

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED

ABN: 70 000 998 863

**Financial Report For The Year Ended
30 June 2015**

Cabarita Beach Bowls & Sports Club Limited

ABN: 70 000 998 863

Financial Report For The Year Ended 30 June 2015

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

Your directors present this report on the company for the financial year ended 30 June 2015.

Directors

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

Ian Crabb
Neal Ambrose
Alex Barbacetto appointed (30/09/2014)
Greg Goode
Susan Harriman appointed (30/09/2014)
Jack McArdle
James Rannie
Lyndell Wickbold

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 company during the financial year was:

- To provide members with lawn bowling and other sporting activities

Short-term and Long-term Objectives

The company's short-term objectives are to:

- Develop an annual budget.
- Continually monitor the financial activities of the Club to ensure its continued viability.
- Closely monitor any bank loans
- Monitor the environment of the club to ensure that we are providing an inviting and safe place for our members, visitors and staff
- Encourage and support sub-club activities
- Create a welcoming and friendly atmosphere for our members, visitors and staff
- Financially support local sporting groups and encourage them to make use of our club facilities
- Monitor and advertise the distribution of ClubGRANTS funds to local organisations
- Work co-operatively with the Men's and Women's Bowling Clubs to support our Bowls Co-ordinator especially with regards to Sponsorship and Visit-ins
- Identify projects from the major expenditure plan that need immediate attention.

The company's long-term objectives are to:

- Continually review our facilities with regard to improving the outdoor & indoor ambience of the Club for our members, visitors and staff.
- Develop a strategic 5-10 year plan that will ensure the continued development of Cabarita Beach Bowls & Sports Club.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- monthly review of financial accounts
- monthly reports to the Board on Workplace Health & Safety issues. Reports actioned if necessary.
- continue to establish and improve communication with other community organisations.
- support and encourage the professional development of staff to create a friendly and welcoming environment within the Club.
- General Manager and Finance Committee develop an annual budget for Board approval.
- encourage local charities to make application for ClubGRANTS funds.
- communicate with sub-clubs and acknowledge their activities.
- regularly monitor the Club's utilities use.
- enact projects from the major expenditure plan.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED

ABN: 70 000 998 863

DIRECTORS' REPORT

Key Performance Measures

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

- having a satisfactory operating profit.
- WHS reports completed and acted on.
- ClubGRANTS allocations advertised to community.
- community groups regularly accessing our facilities.
- Sub-clubs satisfied with their sponsorship.
- steps taken to address savings in water and electricity use.
- good reports on staff and club performance.
- identified projects completed.

Information on Directors

Ian Crabb	—	Chairman
Qualifications	—	Member of the Board since 30/09/2008
Special Responsibilities	—	Finance Committee, Poker Machines, Special Events, Strategic Planning & Development
Neal Ambrose	—	Deputy Chairman
Qualifications	—	Member of the Board since 7/11/2011
Special Responsibilities	—	Maintenance & Development Director, Strategic Planning & Development
Alex Barbacetto	—	Director
Qualifications	—	Member of the Board since 30/9/2014
Special Responsibilities	—	Finance Committee, Strategic Planning & Development
Greg Goode	—	Director
Qualifications	—	Member of the Board since 7/11/2011
Special Responsibilities	—	Liaison Sub-clubs
Susan Harriman	—	Director
Qualifications	—	Member of the Board since 30/9/2014
Special Responsibilities	—	Strategic Planning & Development
Jack McArdle	—	Director
Qualifications	—	Member of the Board since 27/01/2009
Special Responsibilities	—	Poker Machines, Greens Director
James Rannie	—	Director
Qualifications	—	Member of the Board since 11/11/2013
Special Responsibilities	—	Work Health & Safety
Lyndell Wickbold	—	Director
Qualifications	—	Member of the Board since 30/7/2013
Special Responsibilities	—	Raffles

Meetings of Directors

During the financial year, 15 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ian Crabb	15	14
Neal Ambrose	15	13
Alex Barbacetto	13	13
Greg Goode	15	13
Susan Harriman	13	10
Jack McArdle	15	12
James Rannie	15	15
Lyndell Wickbold	15	14

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
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DIRECTORS' REPORT

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 \$1 each towards meeting any outstanding obligations of the company. At 30 June 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$3,784 (2014: \$4,380).

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 the club, not to be core property of the Club.

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 2015 has been received and can be found on page 4 of the financial report.

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



Director

Ian Crabb

Dated this 29th day of September 2015

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 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.

Watson and Fenton Chartered Accountants

Name of Firm Watson & Fenton Chartered Accountants

A handwritten signature in dark ink, appearing to read 'B. Dunnett', with a long horizontal stroke extending to the right.

Name of Partner Barry Dunnett

Date 28/09/2015

Address 39 Wharf Street

Tweed Heads NSW 2485

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue	2	4,113,239	4,300,418
Other income	2	360	2,360
Employee benefits expense	3(a)	(1,249,164)	(1,310,323)
Depreciation and amortisation expense	3(a)	(284,538)	(291,938)
Interest expense	3(a)	(2,753)	(9,217)
Cost of sales	3(a)	(1,092,319)	(1,216,434)
Other expenses	3(b)	(1,374,866)	(1,478,490)
Profit/(loss) before income tax		<u>109,959</u>	<u>(3,624)</u>
Income tax expense	1(h)	-	-
Profit/(loss) for the year		<u><u>109,959</u></u>	<u><u>(3,624)</u></u>
		2015 \$	2014 \$
Profit/(loss) for the year		109,959	(3,624)
Other comprehensive income			
Items that have been reclassified to profit or loss:			
Losses on revaluation of land and buildings	5	(46,679)	-
Total comprehensive income for the year		<u><u>63,280</u></u>	<u><u>(3,624)</u></u>
Profit attributable to members of the entity		109,959	(3,624)
Total comprehensive income attributable to members of the entity		<u><u>63,280</u></u>	<u><u>(3,624)</u></u>

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	496,002	436,406
Trade and other receivables		6,935	6,019
Inventories		110,969	107,153
Prepayments		10,836	9,858
Total current assets		<u>624,742</u>	<u>559,436</u>
Non-current assets			
Property, plant and equipment	5	2,955,677	5,232,448
Intangible assets	6	104,417	104,417
Total non-current assets		<u>3,060,094</u>	<u>5,336,865</u>
TOTAL ASSETS		<u>3,684,836</u>	<u>5,896,301</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	288,218	319,154
Borrowings	8	-	27,053
Provisions	9	102,012	93,293
Total current liabilities		<u>390,230</u>	<u>439,500</u>
Non-current liabilities			
Trade and other payables	7	8,699	15,876
Borrowings	8	-	4,709
Provisions	9	17,394	24,018
Total non-current liabilities		<u>26,093</u>	<u>44,603</u>
TOTAL LIABILITIES		<u>416,323</u>	<u>484,103</u>
NET ASSETS		<u>3,268,513</u>	<u>5,412,198</u>
EQUITY			
Retained earnings		3,268,513	3,205,235
Reserves	14	-	2,206,963
TOTAL EQUITY		<u>3,268,513</u>	<u>5,412,198</u>

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Retained Surplus \$	Revaluation Reserve \$	Total \$
Balance at 1 July 2013		3,208,857	2,244,641	5,453,498
Comprehensive Income				
Profit/(loss) for the year		(3,624)		(3,624)
Other comprehensive income for the year				
Revaluation adjustment arising from refurbishment of Club	14		(37,678)	(37,678)
Total comprehensive income attributable to the entity		(3,624)	(37,678)	(41,302)
Balance at 30 June 2014		3,205,233	2,206,963	5,412,196
Balance at 1 July 2014		3,205,233	2,206,963	5,412,196
Comprehensive Income				
Profit/(loss) for the year		109,959		109,959
Other comprehensive income for the year				
Losses on revaluation of land and buildings	14	(46,679)	(2,206,963)	(2,253,642)
Total comprehensive income attributable to the entity		63,280	(2,206,963)	(2,143,683)
Balance at 30 June 2015		3,268,513	-	3,268,513

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and patrons		4,517,219	4,702,598
Payments to suppliers, employees and ATO		(4,128,771)	(4,334,474)
Interest received		-	3,380
Interest paid		-	(9,338)
Net cash generated from operating activities		<u>388,448</u>	<u>362,166</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		386	21,000
Payment for property, plant and equipment		(297,476)	(269,307)
Net cash from/(used in) investing activities		<u>(297,090)</u>	<u>(248,307)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(31,762)	(73,615)
Net cash generated by/(used in) financing activities		<u>(31,762)</u>	<u>(73,615)</u>
Net increase in cash held		59,596	40,244
Cash on hand at beginning of financial year		436,406	396,162
Cash on hand at end of financial year	4	<u><u>496,002</u></u>	<u><u>436,406</u></u>

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Cabarita Beach Bowls & Sports Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) 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 cash flow information, 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 29 September 2015 by the directors of the company.

Accounting Policies

(a) Revenue

Gaming subsidies are recognised in the period received, which aligns with the timeframe the poker machines are patronised.

Revenue from gaming is derived from poker machines and is recognised 'net' of payouts to players.

Revenue from beverage sales is recognised when beverage is acquired by patrons.

Revenue from raffles is derived from ticket sales and is recognised in the period the raffle is drawn.

Sponsorship revenue is recognised upon invoice to the sponsor; this amount is determined in accordance with the amount pledged and the timing with which the agreed pledge will flow to the Company.

Revenue from membership subscriptions are recognised upon receipt. However, those received in advance for future years are deferred until those timeframes are reached and are recognised, in the meanwhile, as a liability in the statement of financial position. Revenue from members subscriptions is aligned with the period the members utilise the facilities provided and paid for.

Revenue from green fees is recognised in the period the bowling green is used by playing patrons for such purposes. The receipt of fees and playing of bowls usually occurs in the same timeframe.

Rent received from the caterer is recognised in accordance with negotiated lease agreements. The periods recognised equate to those of the financial year under review. Rent received in advance for future years is deferred until those timeframes are reached and is recognised, in the meanwhile, as a liability in the statement of financial position.

Commission revenue derived from patronising the ATM, Keno and TAB facilities provided, are recognised in the period it is earned.

Revenue from promotional rebates are recognised in the period they are earned, per the negotiated contracts.

Donations and bequests are recognised as revenue when received.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

(b) Property, Plant and Equipment

The entity applies the valuation model as its accounting policy to property and the cost model to plant and equipment.

Freehold Property

The valuation model is applied to land. The fair value of land was determined from market based evidence by appraisal.

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.

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 Board has used the depreciated replacement cost approach.

Key variables include replacement cost per square metre and the building's total estimated useful life which are reviewed annually.

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 the statement of comprehensive income.

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 initially recognised and measured 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 its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised 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(d) 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 held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	1.4 - 1.7%
Plant and equipment	15 - 20%
Leased plant and equipment	22.5%
Integral parts of building	5 - 20%

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 recognised in profit or loss in the period in which they arise.

(c) 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).

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 recognised immediately as expenses in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

(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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Financial liabilities

Non-derivative financial liabilities other than 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 asset has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount 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.

(d) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives

(e) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, in which case the obligations are presented as current liabilities.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (revised from 9.25% to 9.5% with effect from 1 July 2014) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(f) 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.

(g) 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 (ATO).

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 financing 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.

(h) 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*.

(i) Intangibles

Poker Machine Entitlements

Poker machine entitlements are recorded at cost. They are assessed annually for impairment.

(j) 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.

(k) Comparative Figures

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

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 freehold land and buildings

Attention is drawn to note 5

The directors' valuation of land at 30 June 2015 was based on "notices of valuation" issued by the NSW Valuer General on 13 October 2014. The Board does not believe that values in the area have changed significantly since.

The directors' valuation of buildings at 30 June 2015, based on the depreciated replacement cost approach was \$1,576,161. The depreciated cost reflects the remaining service potential of the buildings and takes into account the age of the buildings.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Long Service Leave Entitlement

Assessments are made on the probability of staff taking long service leave. This took into account history with the Club itself and characterisation of the Club industry. Staff with four years services were assessed at 49%, seven years at 75%, 9 years and beyond that at 100%.

(n) Economic Dependence

Cabarita Beach Bowls & Sports Club Limited is dependent on the members and its patrons 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.

Note 2 Revenue and Other Income

	2015 \$	2014 \$
Revenue		
Revenue from government grants and operating activities		
— Government subsidy	17,180	17,180
— Gaming	1,778,086	1,878,598
— Bar sales	1,268,564	1,238,846
— Bottleshop sales	648,014	828,227
— Commissions	134,468	127,347
— Club raffles	65,365	72,257
— Member subscriptions	28,482	24,973
— Coffee shop sales	27,239	25,716
— Other	124,923	68,491
	4,092,321	4,281,635
Other revenue		
— Rent received	16,328	15,403
— Interest received	4,590	3,380
	20,918	18,783
Total revenue	4,113,239	4,300,418
Other income		
— Sundry	360	2,360
Total other income	360	2,360
Total revenue and other income	4,113,599	4,302,778

Note 3 Expenses

	Note	2015 \$	2014 \$
(a) Expenses			
Employee benefits expense:			
— Employee benefits expense including contributions to defined contribution superannuation funds		1,249,164	1,310,323
— Employee on-costs expenses	3(b)	45,362	68,128
Total employee benefits expense		1,294,526	1,378,451
Depreciation and amortisation:			
— Buildings		126,996	125,566
— Plant and equipment		123,823	137,736
— Capitalised leased assets		33,719	28,636
Total depreciation and amortisation		284,538	291,938
Finance costs:			
— Interest expense on financial liabilities		2,753	9,217
Directors' expenses		1,368	696
Directors' honorariums		6,833	13,750
	3(b)	8,201	14,446

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
Cost of sales		
— Bar	530,168	506,413
— Bottleshop	539,063	686,479
— Coffee shop	23,088	23,542
	1,092,319	1,216,434
(b) Other		
	Note	
— Poker machine expenses	299,717	311,880
— Entertainment	121,040	115,638
— Repairs and maintenance	117,114	94,231
— Members expenses	112,664	162,286
— Electricity	106,242	130,887
— Club raffles	76,076	77,037
— Insurance	67,221	76,935
— Cleaning	63,701	73,955
— Advertising	57,478	91,153
— Employee on-costs expenses	45,362	68,128
— Donations & CDSE	37,256	45,592
— Net loss on disposal of property, plant and equipment	36,065	1,478
— Directors' honorariums and expenses	8,201	14,446
— Security	5,117	12,142
— Other operating expenses	221,612	202,702
	1,374,866	1,478,490

Note 4 Cash and Cash Equivalents

	2015	2014
	\$	\$
CURRENT		
Cash float	152,881	150,032
Cheque account	10,892	118,735
Cash Maximiser account	332,229	167,639
Total cash and cash equivalents as stated in the statement of financial position	496,002	436,406
Total cash and cash equivalents as stated in the cash flow statement	496,002	436,406

Note 5 Property, Plant and Equipment

	2015	2014
	\$	\$
LAND AND BUILDINGS		
Freehold land:		
— Directors valuation	819,700	1,200,000
Total land	819,700	1,200,000
Buildings:		
— Directors valuation	1,576,161	3,379,275
— Less accumulated depreciation	-	(287,851)
Total buildings	1,576,161	3,091,424
Total land and buildings	2,395,861	4,291,424

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
		\$	\$
PLANT AND EQUIPMENT			
Plant and equipment:			
— At cost		2,087,792	2,032,415
— Less accumulated depreciation		<u>(1,634,042)</u>	<u>(1,522,789)</u>
		<u>453,750</u>	<u>509,626</u>
Leased Assets	Note		
— At cost		207,038	159,588
— Accumulated depreciation		<u>(101,893)</u>	<u>(68,174)</u>
		<u>105,145</u>	<u>91,414</u>
CAPITAL WORKS IN PROGRESS (CWIP)			
— At cost	5(a)	921	339,984
		<u>921</u>	<u>339,984</u>
Total plant & equipment and CWIP		<u>559,816</u>	<u>941,024</u>
Total property, plant & equipment		<u>2,955,677</u>	<u>5,232,448</u>

(a) Capital works in progress contains works to the restaurant, coolroom, ladies toilet and kitchenette. These works were commissioned in July 2014.

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
	\$	\$	\$	\$	\$	\$
2015						
Balance at the beginning of the year	1,200,000	3,091,424	509,626	91,414	339,984	5,232,448
Additions at cost	-	-	-	47,450	250,025	297,475
Disposals	-	(28,357)	(7,709)	-	-	(36,066)
Revaluations	(380,300)	(1,873,342)	-	-	-	(2,253,642)
Transfers between categories	-	513,432	75,656	-	(589,088)	-
Depreciation expense	-	(126,996)	(123,823)	(33,719)	-	(284,538)
Carrying amount at the end of the year	<u>819,700</u>	<u>1,576,161</u>	<u>453,750</u>	<u>105,145</u>	<u>921</u>	<u>2,955,677</u>

Asset revaluations

The directors' valuation of land at 30 June 2015 was based on "notices of valuation" issued by the NSW Valuer General on 13 October 2014. The Board does not believe that values in the area have changed significantly since.

The directors' valuation of buildings at 30 June 2015, based on the depreciated replacement cost approach was \$1,576,161. This reflects the remaining service potential of the building and takes into account the age of the building.

The resultant devaluation of buildings at \$1,873,342, combined with the devaluation of land by \$380,300, reduced the revaluation reserve by \$2,206,963 with the balance of \$46,679 being included in the loss on revaluation of land and buildings in the Statement of Comprehensive Income for the year.

Note 6 Intangible Assets

	2015	2014
	\$	\$
Poker machine entitlements - at cost	104,417	104,417
Net carrying amount	<u>104,417</u>	<u>104,417</u>

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED

ABN: 70 000 998 863

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 7 Trade and Other Payables

	Note	2015 \$	2014 \$
CURRENT			
Trade payables		118,831	133,652
Deferred income		18,105	14,813
Instalment arrangements (poker machines)	7(b)	19,830	31,752
Accrued expenses		50,621	36,365
GST payable		48,518	49,194
Sundry creditors		29,596	27,899
Payroll liabilities		2,717	25,479
	7(a)	<u>288,218</u>	<u>319,154</u>
NON-CURRENT			
Instalment arrangement (poker machines)	7(b)	8,699	15,876
		<u>8,699</u>	<u>15,876</u>
		2015 \$	2014 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
— Total current		288,218	319,154
— Total non-current		8,699	15,876
		<u>296,917</u>	<u>335,030</u>
Less deferred income		(18,105)	(14,813)
Financial liabilities as trade and other payables	13	<u>278,812</u>	<u>320,217</u>

(b) Instalment arrangement

Aristocrat Technologies Australia Pty Ltd has granted the company a 3 year, interest free, instalment arrangement to acquire poker machines to a principal sum of \$95,256. The arrangement commenced in January 2013. Monthly repayments of \$2,646 are required. The arrangement is secured to the extent that the poker machines remain the property of Aristocrat until the final instalment has been paid.

Note 8 Borrowings

		2015 \$	2014 \$
CURRENT			
Bank loan - equipment - solar		-	27,053
		-	<u>27,053</u>
NON-CURRENT			
Bank loan - equipment - solar		-	4,709
		-	<u>4,709</u>
TOTAL BORROWINGS	13	<u>-</u>	<u>31,762</u>
(a) Total current and non-current secured liabilities:			
Flexible rate bank loan and equipment loan		-	31,762
		-	<u>31,762</u>
(b) The carrying amounts of non-current assets pledged as security are:			
Freehold land and buildings		-	4,291,424
		-	<u>4,291,424</u>

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 9 Provisions

	2015	2014
CURRENT	\$	\$
Provision for employee benefits: annual leave	62,266	64,855
Provision for employee benefits: long service leave	39,746	28,438
	<u>102,012</u>	<u>93,293</u>
NON-CURRENT		
Provision for employee benefits: long service leave	17,394	24,018
	<u>17,394</u>	<u>24,018</u>
	<u>119,406</u>	<u>117,311</u>

Analysis of total provisions:

Opening balance at 1 July 2014	Employee Benefits	117,311
Additional provisions raised during year		114,062
Amounts used		(83,324)
Reversed during the year		(28,643)
Balance at 30 June 2015		<u>119,406</u>

Employee Provisions

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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 upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(e).

Note 10 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 11 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.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2015	2014
	\$	\$
Key management personnel compensation	114,543	115,638
	<u>114,543</u>	<u>115,638</u>

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

b. Other Related Parties

Other related parties include close family members of Key Management Personnel, and entities that are controlled or jointly controlled by those Key Management Personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year staff related to a director earned \$8,546. (2014: \$20,088)

Note 12 Cash Flow Information

	2015 \$	2014 \$
Reconciliation of Cash Flow from Operating Activities with Total Comprehensive Income		
Total comprehensive income/(loss) for the year	63,280	(3,624)
Non-cash flows:		
Depreciation and amortisation expense	284,538	291,938
Gains on disposal of property, plant and equipment	(386)	-
Losses on disposal of property, plant and equipment	36,065	1,478
Loss on revaluation	46,679	-
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	2,376	(18,718)
Increase/(decrease) in accounts payable and other payables	(41,402)	27,860
Increase/(decrease) in other liabilities	55	-
Increase/(decrease) in employee provisions	2,095	27,810
(Increase)/decrease in inventories on hand	(3,816)	35,840
(Increase)/decrease in prepayments	(1,036)	(418)
	388,448	362,166

Note 13 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, receivables and payables, and lease liabilities.

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	2015 \$	2014 \$
Financial assets			
Cash and cash equivalents	4	496,002	436,406
Trade and other receivables		6,935	6,019
Total financial assets		502,937	442,425
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	7(a)	278,812	320,217
— borrowings	8	-	31,762
Total financial liabilities		278,812	351,979

Note 14 Reserves

(a) Revaluation Surplus

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

(b) Analysis of Revaluation Reserve

		2015 \$	2014 \$
Opening balance at 1 July 2014		2,206,963	2,244,641
Gains (losses) on revaluation of land	5	(380,300)	-
Gains (losses) on revaluation of buildings	5	(1,826,663)	(37,678)
Balance at 30 June 2015		-	2,206,963

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 15 Entity Details

The registered office of the entity is:

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

The principal place of business is:

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

Note 16 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the entity. At 30 June 2015 the number of members was 3,784.

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

The directors have determined that the company is a reporting entity that does not have public accountability as defined in AASB 1053: Application of Tiers of Australian Accounting Standards and that these general purpose financial statements should be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

In accordance with a resolution of the directors of Cabarita Beach Bowls & Sports Club Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 5 to 19, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2015 and of its performance for the year ended on that date.
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 29th day of September 2015

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

Report on the Financial Report

We have audited the accompanying financial report of Cabarita Beach Bowls & Sports Club Limited, which comprises the statement of financial position as at 30 June 2015, 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 - Reduced Disclosure Requirements 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

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 about 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 company'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, which has been given to the directors of Cabarita Beach Bowls & Sports Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Cabarita Beach Bowls & Sports Club Limited is in accordance with Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Emphasis of matter

We draw attention to note 5 in regards to the asset revaluations and in effect on the carrying amount of property, plant and equipment.

Our opinion is not modified in respect of this matter.


Other matters

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Cabarita Beach Bowls & Sports Club Limited for the year ended 30 June 2015 included on Cabarita Beach Bowls & Sports Club Limited's website. The Club's directors are responsible for the integrity of Cabarita Beach Bowls & Sports Club Limited's website. We have not been engaged to report on the integrity of the Cabarita Beach Bowls & Sports Club Limited's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Watson and Fenton Chartered Accountants

Name of Firm Watson and Fenton Chartered Accountants

A handwritten signature in dark ink, appearing to read 'B. Dunnett', with a long horizontal stroke extending to the right.

Auditor's signature: Barry Dunnett

Address: 39 Wharf Street
 Tweed Heads
 NSW 2485

Dated this 30th day of September 2015