergan that the minutes of the extraordinary meeting held on 11 September 2013, being changes to the constitution, be confirmed
- DIRECTORS REPORT AND STATEMENT:** A copy of the Directors report and statement by directors was circulated to all members. Resolved on the motion of H Teale and A Nieuwenhout that the report and statement be received.
- FINANCIAL STATEMENTS:** Resolved on the motion of H Teale and F Wolfe that the financial statements, a copy of which had been circulated to all members, be accepted.
- INTRODUCTION OF THE BOARD:** Chairman Cossar introduced the Board of Directors for the ensuing year: Vice Chairmen; Brian Bouchier & John Pattison. Directors; John Clarke, Russell Ingram, S McBurnie and Kerry Pendergast.
- 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 B Mitchell and P Novotny.
- GENERAL BUSINESS:** Mr J Fairbain enquired as to the resignation of Directors in the past year and he asked the question of what the Board would be doing to replace these Directors? Chairman advised that the current Board would address the Director vacancies and would hope to fill these vacancies.
- There were no other items of general business of which due notice has not been given.
- CLOSURE** There being no further business the meeting closed at 11.12 am.
- I certify that the above as a true record of proceedings.

CHAIRMAN: *Brian Cossar*

DATE: 21st October, 2013

CHAIRMAN'S REPORT

MEMBERS



At the commencement of the year the Board had made a significant decision to upgrade the kitchen and dining facilities at ClubMulwala which effectively put these areas out of business for 8-10 weeks, creating a loss of income for that period of time. However, we have been extremely pleased with the new look facility created and particularly thank local builders Riches Homes & Improvements for their untiring commitment and expertise to change the face of our dining facility which is now first class.

Consequently our debt rose to cover the cost of the renovations and the Board is continually looking to reduce this as soon as possible.

The limited trading throughout this period has had an effect on trade, resulting in an operating loss of \$524,255. The Club also incurred an impairment of asset loss of \$661,004 due to the devaluation of land the Club owns at 227-253 Melbourne Road Mulwala. The loss including the devaluation was \$1,185,259 for the 2013/14 financial year.

We have experienced a downturn of visitor numbers throughout the year which had a significant effect on our business. It has meant that we have had to counteract those challenges and think smarter to ensure the long term viability of ClubMuwala.

We continue to acknowledge community organisations and this year we were able to donate the sum of \$228,548.

I acknowledge my fellow Directors in the way in which they have committed their energies to ClubMulwala, facing many challenges throughout the year and their dedication to policy making decisions continually enhancing the business.

The education of Directors continues to be an essential role for our Board and this will continue into the future ensuring that they kept up to date with the many changes facing the industry. The benefits derived from such training is of immense value to the Board's decision making.

The Board of Directors continually look to improving the facilities of ClubMulwala and have an ongoing commitment to building works and enhancements to facilities and providing funds for debt reduction.

Our Intra House Clubs, Outdoor Bowls, Indoor Bowls and the Snooker Club contribute enormously to the ongoing success of ClubMulwala and we thank them for their loyalty and dedication to ClubMulwala.

With modern technology changing at a rapid rate, it is essential that our training and communication is kept up to date at all times and we continue to expand our knowledge and facilities in this regard.

In closing I acknowledge our greatest asset – our Management and staff. I thank them for their ongoing commitment and dedication and the manner in which they treat both members and visitors with respect.

Brian Cossar
CHAIRMAN

COMMUNITY SUPPORT & DEVELOPMENT

The following local organisations have benefited from assistance from ClubMulwala

Yarrowonga/Mulwala RSL Sub Branch
Yarrowonga Cobram Legacy
Yarrowonga Mulwala RSL Ladies Auxiliary
Yarrowonga & District Health Service
Yarrowonga Rotary
Yarrowonga Mulwala Tourist Association
Yarrowonga Football Netball Club
Mulwala Football Netball Club
Tungamah Football Netball Club
Katamatite Football Netball Club
Rennie Football Netball Club
Yarrowonga & Mulwala Probus Clubs
Yarrowonga Lawn Tennis Club
Yarrowonga Godfathers
Yarrowonga/Mulwala Cricket Club
Yarrowonga Junior Football
Yarrowonga/Mulwala Table Tennis Association
YFC Past Players Association
Yarrowonga & Border Agriculture Society
Yarrowonga & Mulwala Senior Citizens
Yarrowonga/Mulwala Swimming Club
Yarrowonga Mulwala Basketball Association
Yarrowonga/Mulwala Mens Shed
Mulwala Elderly Citizens Village
Yarrowonga SES
Yarrowonga Relay for Life
Yarrowonga Mulwala Historical
Society
Yarrowonga Health – Palliative
Care

St Vincent De Paul
Mulwala Public School
Yarrowonga Primary School
Yarrowonga College P-12
Sacred Heart Primary School
Sacred Heart College
Mulwala Pre School
Tungamah Lions Club
Mulwala Progress Association
St James Golf Club
Burramine Sports Club
Yarrowonga & Mulwala Artists Association
Friends in Common
Salvation Army
Red Cross
Sacred Heart Parents & Friends
Yarrowonga Junior Tennis
Yarrowonga Mulwala Chamber of Commerce
Lake Mulwala Angling Club
Murray Football League
Savernake School
Mulwala Fire Brigade
Meals on wheels
Yarrowonga Fire Brigade
Yarrowonga Respite House
Yarrowonga Neighbourhood House
Corowa Pastoral Society

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

INTRA HOUSE CLUB REPORTS

INDOOR BOWLS

2013-2014

It is my pleasure as President to present this Indoor Bowls Report.

I wish to thank the Board of Directors, CEO- Micheal Mullarvey and his great staff for their generosity and support throughout the past year. The club provides our prize money and afternoon teas for all of our tournaments as well as providing new mats this year. Special thanks to Peter & Kerry in Catering and the girls downstairs who do our printing and photocopying.

Our Ladies Day, Gala Day and Charity Day were well represented. We were able to donate \$1,330.00 to the SES. Thank you to our Members who have donated to our Special Effort Table.

Our Social nights this year included a Chinese night and our Presentation night was a great night with good food and great entertainment by Ray McCartney. We have rebooked Ray for our next Presentation night.

Congratulations to all our bowlers who entered our club tournaments. It was great to see everyone having a go. We look forward to more entries next year.

I would also like to thank my committee: Ian, Anne, Marna and Fay for all your help this year. Thank you to Fay for stepping up while Marna has been unavailable due to illness.

A big thanks to the Members who help out putting out mats and bowls especially Val, Reg and Neville, to Glenys for your extra effort and your match committee, Reg, Val, Fran, Barb and Neville – we would not function without you. Thanks to Gwen Owen for filling in on match committee, to Anne and all who helped you, for your input on Pennant days and keeping Thursday afternoon going. Finally thanks to our publicity officer; Phyllis for your reports to the Chronicle each week.

I wish the incoming committee every success for 2014-2015.

Trish Murphy
President
ClubMulwala Indoor Bowls

Event	Winner	Runners Up
2013		
Club Pairs	Glenyce Willox & Val Bryce	Wilf Owen & Fay Gash
100 Up	Ian Holmes	Wilf Owen
Open Pairs	Fay Gash & Marna Tomlinson	Noel Owen & Rees Edwards
2014		
Club Fours	Glenyce Willox (s), Lyn Harmer Jill Carr & Marie Rich	Trish Murphy (s), Fay Gash, Anne McKain & Fran Smith
Club Triples	Fay Gash (s), Anne McKain & Dot Shanks	Ian Holmes (s), Marna Tomlinson & Fran Smith
Club Champion Ladies	Fay Gash	Margaret McKenzie
Club Champion Mens	Wilf Owen	Ian Holmes

CLUBMULWALA BOWLS GROUP

Our Club enjoyed another great year of bowls. The year started with our opening day; 40 bowlers plus invited guests from St James, Yarrowonga, Yga/Mul G.C.R, Tungamah and Ovens & Murray President Margaret Isterwood.

Congratulations to Winners and Runners-Up in our Club Events.

Event	Winner	Runners Up
Club Champion Women	Jan Martin	Pat Crothers
Club Champion Men	John Thurling	John Lefevre
Ladies 100 Up	Loris Lochhead	Jan Martin
Mens 100 Up	Daryl Richmond	John Thurling
Ladies Club Pairs	Laureen Smith & Loris Lochhead	Betty Richmond & Unis Boak
Mens Club Pairs	John Lefevre & Daryl Richmond	Malcolm Miller & Lindsay Evans
Ladies Minor Champs	Betty Richmond	Faye Cook
Mens Minor Champs	Malcolm Miller	Lindsay Evans
Ladies 21 Up	Elma Old	Jan Martin
Mens 21 Up	Daryl Richmond	Lindsay Evans
Club Mixed Pairs	Elma Old & Albert Dodman	Carmen Mangan & Dick Smith
Club Hcp Pairs	Carmen Mangan & Dick Smith	Don Ferguson & Val Flanagan
2 Bowls Mixed Singles	Jan Corboy	John Thurling
Queen of the Green	Laureen Smith	
King of the Green	John Lefevre	
Drawn Club Triples	Carmen Mangan, Alex Boak & Pat Crothers	John Lefevre, John Thurling & Lorna Brown

The highlight of the year was our ladies winning the Ladies Pennant, and honoured with a Dinner in the Stonegrill.

Open 3 Team were Runners up in Open 3 – Well Done all!

Men's Pennant – A4's finished 6th, B2 7th with a lot of new members. We hope to climb the ladder this year.

The Club was again represented in Ovens & Murray events as well as State events. Laureen Smith and Loris Lochhead again were selected in the Ovens & Murray team, Laureen and Loris won Champion of Champions pairs and went on to Bendigo for the State play offs.

Club Membership is still on the rise.

Charity day again raised \$650 for Friends in Common.

Visiting Clubs during the year were V.R.I Bowls and Williamstown Bowls Club.

To our Green Keeper Ged, our thanks for always having our greens ready for play, the greens again being the best in the area – many good comments from bowlers and visitors.

Thanks you to the Catering staff for their assistance in all our catering needs during the year, it is much appreciated by all visitors and bowlers to our club.

A big thank you to the girls at reception for your assistance and help during the year.

In closing I wish to thank Management, Staff and Board of Directors for continual sponsorship and support – with a special big Thank you to Micheal and Graeme for ongoing support over the years.

Finally I wish everyone a healthy and happy bowling season for 2014-15.

Daryl Richmond
President

SNOOKER

The Snooker Club has had another successful and enjoyable year of snooker.

Our Club Champion Samantha Macheda is the first women winner of the event in the clubs history. Then for another first Samantha Macheda and Shirley Ridley, all women team, won our Doubles Championship.

This year due to calendar changes we play the Albury Commercial Club twice in our annual challenge and won both tightly contested by a couple of frames.

Our top handicapped player Adrian Ridley had a wonderful year, highlighted by playing in the World 6 Red Snooker Championships in Bangkok, Thailand, where he narrowly missed out on the knockout stage and won a frame against the current world champion Mark Selby. The travel then continued for Adrian, to Carlow Ireland to the IBSF World 6 Red Snooker Championships where he excelled, making it through to the semifinal and beating the then current world amateur champion on the way. While there he also represented Australia in the World Teams Championships and had the second highest break for the tournament 111 and helped Australia reach the final 16.

Jake Thompson our youngest member played in the Victorian Junior Championships at Cheltenham. He played in the under 15 and 18 snooker and billiards, with his best results in the snooker winning both events. Jake also played in the Australian Junior Championships which was played at the Commercial Club, Albury where Jake had some great results and reached the quarter finals of the under 18 snooker, and the semifinals of the under 15 snooker.

At our annual general meeting we elected a relatively unchanged committee, with the exception of Hans Lang coming back onto the committee after several years break. This should give us a good stable committee to further improve this wonderful inter house club for all members.

Club Mulwala has as always supported our club throughout the year and has given us the opportunity to commemorate the 100 ANZAC Day next year, by way of a tournament that we will be running in February/March.

Congratulations to the following completion winners.

Event	Winner
Club Champion	Samantha Macheda
Doubles Champions	Samantha Macheda & Shirley Ridley
B Grade Champion	John Jones
President's Trophy	Shirley Ridley
Cock of the Walk	Barry Jackson
ANZAC Trophy	John Quinn
Player of the Year	Darren Thompson

President
Darren Thompson

MULWALA AND DISTRICT SERVICES CLUB LIMITED ACN 000 908 485

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2014.

1. Directors

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

Harry John Berger (resigned 20/10/13)
Brian Patrick Bouchier
John Michael Clarke
Brian William Cossar
Russell Digby Ingram
Shane Douglas McBurnie
John Edward Pattison
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 Micheal Mullarvey - Certified Club Manager (CCM) Mr Mullarvey has worked for the Mulwala and District Services Club for the past thirty five years, being Chief Executive Officer for the past twenty seven years. Mr Mullarvey was appointed company secretary on 2 June 1987.

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 & day spa, bar and dining facilities & entertainment for its members. These activities assisted in achieving the companies objectives by providing funds to allow the ongoing upkeep and enhancement of the facilities. The company measures its performance 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 Results

The net amount of loss of the company for the year was \$1,185,259 after tax.

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 Net Loss of \$1,185,259 includes a \$661,004 devaluation of freehold land based on current realizable value. The operating loss of \$524,255 includes \$109,090 rental expense payable to Yarrowonga Mulwala Sub Branch Building Patriotic Fund.

The loss from ordinary trading operations was \$524,255 compared with a profit of \$126,905 in the prior year.

9. Financial Position

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

Net decrease in current assets	\$97,770
Net increase in total assets	\$212,744
Increase in liabilities	\$1,398,004
Purchases of fixed assets	\$2,560,165

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 Club's CEO and Assistant Manager have left the Club's employ. Rob Dick has taken up the CEO role on a temporary basis whilst a new CEO is recruited.

Since the 30th of June 2014 the Club has secured an additional \$400,000 line of credit through Hargraves Secured Investments.

12. Future Developments

Nil.

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>
Harry John Berger , Director	<ul style="list-style-type: none">• Board Member since 2009• Member of Club Directors Institute	Retired
Brian Patrick Bouchier , Vice Chairman	<ul style="list-style-type: none">• Board Member since 2007• Member of Club Directors Institute	Funeral Director
Brian William Cossar , Chairman	<ul style="list-style-type: none">• Board member since 2008• Member of Club Directors Institute	Retired
John Michael Clarke , Director	<ul style="list-style-type: none">• Board member 1997-2008. Since 2010• Member of Club Directors Institute	Security Guard
Russell Digby Ingram , Director	<ul style="list-style-type: none">• Board member since 2011• Member of Club Directors Institute	Pharmacist
Shane Douglas McBurnie , Director	<ul style="list-style-type: none">• Board member since 2010• Member of Club Directors Institute	Company Director
John Edward Pattison , Vice Chairman	<ul style="list-style-type: none">• Board member since 2010• Member of Club Directors Institute	Chief Executive Officer
Kerry William Pendergast , Director	<ul style="list-style-type: none">• Board member since 2010• Member of Club Directors Institute	Technician

15. 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, save and except Mr J. Pattison Mr S McBurnie, Mr J Clarke, and Mr R Ingram who is an employee of a company with whom the club has traded.

16. Meetings of Directors

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

	Number eligible to attend	Number attended
Mr H Berger (resigned 20/10/13)	4	3
Mr B Bouchier	14	14
Mr J Clarke	14	14
Mr B Cossar	14	13
Mr R Ingram	14	9
Mr S McBurnie	14	13
Mr J Pattison	14	12
Mr K Pendergast	14	14

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.

H.J. Berger, B.P.Bouchier, B.W. Cossar, J.M. Clarke, R.D. Ingram, S.D. McBurnie, J.E. Pattison, K.W. Pendergast, M.P. Mullarvey

18. Membership

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

	2014	2013
RSL	303	323
Life Members	5	5
Associates	9,890	10,209
	<u>10,198</u>	<u>10,537</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 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$50,990 (2013: \$52,685).

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 2014 has been received and can be found on page 30 of the financial report.

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

Signed at Mulwala, on this the 15th day of September, 2014.

B.W. Cossar
Director.

B.P. Bouchier
Director

MULWALA AND DISTRICT SERVICES CLUB LIMITED ACN 000 908 485

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Trading revenue		13,136,604	13,789,912
Subscriptions		196,406	203,070
Other revenue		3,004,977	2,778,226
	2	<u>16,337,987</u>	<u>16,771,208</u>
Advertising		83,996	96,573
Amortisation	1(b) & 3	212,247	223,404
Buses		247,436	213,685
Cost of sales		1,803,974	2,043,989
Customer loyalty program		108,948	79,637
Depreciation	1(b) & 3	1,194,402	965,774
Donations and sponsorship		228,548	209,402
Cleaning		463,231	475,692
Electricity and gas		540,619	699,119
Entertainment		218,641	209,512
Insurance		290,459	258,186
Other expenses		1,010,006	768,065
Personnel expenses		5,531,420	5,367,127
Poker machine taxes and monitoring fees		2,423,491	2,570,742
Promotions		1,735,974	1,475,822
Repairs and maintenance		461,392	628,264
Training costs		103,728	164,867
		<u>16,658,514</u>	<u>16,449,860</u>
Result from operating activities		-310,516	321,348
Rent paid	3	109,090	109,090
Finance income and expenses		-	-
Finance costs	3	104,648	85,353
Profit before income tax		<u>-524,255</u>	<u>126,905</u>
Income tax	1(g)	-	-
Operating Profit/-Loss for the year		<u>-524,255</u>	<u>126,905</u>
Asset Impairment Devaluation of Land	1(e)	-661,004	-
Net Profit/-Loss		<u>-1,185,259</u>	<u>126,905</u>

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Net current year surplus/-loss	-1,185,259	126,905
Other comprehensive income	-	-
Total income/-loss attributable to members of the entity	-1,185,259	126,905

The accompanying notes form part of these financial statements

MULWALA & DISTRICT SERVICES CLUB LIMITED ACN 000 908 485

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	This Year \$	Last Year \$
CURRENT ASSETS			
Cash and cash equivalents	6	461,809	497,207
Trade and other receivables	7	64,202	123,008
Inventories	1(a)	228,667	259,953
Other - prepayments		<u>64,645</u>	<u>36,925</u>
Total Current Assets		819,323	917,093
NON-CURRENT ASSETS			
Property, plant and equipment	8	12,172,682	11,862,167
Investments		32	32
Other – unsecured loan		<u>651,134</u>	<u>651,134</u>
Total Non-Current Assets		<u>12,823,848</u>	<u>12,513,333</u>
TOTAL ASSETS		13,643,170	13,430,426
CURRENT LIABILITIES			
Trade and other payables	9	1,051,208	1,078,880
Interest bearing liabilities	10	1,170,631	756,429
Provisions	11	<u>417,789</u>	<u>385,003</u>
Total Current Liabilities		2,639,628	2,220,312
NON-CURRENT LIABILITIES			
Trade and other payables	9	-	13,321
Interest bearing liabilities	10	1,467,566	486,667
Provisions	11	<u>129,404</u>	<u>118,294</u>
Total Non-Current Liabilities		<u>1,596,970</u>	<u>618,282</u>
TOTAL LIABILITIES		4,236,598	2,838,594
NET ASSETS		<u>9,406,573</u>	<u>10,591,832</u>
MEMBERS' EQUITY			
Retained profit		<u>9,406,573</u>	<u>10,591,832</u>
TOTAL MEMBERS' EQUITY		<u>9,406,573</u>	<u>10,591,832</u>

The accompanying notes form part of these financial statements.

MULWALA & DISTRICT SERVICES CLUB LIMITED ACN 000 908 485

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2014

	Retained Surplus
	\$
Balance as at 1 July, 2012	<u>10,464,927</u>
Comprehensive Income	
Surplus for the year attributable to members	
Of the entity	126,905
Other comprehensive income for the year	<u>-</u>
Total income attributable to members of the entity	<u>126,905</u>
Balance as at 30 June, 2013	<u>10,591,832</u>
Balance as at 1 July, 2013	<u>10,591,832</u>
Comprehensive Income	
Surplus for the year attributable to members	
Of the entity	(1,185,259)
Other comprehensive income for the year	<u>-</u>
Total income attributable to members of the entity	(1,185,259)
Balance as at 30 June, 2014	<u>9,406,573</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 2014

	This Year inflows/(outflows) \$	Last Year inflows/(outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	16,366,302	16,811,559
Payments to suppliers & employees	(15,368,220)	(15,320,585)
Finance costs	(104,648)	(85,235)
Net cash provided by operating activities (Note 2)	<u>893,434</u>	<u>1,405,739</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(2,303,683)	(1,241,265)
Proceeds from sale of fixed assets	10,270	25,454
Cash flows used in investing activities	<u>(2,293,413)</u>	<u>(1,215,811)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(231,706)	(333,232)
Loans made	-	(50,000)
Proceeds from borrowings	1,388,169	182,984
Net cash flows provided from financing activities	<u>(1,156,463)</u>	<u>(200,248)</u>
Movement in cash	(243,516)	(10,322)
Cash at the beginning of the financial year	<u>(122,350)</u>	<u>(112,028)</u>
Cash at the end of the financial year (Note 1)	<u>(365,866)</u>	<u>(122,350)</u>

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 flows is reconciled to the related items in the balance sheet as follows:

	This Year	Last Year
Cash at bank	36,907	59,947
Cash on hand	424,902	437,261
Bank overdraft	(827,675)	(619,558)
	<u>(365,866)</u>	<u>(122,350)</u>

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

Operating profit after income tax	(524,255)	126,905
ADD - Non cash flows in operating activities		
Amortisation	212,247	223,404
Depreciation	1,194,399	965,774
Loss on sale of fixed assets	-	9,317
	<u>882,391</u>	<u>1,325,400</u>
LESS - Profit on sale of fixed assets	<u>(1,791)</u>	<u>(700)</u>
	880,600	1,324,700

Change in operating assets & liabilities

Increase(Decrease) Creditors & accruals	(4,262)	5,069	(80)
(Decrease)Increase Subscriptions & deposits in advance	(59,245)	49,509	24
(Increase)Decrease Trade debtors	79,342	(8,458)	84
(Increase)Decrease Prepayments	(34,287)	51	33
(Increase)Decrease Stock on hand	31,286	34,868	(20)
Cash flows from operations	<u>893,434</u>	<u>1,405,739</u>	<u>1,473</u>

MULWALA AND DISTRICT SERVICES CLUB LIMITED ACN 000 908 485
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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 authorised for issue on 15 September 2014 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 2013.

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, but at least triennial, 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 for gaming revenue where the GST component is charged as a gaming expense. GST is not included 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 except for gaming revenue.

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.

2. Revenue	Notes	This Year	Last Year
Operating activities		\$	\$
- Sale of goods and other trading revenue		16,302,076	16,731,188
- Rental revenue		34,120	39,320
- profit on sale of non-current assets		1,791	700
 Total Revenue		<u>16,337,987</u>	<u>16,771,208</u>
 3 Expenses			
Interest expense on financial liabilities, includes hire purchases charges		104,648	85,235
Employee benefits expense – contributions to defined superannuation funds		412,062	412,062
- Minimum lease payments		109,090	109,090
 Audit Fees			
- Audit Services		17,750	17,500
 Profit from ordinary activities before income tax has been determined after			
Depreciation of non-current assets			
- buildings		13,225	14,132
plant and equipment		1,181,177	965,774
Total depreciation		<u>1,194,402</u>	<u>979,906</u>
 Amortisation of non-current assets			
Leasehold improvements		212,246	209,272
 Rental expense on operating Leases			
Land rental	(5a)	109,090	109,090
Finance costs		104,648	85,353

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. Transactions with Directors are on normal terms and conditions.

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. The club site lease is for a twelve month period with fifty-six renewable options, rental negotiable. The club intends to take up the options of the club site lease. The current rental is \$109,090 and future rentals must be sufficient to meet the requirements of the debt reduction and interest with Hargraves Secured Investments as per the Deed of Accession and Covenant between the Returned and Services League of Australia (Victorian Branch) as trustee of the Yarrowonga Mulwala Sub Branch Patriotic Fund, the lender and the Mulwala and District Services Club Limited. The current commitment for the next twelve months is at the rate of \$109,090 per annum.

	This Year \$	Last Year \$
(b) Capital expenditure Commitments contracted for: Property, plant and equipment estimated not to exceed (b)	-	1,800,000
6 Cash and Cash equivalents		
Cash on hand	424,902	437,261
Cash at bank	36,907	59,946
	<u>461,809</u>	<u>497,207</u>
7 Trade and other receivables		
Current: Trade debtors	<u>64,645</u>	<u>123,008</u>
8 Property, Plant and Equipment		
(a) Land and Buildings		
Freehold land - at cost	<u>700,000</u>	<u>1,361,004</u>
Residential land & buildings	503,985	496,807
Less accumulated depreciation	<u>297,829</u>	<u>284,308</u>
	<u>206,156</u>	<u>212,499</u>
Leasehold improvements:- Clubhouse, motel building, bowling green and surrounds - at cost	15,323,984	14,419,751
Less accumulated amortisation	<u>7,871,380</u>	<u>7,659,133</u>
Total land and buildings	<u>7,452,604</u>	<u>6,760,618</u>
(b) Plant and Equipment		
Plant and equipment - at cost	11,807,192	11,313,772
Less accumulated depreciation	<u>7,993,270</u>	<u>7,785,726</u>
Total plant and equipment	<u>3,813,922</u>	<u>3,528,046</u>
Total	<u>12,172,682</u>	<u>11,862,167</u>

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

	Freehold Land	Residential Land and Buildings	Leasehold Improvements	Equipment, Fittings and Vehicles	Total
Balance at 1 July 2013	1,361,004	212,499	6,760,618	3,528,046	11,862,167
Additions		7,177	1,077,751	1,475,236	2,560,164
Disposals		-	(173,518)	(8,479)	(181,997)
Impairment	(661,004)				(661,004)
Depreciation expense		(13,521)	(212,247)	(1,180,881)	(1,406,649)
Balance at 30 June 2014	<u>700,000</u>	<u>206,155</u>	<u>7,452,604</u>	<u>3,813,922</u>	<u>12,172,681</u>

9 Trade and other payables

Current

Unsecured liabilities

Trade creditors and accrued expenses

Prepaid income

	796,584	758,135
	254,624	320,745
	<u>1,051,208</u>	<u>1,078,880</u>

Non Current

Unsecured liabilities

Trade creditors and accrued expenses

	-	13,321
Notes	This Year	Last Year
	\$	\$

10 Interest Bearing Liabilities

Secured liabilities

Bank Overdraft

827,675

619,558

Hire Purchase Contract

472,549

228,997

Less Unexpired Charges

(32,026)

(25,459)

440,523

203,538

Total secured Liabilities

1,268,198

823,096

Current

Bank Overdraft

827,675

619,558

Hire Purchase Contract

342,956

136,871

1,170,631

756,429

Non Current

Hire Purchase Contract

97,566

66,667

Unsecured Liability

Non Current

Loan – RSL/Hargraves Investments

1,250,000

300,000

Loan – RSL Sub Branch

120,000

120,000

1,467,566

486,667

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 Provisions	
	\$	
Opening Balance as at 1 July, 2013	503,297	
Additional provisions raised during year	375,124	
Amounts used	<u>331,228</u>	
Balance as at 30 June, 2014	547,193	
	2014	2013
	\$	
Analysis of Employee Provisions		
Current:		
- Annual leave entitlements	381,019	346,101
- Long service leave entitlements	<u>36,770</u>	<u>38,902</u>
Total current employee provisions	<u>417,789</u>	<u>385,003</u>
Non Current:		
- Long service leave entitlements	<u>129,404</u>	<u>118,294</u>

12 Gaming Machine Profit and Community Support and Development

The profit from poker machines for the poker machine tax year ended 31 August 2013 was \$8,700,963. The amount of community benefits paid under the ClubGrants Scheme for the poker machine tax year was \$222,179.

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.

The company maintains the following line of credit: \$830,000 - Overdraft with Central Murray Credit Union at 8.5% interest and \$1,250,000 credit facility through RSL (Victorian Branch) at 8.5%.

The company reports a deficiency in working capital, however its operations are largely cash orientated and for 2014 the club reports a cash surplus from operations of \$893,434. The company believes that this level of cash generation from operations adequately demonstrates the liquidity of the company.

Credit Risk

Exposure to credit risk

The carrying amount of the company's financial assets represents the maximum credit exposure. The company's maximum credit exposure at 30 June 2014 was:

	Notes	This Year Carrying Amount	Last Year
Receivables	7	64,202	123,008
Cash & cash equivalents	6	461,809	497,207
Loan unsecured		651,134	651,134
		<u>1,177,145</u>	<u>1,271,349</u>

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

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

		Carrying Amount	
Trade debtors	7	64,202	123,008
		<u>64,202</u>	<u>123,008</u>

Impairment Losses

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

	2014		2013	
	Gross	Impairment Losses	Gross	Impairment Losses
Not past due	64,202	-	123,008	-

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						
30 June 2014	Carrying Amount \$	Contractual Cash Flows \$	<12 Months \$	1-2 Years \$	2-5 Years \$	>5 years \$
Unsecured loan	120,000	120,000	No repayment arrangements at 30 June 2014			
Loan RSL/Hargraves	1,250,000	1,250,000	No repayment arrangements at 30 June 2014			
Bank overdraft	827,675	827,675	-	-	-	827,675
Hire purchase liabilities	440,523	440,523	342,956	97,567	-	-
Trade and other payables (excl. employee benefits and prepaid income)	642,931	642,931	642,931	-	-	-
	<u>3,281,129</u>	<u>3,281,129</u>	<u>985,887</u>	<u>97,567</u>	<u>-</u>	<u>827,675</u>

Financial Assets						
30 June 2014	Carrying Amount \$	Contractual Cash Flows \$	<12 Months \$	1-2 Years \$	2-5 Years \$	>5 years \$
Cash & cash equivalents	461,809	461,809	461,809	-	-	-
Loan unsecured	-	-	-	-	-	-
Trade and other receivables	64,202	64,202	64,202	-	-	-
	<u>526,011</u>	<u>526,011</u>	<u>526,011</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial Liabilities						
30 June 2013	Carrying Amount \$	Contractual Cash Flows \$	<12 Months \$	1-2 Years \$	2-5 Years \$	>5 years \$
Unsecured loan	120,000	120,000	No repayment arrangements at 30 June 2013			
Bank overdraft	619,558	619,558	-	-	-	619,558
Hire purchase liabilities	228,997	228,997	152,754	76,243	-	-
Trade and other payables (excl. employee benefits and prepaid income)	634,983	634,983	621,662	13,321	-	-
	<u>\$1,603,538</u>	<u>\$1,603,538</u>	<u>\$774,416</u>	<u>\$89,564</u>	<u>-</u>	<u>\$619,558</u>

Financial Assets						
30 June 2013	Carrying Amount \$	Contractual Cash Flows \$	<12 Months \$	1-2 Years \$	2-5 Years \$	>5 years \$
Cash & cash equivalents	497,207	497,207	497,207	-	-	-
Loan unsecured	651,134	651,134	No repayment arrangements at 30 June 2013			
Trade and other receivables	123,008	123,008	123,008	-	-	-
	<u>\$1,271,349</u>	<u>\$1,271,349</u>	<u>\$620,215</u>	<u>-</u>	<u>-</u>	<u>-</u>

Interest Rate Risk

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

Fixed Rate Instruments	Carrying Amount Note	2014	2013
Hire Purchase Contract	10	440,523	203,538
Loan		1,370,000	420,000
Variable Instruments			
Bank Overdraft	10	827,675	619,558

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposures 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.

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

	Profit \$	Equity \$
Year ended 30 June 2014		
+/- 1% in interest rates	+/- \$32,926	+/- \$32,926
Year ended 30 June 2013		
+/- 1% in interest rates	+/- \$19,035	+/- \$19,035
	2014 Carrying Amount \$	2013 Carrying Amount \$
Financial assets		
Cash on hand	461,809	497,207
Accounts receivable and other debtors	<u>64,202</u>	<u>123,008</u>
Total Financial assets	526,011	620,215
Financial liabilities		
Accounts payable and other payables	1,581,453	1,831,759
Hire purchase liabilities	<u>440,523</u>	<u>203,538</u>
Total Financial liabilities	2,021,976	2,035,297

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

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 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 2014 the number of members was 10,198.

MULWALA AND 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 15 to 29 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 2014 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.W. COSSAR
Director.

B.P. BOUCHIER
Director

Dated this 15th day of September, 2014.

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 2014 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 16th day of September, 2014.

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 Limited, which comprises the statement of financial position as at 30 June 2014, 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 auditor's report.

Electronic Presentation of Audited Financial Reports

This auditor's report relates to the financial report of the Mulwala & District Services Ltd for the year ended 30 June 2014, that may be included on the company's website. The auditor's report refers only to that financial report and it does not provide an 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 the 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 2014 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 16th day of September, 2014