CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB

ABN: 70 000 998 863

Financial Report For The Year Ended 30 June 2011

Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club

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Financial Report For The Year Ended 30 June 2011

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CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
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DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2011.

Directors

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

Ian Crabb
James Baxter
Raymond Anderson
Glenys Cartwright
Robert Coustley
Robyn Creedon
Jack McArdle

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities
The principal activity of the entity during the financial year was:

• to provide members with lawn bowling and sporting facilities. details]

The entity's short term objectives are to:

• Develop an annual budget
• Continually monitor the financial activities of the Club to ensure its continued viability
• Decrease bank loan
• Continually monitor the environment of the Club to ensure that we are providing a safe place for our members, visitors and staff.
• Provide adequate and appropriate sponsorship to the sub-clubs to ensure the continuation of activities for club members.
• Create a welcoming and friendly atmosphere for our members, visitors and staff.
• Encourage community groups to make use of our Club facilities.
• Monitor and advertise the distribution of CDSE funds to local charities.
• Continue to seek major sponsorship for bowls tournaments.

The entity's long term objectives are to:

• Continually review our facilities with regards to improving the outdoor and indoor ambience of the Club for our members, visitors and staff.
• Continually review future options that can ensure the future viability of the Club.
• Pay off all bank loans.
• Look for ways to increase advertising revenue around the Club.

To achieve these objectives, the entity has adopted the following strategies:

• Monthly review of financial accounts.
• Redevelopment of the Gaming Room.
• Re-carpeting of auditorium.
• Recovering of chairs and stools in downstairs area.
• Monthly reports to the Board on Occupational Health & Safety issues. Reports actioned if necessary.
• General Manager and Finance Committee develop an annual budget.
• Encourage local charities to make application for our CDSE funds.
• Notify community of CDSE funding allocation.
• Support General Manager and staff with their professional development and performance.

The entity measures its performance (including any key performance indicators) by:

• Satisfactory operating profit
• Gaming room renovations, re-carpeting downstairs and recovering of chairs/stools completed.
• OH&S reports completed and acted upon.
• Community informed of CDSE allocations.
• Future projects for club identified:
  • Concrete path from northern gate to veranda. Join veranda path to this path – install new shades on new concrete.
  • Review restaurant/kitchen upgrade with aim of providing for increase in function activity.
• Increased number of community groups regularly accessing our facilities.
• Sub-Clubs satisfied with their sponsorship.
• $120,000 paid off on bank loan.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
DIRECTORS' REPORT

Information on Directors

Ian Crabb	—	Chairman
Qualifications	—	Member of the Board, 2 years 9 months
Special Responsibilities	—	Finance committee, Poker Machines, Special Events
James Baxter	—	Deputy Chairman
Qualifications	—	Member of the Board, 13 years
Special Responsibilities	—	Finance Committee, Raffles and Promotions
Raymond Anderson	—	Director
Qualifications	—	Member of the Board, 3 years 9 months
Special Responsibilities	—	OH&S
Glenys Cartwright	—	Director
Qualifications	—	Member of the Board 1 year, 7 months
Special Responsibilities	—	Liaison Bowling Clubs
Robert Coustley	—	Director
Qualifications	—	member of the Board 5 years, 7 months
Special Responsibilities	—	Greens & Grounds Director (resigned as Greens & Grounds Director on 29 March 2011), Poker Machine Committee
Robyn Creedon	—	Director
Qualifications	—	Members of the Board, 2 years 2 months
Special Responsibilities	—	Finance Committee, Liaison with Sub-Clubs
Jack McArdle	—	Director
Qualifications	—	Member of the Board 2 years 5 months
Special Responsibilities	—	Poker Machine Committee, Greens & Grounds Director from 29 March 2011

Meetings of Directors

During the financial year, 19 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Ian Crabb	19	18
James Baxter	19	18
Raymond Anderson	19	18
Glenys Cartwright	19	16
Robert Coustley	19	19
Robyn Creedon	19	15
Jack McArdle	19	19

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If thecompany is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the company. At 30 June 2011 the collective liability of members was $4,504 (2010: $4394).

Core – Non Core Property as required under Section 41J of The Registered Clubs Act

The Directors consider the Club's defined premises and all of its facilities to be Core Property. The directors do not consider the Club to have Non-Core Property.

Section 41J of the Act defines core property as meaning any real property owned or occupied by the Club that comprises:-
(a) the defined premises of the club, or
(b) any facility provided by the club for use of its members and their guests' or
(c) any other property declared, by resolution passed by a majority of the members present at a general meeting of the ordinary members of

Non-core property is defined as meaning any real property owned or occupied by the Club that is not core property.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found following the directors report of the financial report.

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

Director

Ian Crabb

Dated this 3rd day of October 2011

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Watson & Fenton Chartered Accountants

Name of Firm **Watson and Fenton Chartered Accountants**

B. D

Name of Partner **Barry Dunnett**

Date 30/09/2011

Address Suite 218 Level 2 Showcase on the Beach,

72 -80 Marine Parade

Coolangatta QLD 4225

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Revenue	2	4,236,605	4,306,112
Other income	2	12,776	35,370
Employee benefits expense		(1,166,117)	(1,121,196)
Depreciation and amortisation expense		(263,484)	(273,761)
Finance costs	3	(24,215)	(31,815)
Purchases		(1,353,103)	(1,355,878)
Changes in inventories		62,451	(3,854)
Other expenses	3(b)	(1,428,524)	(1,405,358)
Profit before income tax		76,389	149,620
Income tax expense		-	-
Profit for the year		76,389	149,620

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Profit for the year		76,389	149,620
Other comprehensive income:			
Net gain on revaluation of property, plant and equipment	8	722,778	-
Total comprehensive income for the year		799,167	149,620

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 $	2010 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	277,769	380,691
Trade and other receivables	5	14,169	23,700
Inventories	6	140,075	202,526
Other assets	7	11,623	6,996
Total Current Assets		443,636	613,913
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,553,186	3,874,896
Intangible assets	9	104,417	-
Total Non-current Assets		4,657,603	3,874,896
TOTAL ASSETS		5,101,239	4,488,809
LIABILITIES			
Current Liabilities			
Trade and other payables	10	222,232	231,191
Borrowings	11	34,412	55,716
Provisions	12	66,328	87,415
Total Current Liabilities		322,972	374,322
Non-Current Liabilities			
Borrowings	11	216,173	349,618
Provisions	12	12,284	14,226
Total Non-Current Liabilities		228,457	363,844
TOTAL LIABILITIES		551,429	738,166
NET ASSETS		4,549,810	3,750,643
EQUITY			
Retained earnings		2,967,484	2,891,095
Reserves		1,582,326	859,548
TOTAL EQUITY		4,549,810	3,750,643

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB

ABN: 70 000 998 863

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings	Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2009	2,741,475	859,548	3,601,023
Comprehensive income			
Profit / (loss) for the year	149,620		149,620
Total comprehensive income	149,620	-	149,620
Balance at 30 June 2010	2,891,095	859,548	3,750,643
Comprehensive income			
Profit / (loss) attributable to the entity	76,389		76,389
Other comprehensive income for the year			
Revaluation adjustment (Note 8)	-	722,778	722,778
Total comprehensive income	76,389	722,778	799,167
Balance at 30 June 2011	2,967,484	1,582,326	4,549,810

The accompanying notes form part of these financial statements

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB

ABN: 70 000 998 863

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers & members		4,664,189	4,739,209
Payments to suppliers and employees		(4,264,355)	(4,350,153)
Interest received		5,398	2,907
Receipts of Government grants for capital projects		-	25,347
Finance costs paid		(29,992)	(31,815)
Net cash provided by/(used in) operating activities		375,240	385,495
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(218,995)	(221,487)
Payment for intangible asset (poker machine entitlements)		(104,417)	-
Net cash provided by/(used in) investing activities		(323,412)	(221,487)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(120,000)	(110,000)
Repayment of finance lease commitments		(34,750)	(21,251)
Increase in finance lease commitments		-	79,777
Net cash provided by/(used in) financing activities		(154,750)	(51,474)
Net increase/(decrease) in cash held		(102,922)	112,534
Cash and cash equivalents at the beginning of the financial year		380,691	268,157
Cash and cash equivalents at the end of the financial year	4	277,769	380,691

The accompanying notes form part of these financial statements.

The financial statements cover Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club as an individual entity, incorporated and domiciled in Australia. Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club is a company limited by guarantee.

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.

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 have been prepared on an accruals 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 financial statements were authorised for issue on 3 October 2011 by the directors of the company.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the sale of goods is recognised upon the delivery of the service to the customers.

Membership subscriptions are recognised as revenue in the year to which they relate. Membership subscriptions received in advance are deferred and are disclosed as a liability in the statement of financial position.

Gaming revenue is recognised when received.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair 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 recognised 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 recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised 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 recognised at the fair value of the asset at the date it is acquired.

Plant and Equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised 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 asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets were:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	15-20%
Leased plant and equipment	22.5%

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 included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(d) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity 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 recognised as expenses on a straight-line basis over the lease term.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values 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 value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent on 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 assets 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 recognised 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.

(g) Employee Benefits

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 benefits 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 benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. 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.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Goods and 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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financial activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(k) Intangibles

Poker Machine Entitlements

Poker machine entitlements are recorded at cost. Poker machine entitlements were acquired inadvertently prior to year end and at the date of this report their useful life has still to be determined. They are assessed annually for impairment.

(l) Provisions

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

(m) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(n) Trade and Other Payables

Trade 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 recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) 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.

Key Estimates

Valuation of Property
Attention is drawn to note 8.

Long Service Leave Entitlement
Assessments are made on the probability of staff taking long service leave.

(p) Economic Dependence

Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club is dependent on the members for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the members will not continue to support Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club.

(q) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

— *AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).*

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments . The Company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

— *AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).*

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Company.

— *AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013)*

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

— Tier 1: Australian Accounting Standards; and

— Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the company is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.

— *AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).*

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Company.

— *AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).*

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Company.

— *AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011)*

This Standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. Key changes include:

— clarifying the application of AASB 108 prior to an entity's first Australian Accounting Standard financial statements;

— amending AASB 7 to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;

— amending AASB 101 to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity

— amending AASB 134 by adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and

— adding sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Company.

— *AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).*

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

— *AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).*

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards; and AASB 7: Financial Instruments: Disclosures; establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Company.

— *118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).*

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

This Standard is not expected to impact the Company.

— *AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).*

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Company.

— *AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).*

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.
The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first

This Standard is not expected to impact the Company.

— *AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).*

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9; and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7].

This Standard is not expected to impact the Company.

Note 2 Revenue and Other Income

	Note	2011 $	2010 $
Revenue from government grants and operating activities			
— State/federal government grants		17,180	17,180
— Gaming		1,937,176	1,929,636
— Beverage sales		1,119,429	1,142,819
— Bottleshop sales		910,864	968,042
— Commission		126,229	129,974
— Club raffles		52,555	45,256
— Coffee shop sales		25,682	21,225
— Other		21,674	29,783
— Member subscriptions		20,418	19,290
		4,231,207	4,303,205
Other revenue			
— Interest received on investments in government and fixed interest securities		5,398	2,907
		5,398	2,907
Total Revenue		4,236,605	4,306,112
Other Income			
— Rental income		12,776	10,023
— Government grants for capital projects		-	25,347
Total Other Income		12,776	35,370
Total Revenue and Other Income		4,249,381	4,341,482

Note 3 Profit for the Year

	2011 $	2010 $
(a) Disclosable expenses		
Depreciation and Amortisation		
— land and buildings	75,669	69,438
— plant and equipment	171,100	190,697
— capitalised leased assets	16,715	13,626
Total Depreciation and Amortisation	263,484	273,761
Interest expense on financial liabilities	24,215	31,815
Loss on disposal of non-current assets	-	2,538
Rental expense on operating leases		
— minimum lease payments (poker machine game licence)	4,220	2,285

Auditor Remuneration		
— audit services	12,000	12,500
Total Auditor Remuneration	12,000	12,500
Directors expenses	951	625
Directors honorariums	7,750	7,670
	8,701	8,295
Cost of sales		
— bar	500,244	515,123
— bottleshop	764,175	824,404
— coffee shop	26,236	20,205
	1,290,655	1,359,732
(b) Other expenses		
Poker machine expenses	337,009	331,075
Members expenses	127,857	137,570
Electricity	109,752	106,874
Entertainment	101,901	101,352
Repairs and maintenance	105,964	96,324
Employee on-costs expenses	72,341	72,382
Cleaning	67,512	64,605
Advertising	68,480	59,137
Security	60,671	57,482
Insurance	58,886	53,589
Club raffles	54,206	50,837
Courtesy bus	38,651	38,629
Donations & CDSE	34,741	36,160
Other operating expenses	186,333	199,342
	1,424,304	1,405,358
(c) Employee costs		
Employee benefits expense	1,166,117	1,121,196
Employee on-costs expenses	72,341	72,382
	1,238,458	1,193,578

Note 4 Cash and Cash Equivalents

	2011 $	2010 $
CURRENT		
Cash on hand	136,735	106,490
Cheque account	79,240	159,528
Cash Maximer account	61,794	114,673
Total cash and cash equivalents as stated in the statement of financial position	277,769	380,691

Note 5 Trade and Other Receivables

	Note	2011 $	2010 $
CURRENT			
Trade receivables		6,538	13,620
Other receivables		7,631	10,080
Total current trade and other receivables	17	14,169	23,700

Note 6 Inventories

	2011 $	2010 $
CURRENT		
At cost		
Bar Stock	18,635	13,881
Bottleshop stock	119,427	187,883
Coffee shop stock	2,013	762
	140,075	202,526

Note 7 Other Assets

	2011 $	2010 $
CURRENT		
Prepayments	11,623	6,996
	11,623	6,996

Note 8 Property, Plant and Equipment and Capital Works in Progress

	2011 $	2010 $
LAND AND BUILDINGS		
Freehold land:		
— Independent valuation 2011	1,200,000	-
— Independent valuation 2006	-	1,400,000
Total land	1,200,000	1,400,000
Buildings:		
— Directors valuation 2011	2,836,809	-
— Independent valuation 2006	-	500,000
Subsequent additions at cost	-	1,556,023
Total buildings	2,836,809	1,823,960
Total land and buildings	4,036,809	3,223,960
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,698,303	1,635,509
Accumulated depreciation	(1,249,148)	(1,078,048)
	449,155	557,461
Leased Assets		
Cost	109,178	104,716
Accumulated depreciation	(41,956)	(25,241)
	67,222	79,475
Capital works in progress		
At cost	-	14,000
Total property, plant and equipment and capital works in progress	4,553,186	3,874,896

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land $	Buildings $	Plant and Equipment $	Leased Plant & Equipment $	Capital Works in Progress $	Total $
2010						
Balance at the beginning of the year	1,400,000	1,864,251	619,289	32,492	13,676	3,929,708
Additions at cost	-	29,147	117,730	60,609	14,000	221,486
Internal transfers	-	-	13,676	-	(13,676)	-
Disposals	-	-	(2,537)	-	-	(2,537)
Depreciation expense	-	(69,438)	(190,697)	(13,626)	-	(273,761)
Carrying amount at end of year	1,400,000	1,823,960	557,461	79,475	14,000	3,874,896
2011						
Balance at the beginning of the year	1,400,000	1,823,960	557,461	79,475	14,000	3,874,896
Additions at cost	-	151,740	62,794	4,462	-	218,996
Revaluation adjustment	(200,000)	922,778	-	-	-	722,778
Internal transfers	-	14,000	-	-	(14,000)	-
Depreciation expense	-	(75,669)	(171,100)	(16,715)	-	(263,484)
Carrying amount at end of year	1,200,000	2,836,809	449,155	67,222	-	4,553,186

Asset revaluations
Land

The revaluation model is applied to land. The fair value of land was determined from market based evidence by appraisal. This was conducted by Wayne Moore LJ Hooker Cabarita Beach, using the sales comparison approach.

The purpose of the valuation was for financial reporting only.

Whilst its unique 6b zoning presented some difficulties to obtain true comparative sales, data was gathered for land sales from the wider Tweed Shire coastal areas of property zoned similarly and potentially of the clubs existing use.

The Board is of the opinion that this method is appropriate in the circumstances.

The valuation resulted in a decrease in the land's value by $200,000.

Buildings

The valuation model is applied to buildings. The fair value of buildings is usually determined from market-based evidence by appraisal. However, it is evident that there is very little or no market based evidence of value because Club buildings are rarely sold within a reasonable radius of Cabarita.

The Accounting Standards suggest that, in the absence of market based evidence, the depreciated replacement cost approach may be used to estimate fair value. The purpose of the valuation was for financial reporting purposes. The Board has used the depreciated replacement cost approach.

Key variables include replacement cost per square meter and the building's total estimated useful life. The former was obtained from the Rawlins Construction guide and the latter by way exercising judgement.

The valuation resulted in an increase in buildings value by $922,778.

The valuation method applied by the external valuers in 2006 to estimate fair value was on the alternate use basis (ie. "highest and best use").

The Board is of the opinion that the application of the depreciated replacement cost approach is really a change in estimate and not a change in accounting policy.

Note 9 Intangible Assets

	2011 $	2010 $
Poker machine entitlements - at cost	104,417	-
Accumulated amortisation	-	-
Net carrying value	104,417	-

	Poker machine entitlements $	Poker machine entitlements $
2011		
Balance at the beginning of the year	-	-
Additions	104,417	-
	104,417	-

Note 10 Trade and Other Payables

	Note	2011 $	2010 $
CURRENT			
Trade payables		102,301	91,801
Deferred income		13,438	12,305
Employee benefits		25,500	17,950
Accrued expenses		35,473	47,525
GST payable		41,520	52,458
Sundry creditors		4,000	9,152
	10(a)	222,232	231,191

		2011 $	2010 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total current		222,232	231,191
Less deferred income		(13,438)	(12,305)
Financial liabilities as trade and other payables	17	208,794	218,886

Note 11 Borrowings

	Note	2011 $	2010 $
CURRENT			
Lease liabilities	13	34,412	52,790
Hire purchase liability		-	2,926
		34,412	55,716
NON-CURRENT			
Lease liabilities	13	22,901	33,107
Flexible rate bank loan		190,000	310,000
Hire purchase liability		3,272	6,511
		216,173	349,618
TOTAL BORROWINGS	17	250,585	405,334

Lease liabilities are secured by the underlying leased assets.

		Note	2011 $	2010 $
(a)	Total current and non-current secured liabilities:			
	Lease liabilities		57,313	85,897
	Flexible rate bank loan	16 c	190,000	310,000
	Hire purchase liability		3,272	9,437
			250,585	405,334
(b)	The carrying amounts of non-current assets pledged as security are:			
	Freehold land and buildings		4,036,809	3,223,960
			4,036,809	3,223,960
(c)	Security for the flexible rate bank loan is described in	16 c		
(d)	The flexible rate bank loan has been drawn as a source of long-term finance.	16 c		

Note 12 Provisions

	2011 $	2010 $
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 July 2010	87,415	86,503
Additional provisions raised during year	64,588	79,072
Amounts used	(85,675)	(78,160)
Balance at 30 June 2011	66,328	87,415
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 July 2010	14,226	23,429
Amounts used	(1,942)	(9,203)
Balance at 30 June 2011	12,284	14,226

Analysis of Total Provisions	2011 $	2010 $
Current	66,328	87,318
Non-current	12,284	14,226
	78,612	101,544

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 of financial statements.

Note 13 Capital and Leasing Commitments

(a) Finance Lease Commitments

	2011	2010
Payable – minimum lease payments	$	$
— not later than 12 months	33,649	55,384
— later than 12 months but not later than 5 years	24,002	33,792
Minimum lease payments	57,651	89,176
Less future finance charges	(2,743)	(3,279)
Present value of minimum lease payments	54,908	85,897

The motor vehicle and poker machine lease commitments are non-cancellable finance leases contracted for with three year terms.

(b) Operating Lease Commitments

	2011	2010
Payable – minimum lease payments	$	$
— not later than 12 months	3,916	3,916
— later than 12 months but not later than 5 years	1,632	5,548
	5,548	9,464

The gaming licence lease commitment is a non-cancellable operating lease contracted for (but not capitalised in the financial statements) with a three year term.

(c) Hire Purchase Commitments

	2011	2010
Payable – minimum payments	$	$
— not later than 12 months	3,754	3,754
— later than 12 months but not later than 5 years	3,441	7,195
— greater than 5 years	-	-
Minimum payments	7,195	10,949
Less future finance charges	(684)	(1,512)
Present value of minimum payments	6,511	9,437

The photocopier hire purchase commitment is non cancellable and contracted for with a three year term.

Note 14 Events After the Reporting Period

There were no events after year end requiring disclosure in the financial statements.

Note 15 Related Party Transactions

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

	2011	2010
Key Management Personnel Compensation	$	$
— Short-term benefits	132,409	129,124
— Post-employment benefits	9,175	9,866
	141,584	138,990

Note 16 Cash Flow Information

(a) Reconciliation of Cashflow from Operations with Profit after Income Tax

	2011	2010
	$	$
Profit after income tax	76,389	149,620
Non cash flows		
Depreciation and amortisation	263,484	273,761
Profit on sale of property, plant and equipment	-	2,538
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	9,533	(9,898)
Increase/(decrease) in trade and other payables	(8,960)	(33,645)
Increase/(decrease)in provisions	(23,028)	(8,288)
(Increase)/decrease in inventories	62,451	3,855
(Increase)/decrease in prepayments	(4,629)	7,552
	375,240	385,495

(b) Credit Standby Arrangements

Credit cards	-	10,000
Business lending - overdraft	60,000	60,000
Sub total	60,000	70,000
Amount utilised	-	(702)
Amount unused	60,000	69,298

(c) Loan Facilities

Leasing	50,000	50,000
Flexible rate bank loan	330,000	450,000
Sub total	380,000	500,000
Amount utilised	(219,832)	(348,570)
Amount unused	160,168	151,430

The facility in regards to the flexible rate bank loan is described as follows:

The bank does not within 12 months require any principal repayment according to loan documentation dated 12/11/09. The facility requires interest only repayments, payable in arrears.

Interest is debited directly to the Company's working account. Interest is variable.

The facility has a free redraw facility and can be redrawn to $450 000 at the Company's request.

Whilst the current years review date was 30/4/11 the facility has a period of 5 years.

Facilities are reviewed at least annually.

Security held by National Australia Bank in relation to the above facilities is as follows:

Registered Mortgage over property situated at Cabarita Beach Bowls & Sports, 3 Jacaranda Avenue, Bogangar NSW more particularly described in Certificate of Title Folio Identifier 174/250211;

Registered Mortgage over property situated at Cabarita Beach Bowls & Sports, 3 Jacaranda Avenue, Bogangar NSW more particularly described in Certificate of Title Folio Identifier 18/574325;

Registered Mortgage over property situated at Cabarita Beach Bowls & Sports, 3 Jacaranda Avenue, Bogangar NSW more particularly described in Certificate of Title Folio Identifier 16/561137;

Fixed and Floating Charge over all of the present and future rights, property and undertaking of Cabarita Beach Bowls & Sports Club Ltd ACN. 000 998 863.

In regards to the master asset finance agreement, security is held for the revolving leasing limit.

(d) Cash flow from financing activities

The increase in finance lease commitments follows the agreements concluded during the current financial year in relation to poker machines and a photocopier.

Note 17 Financial Risk Management

The company's financial statements consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2011 $	2010 $
Financial Assets			
Cash and cash equivalents	4	277,769	380,691
Loans and receivables	5	14,169	23,700
Total Financial Assets		291,938	404,391
Financial Liabilities			
— Trade and other payables	10(a)	208,794	218,886
— Borrowings	11	250,585	405,334
Total Financial Liabilities		459,379	624,220

Financial Risk Management Policies

The Boards overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board. These include future cash flow requirements.

Specific Financial Risk Exposures and Management

Financial liabilities have been reduced to a level where the Board feels that fluctuations in interest rates will not have any significant impact on the financial performance of the company.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Financial liabilities due for payment	$	$	$	$	$	$	$	$
Trade and other payables (excluding estimated annual leave and deferred income)	208,794	218,886	-	-	-	-	208,794	218,886
Finance lease liabilities	34,412	55,716	26,173	39,618	-	-	60,585	95,334
Borrowings (loans)	-	-	190,000	310,000	-	-	190,000	310,000
Total expected outflows	243,206	274,602	216,173	39,618	-	-	459,379	624,220
Financial Assets - cash flows realisable								
Cash and cash equivalents	277,769	380,691	-	-	-	-	277,769	380,691
Trade, term and loan receivables	14,169	23,700	-	-	-	-	14,169	23,700
Total anticipated inflows	291,938	404,391	-	-	-	-	291,938	404,391
Net (outflow) / inflow on financial instruments	48,732	129,789	(216,173)	(39,618)	-	-	(167,441)	(219,829)

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 2011	$	$
+/-1% in interest rates	1,900	1,900

	Profit	Equity
Year ended 30 June 2010	$	$
+/- 1% in interest rates	3,100	3,100

No sensitivity analysis has been performed on foreign exchange risk as the company has no material exposures to currency risk.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

		2011		2010	
	Footnote	Net Carrying Amount	Net Fair Value	Net Carrying Amount	Net Fair Value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	277,769	277,769	380,691	380,691
Trade and other receivables	(i)	14,169	14,169	23,700	23,700
Total financial assets		291,938	291,938	404,391	404,391
Financial liabilities					
Trade and other payables	(i)	208,794	208,794	218,886	218,886
Lease liability		60,585	60,585	95,334	95,334
Mortgage loans		190,000	190,000	310,000	310,000
Total financial liabilities		459,379	459,379	624,220	624,220

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

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts relating to the provision of annual leave which is outside the scope of AASB 139.

Note 18 Reserves

(a) Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets.

Note 19 Entity Details

The registered office of the entity is:

Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club
Cabarita Road
Bogangar NSW 2488

The principal places of business is:

Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club
Cabarita Road
Bogangar NSW 2488

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes 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 as at 30 June 2011 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion there are reasonable grounds to believe that the entity 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.

Director

Ian Crabb

Dated this 3rd day of October 2011

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CABARITA BEACH BOWLS & SPORTS CLUB LIMITED TRADING AS CABARITA BEACH SPORTS CLUB

Report on the Financial Report

We have audited the accompanying financial report of Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club, which comprises the statement of financial position as at 30 June 2011, the statement of 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 and fair presentation of the financial report that gives a true and fair value in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 statements are 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 of the financial report that gives a true and fair view 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club on 30 September 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Opinion

In our opinion, the financial report of Cabarita Beach Bowls & Sports Club Limited Trading as Cabarita Beach Sports Club is in

(i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Watson & Fenton Chartered Accountants

Name of Firm **Watson & Fenton Chartered Accountants**

B. [signature]

Name of Partner **Barry Dunnett**

Address: Suite 218 Level 2 Showcase on the Beach
72 - 80 Marine Parade
Coolangatta QLD 4225

Dated this 4th day of October 2011