



Cabarita Beach **BOWLS & SPORTS CLUB**



Image of Ron McCauley Life Membership Awarded 2017

Annual Report 2017

Cabarita Beach Bowls & Sports Club Ltd
(A.B.N. 70 000 998 863)
Cabarita Road, Bogangar NSW 2488
www.cabaritasportsclub.com.au

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BOARD OF DIRECTORS

CHAIRMAN	Ian Crabb
DIRECTORS	Alex Barbacetto Greg Goode Jim Rannie Susan Harriman Robyn Wickbold (resigned) Greg Dryden Kearen Finn John Klose Marg Turner

ADMINISTRATION

GENERAL MANAGER	Nick BRABHAM
ADMINISTRATION MANAGER	Mary McCULLOCH
DUTY MANAGERS.....	Tony FURNELL Steve HOUSE
GREENS & GROUNDS MANAGER....	Dave PEREZ
AUDITORS	WFD Assurance Services P/L
BANKERS.....	National Australia Bank Southern Cross Credit Union

2017 NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Cabarita Beach Bowls & Sports Club Ltd (ABN 70 000 998 863) will be held at the Club premises, Cabarita Road, Bogangar on Monday 13th November 2017 at 7:00pm DST.

1. Welcome
2. Roll call and apologies
3. Election of the Board of Directors (all positions (7) declared vacant
4. Confirmation of the minutes of the previous Annual General Meeting held on 7th November, 2016.
5. Any matters arising from the minutes.
6. To receive and consider the Reports of the Directors.
7. To receive and consider the Balance Sheet, Profit and Loss and the Report of the Auditors.
8. To approve Honoraria for 2016/2017 Financial Year.

Recommendation:

Chairman	\$3,000
Deputy Chairman	\$2,000
Directors \$1750 X 7	<u>\$12,250</u>
Total Payment	<u>\$17,250</u>

(Or PRO-RATA for part their year of)

9. To comply with Section 10(1) (i) of the Registered Clubs Act, it is recommended by Clubs NSW, that members approve the following entitlements and such benefits as permitted by law to Directors.

To consider and if thought fit pass the following Resolutions 1, 2 & 3:

1. That Directors who attend a Board Meeting, be entitled to two (2) refreshments at the expense of the Club.
2. That the Directors be entitled to exclusive use of three (3) designated car parking spaces, irrespective of whether or not they are attending the Club to carry out their duties as Directors.
3. To approve reasonable expenditure by the Club until the 2018 Annual General Meeting for and including:
 - (i) The substantial costs of Directors attending the Clubs NSW Annual General Meeting as authorised and appointed delegates of the Club.
 - (ii) The substantial costs of Directors attending other clubs for the purpose of observing their facilities and methods of operation as may be determined by the Board from time to time.
10. Receive the results for the Election of the Board of Directors
11. Motion to approve that all ballot papers and associated documentation be destroyed.
12. General Business:

**2017 NOTICE OF ANNUAL GENERAL MEETING
(continued)**

Note:

Nominations for the election to the Board shall be made in writing and signed by two (2) Life Members or Bowling Members and by the nominee who shall thereby signify his or her consent to the nomination. Nominations shall close (21) twenty-one days prior to the date of the Annual General Meeting (5pm on the 16th October 2017). Applications should be handed to the Secretary/General Manager of the Cabarita Beach Bowls & Sports Club. Application forms are available from the Secretary/General Manager.

- a. Only active Bowling Members who have been members of the Club for a period of not less than (12) twelve months and Life Members shall be entitled to take part in the management of the Club and to stand for or be appointed to the Board. Their main Club must be Cabarita Beach Bowls & Sports Club Limited and they must be eligible to play pennants and championships at this Club only.
- b. Subject to Rule 27.11 of the Clubs Constitution, from and for the purposes of the election of the Board held in 2017 a member shall not be eligible to be elected or appointed to the Board unless the members has attended a pre-nomination information session conducted by the Club for members who wish to be candidates for election or appointment as directors of the Club (Pre-Nomination Session) in the 12 months immediately prior to the date of election or appointment.
- c. Only the following members shall be entitled to attend and vote at any meetings of the Club:
 - (i) Bowling Members
 - (ii) Life Members
- d. A social member shall be entitled to attend the Annual General Meeting and vote on the election of the Board of Directors.
- e. *All new* Directors must complete Mandatory Director Training within twelve (12) months of being elected.
- f. All business and notice of motion to be dealt with at the AGM shall be in writing and lodged with the Secretary Manager at least (14) fourteen days prior to such meeting.
- g. The ballot is to be conducted at the Club AGM commencing at 7pm on Monday, 13th November 2017 in the Club's Dining Room.
- h. In accordance with Section 30(1)(d) of the *Registered Clubs Act*, proxy voting is not allowed.



Nicholas Brabham
Company Secretary

ClubGRANTS

and Community Donations

For the Period 1 September 2016 to 31 August 2017

Beneficiary	Classification	Category 1 \$	Category 2 \$	Category 2 In kind \$
Cabarita Beach Social Fishing Club	A - Sport		\$3,000.00	
Cabarita Beach Social Golf Club	A - Sport		\$6,500.00	
Cabarita Beach Social Cricket Club	A - Sport		\$2,000.00	
Kingscliff RSL Sub Branch Senior Day Club	D – Community Activities			\$2,090.70
Tweed Touch Charity Cup	A - Sport		\$4,000.00	
Tweed Coast Liquor Accord	C – Drug & Alcohol Palliative Care Services	\$750.00		
The Family Centre Australia Ltd	A-1 Family Support & Emergency Accommodation	\$2,500.00		
Cudgen Rural Fire Brigade	A-7 Volunteer Emergency Services	\$3,787.00		
St Vincent DePaul Community Sleepout	A1 – Family Support & Emergency Accommodation	\$2,000.00		

CHAIRMAN'S REPORT

Dear Club Members,

It is with much pride and pleasure that I present my 8th Annual Report as Chairman of the Cabarita Beach Bowls & Sports Club. My thanks are extended to all the Board Directors, the General Manager, Nick Brabham, and the staff of the club for the highly professional support they provided me over the last twelve months.

The 2016/17 financial year has been not only a rewarding time for the Directors but also it has been both challenging and disappointing.

In August 2016, we co-hosted with the Kingscliff Beach Bowls Club the 2016 Men's Div.7 State Pennant Finals. The event was very successful and it brought high praise from participating teams, Bowls NSW and our own bowling members. Congratulations are extended to the General Managers of both clubs for the outstanding leadership they provided in the organization and running of the event. I would also thank the members from our club who volunteered in a variety of roles across the weekend and performed their tasks with total commitment and excellence. We have applied to co-host with the Kingscliff Beach Bowls Club the 2018 Men's Pennant Finals and already there is a heightened expectation from our male bowlers that we will again be invited to run a division of this event.

In February 2017, we embarked on the upgrade of the downstairs bar to incorporate a café. These renovations were the result of feedback from members during our 2016 Focus Groups' discussions.

The renovations have been well received by the Board and members. Members need to note that we did not have to borrow additional funds to complete the upgrade of the downstairs bar/café even though we uncovered some unforeseen construction problems.

Another challenge and disappointment during the upgrade of the downstairs/café was the downturn in trade. Our 2017 first quarter figures from poker machines and bar trade was well down. Coupled with a significant drop in the net return from poker machine income for the financial year and the write-off of \$23,000 of stock lost in the Murwillumbah floods, our operating profit for the 2016/2017 financial year was disappointing.

As I have previously reported in my Annual Chairman's Report, the Board continues to look for an alternative income source which could be used in the future to help with the viability of our club. In the last 12 months we have looked at a number of businesses including working cafes. Fulfilling our due diligence requirement as Directors of the Club, the Board devoted considerable time and effort to the task but have decided not to proceed with the available options. We will continue our search.

Assisting us in these deliberations has been the input the Directors received from our two newly appointed Directors, Kearen Finn and John Klose. The Board took the option to make these appointments following the endorsement of our new constitution at the 2016 AGM. Under Clause 27.2 & 27.4 of our new constitution, we are able to appoint 2 social members to the Board if the elected Directors believe that these members can make a valuable contribution to our deliberations. John has an enormous amount of business experience which will be of great assistance as we steer our path through

CHAIRMAN'S REPORT
(continued)

future developments. Kearen has had managerial experience with Centrelink and has had active involvement with our Fishing Sub-Club and is a regular attendee at club activities. I am very excited by John & Kearen's involvement and confident that our future decisions will be enhanced by the input from these new Directors. John and Kearen can serve as Directors of our club for up to 3 years.

Even though the Board has the option to appoint 2 social members as Directors of our Club, it must be recognized that there may be other social members who have knowledge and skills which could assist us in the future. As a result, I will be proposing to the new Board, if I am re-elected at the 2017 AGM, that a 5 – 2 Board be elected at the 2019 AGM. This structure would have 5 bowling members and 2 social members with the Chair and Vice-Chair being bowling members. Even though this proposal was voted down in the latter years of George Davidson's Chairmanship, I believe that this option needs to be addressed again as it will overcome the shortage of business expertise we have in bowlers for the role of Board Directors. This proposal will give all members the option of voting for all the Directors of our Club. I also believe that this option will diminish the Board's need to find and appoint social members who can make those valuable contributions. Should this proposal receive the support of the new Board following the 2017 AGM, development of the proposal would commence in early 2018 and be presented at the 2018 AGM. I would be receptive to discussing this proposal with members if you need any clarification.

During 2017, both the Women's and Men's Bowling Clubs participated in District Pennant. It was indeed exciting to watch the progress of our Grade 3 Women's Pennant team of Faye Turner, Pat Moore, Michelle Freeman, June Foran, Sue Goode, Lois McLeod, Joy Lake, Val Dudley and Lorraine Marsden as they progressed to win the District Flag, Zone Flag and finally the State Pennant Flag at the Central Coast of NSW. As this was the first State Pennant Flag to be won by lady bowlers at our club and other clubs in the Tweed Byron District, we are indeed proud of their efforts. Congratulations are also extended to all male and female bowlers who represented our club in 2017 Pennant.

Volunteers continue to play a financial and operational role within the club. I would like to take this opportunity to thank the Management Committees of the various sub-clubs, the men who assisted with maintenance around the club, club coaches, umpires and the bowlers who assisted with visit-ins. This year we had the opportunity to recognize the outstanding contributions to bowls made by Mr Ron McCauley at Club, District, and Zone level. During our Anniversary Celebrations in July, our club bestowed Life Membership on Ron. Well done Ron!!

To all members who have lost loved ones, please accept our deepest sympathy.

Finally, my best wishes are extended to you all for the coming festive season.

Yours sincerely,
Ian Crabb
Board Chairman

GENERAL MANAGER'S REPORT

2016/17 was a big year of change and development whilst the Board and Management work towards ensuring that Cabarita Beach Bowls & Sports Club will be here long into the future.

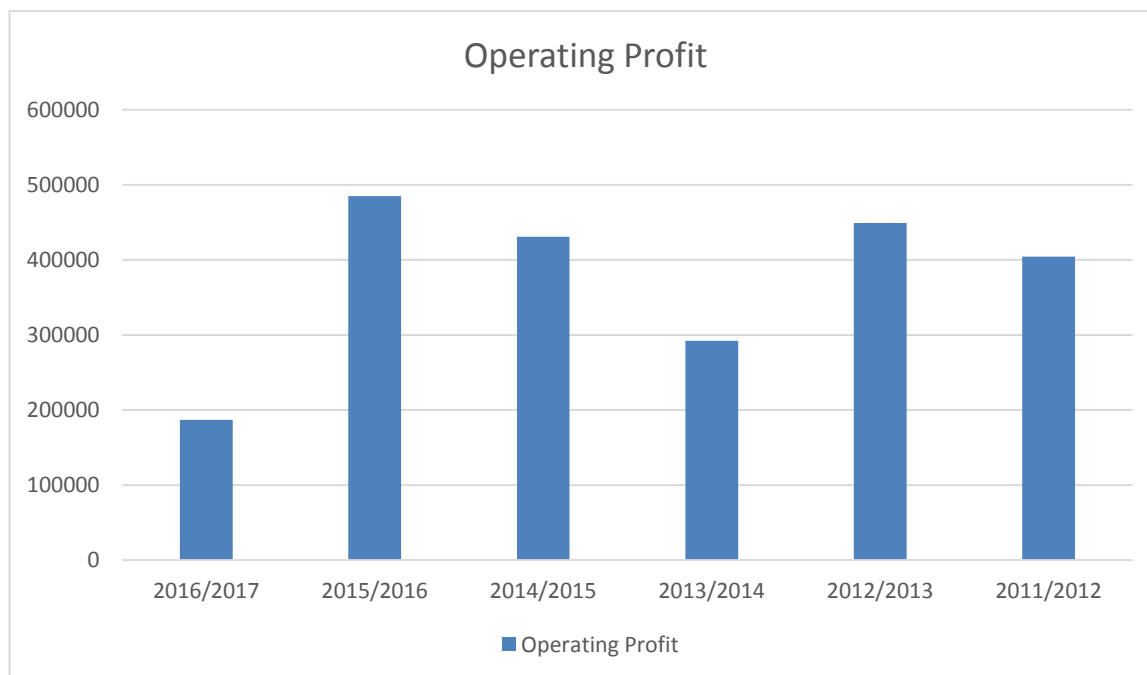
Our investment into Capital Expenditure for this financial year has been a big focus. Expansion of the Bar and café area now incorporating 7 day a week food offering, something that has been an opportunity for our business for many years. We are continually receiving positive feedback regarding our pizzas and other options.

The construction of our shaded Children's playground was another step in diversifying our facilities for members and guests. This facility has been well utilised since its opening and continues to provide for all ages as parents can relax whilst the kids are entertained.

In November we launched our new loyalty system and Discover Rewards Program. The new program has been initiated to reward you as a member for your contributions towards our club. If you haven't heard of the program or don't fully understand the benefits, please ask any staff member or pick up one of our brochures from Reception.

The total amount attributable to these projects is \$547,541.93 . The very pleasing point is that this expenditure was completed with no borrowings entered. It is important to note that the new Loyalty and Membership System has been financed with the supplier over a fixed term. I would like to thank you for your patience whilst we worked through the many teething problems that were witnessed.

Unfortunately, our trading result is well down on previous years and a portion of this can be attributed to the downturn in trade whilst we were under construction. The board and Management are continually working on ensuring the balance between members expectations and a viable business, we will continue to do this.



Whilst Cabarita Beach was not directly impacted by the floods in March, it did impact the club. Our beverage stock holding house was damaged by the flood with a write-off of approximately

GENERAL MANAGER'S REPORT (continued)

\$23,000 worth of stock. This also contributed to our disappointing trading result for the financial year.

One of many highlights throughout the year was the fundraising effort by two of our own staff members Tony Furnell and Warren Cass. They boys fundraised for the UGLY Bartender foundation. UGLY stands for Understanding, Generous, Likeable, You. This foundation is an industry initiative whereby bartenders all over Australia raise money for the Leukemia Foundation to provide its vital accommodation service. Bartenders come up with unique and innovative ways and Tony and Warrens was no different. The boys managed to bowl for 24hrs straight, sourcing sponsors along with raffles they were able to raise over \$4,000. A huge achievement, look out for the next UGLY Bowls Marathon, coming up again soon.

A big achievement for the club was co-hosting the Division 7 Men's State Pennant Finals with Kingscliff Beach Bowls Club. The event was a huge success and we received plenty of positive feedback from players, spectators and of course our own members. These events require a lot of work and my thanks go to the organising committee who dedicated many hours to ensure that the event was a success.

A big thank you must go to the Board of Directors for all the hard work and difficult decisions that have been made behind the scenes. I thank you for your support and lending a hand when called upon.

Lastly, I would like to thank the members for their continued support and feedback. I look forward to seeing you all again over the next twelve months in what I like to call our own little slice of paradise.

Nicholas Brabham
General Manager

Cabarita Beach Men's Bowling Club
President's Report

After accepting the position of President of the Cabarita Mens Bowling Club, after what can be said as a not so harmonious start following the elections in September, 2016, I am pleased to advise that the present committee is working in harmony. This is obvious by the success of the Club-run events, which include:

Inter-club event which was enjoyed by all.

May Carnival, which was one of our biggest 2-day events and was well attended and enjoyed by all.

We hosted the Zone 1 play-offs for Divisions 3, 5 and 7, with all Clubs having nothing but praise for the running of the event.

District open singles were held at Cabarita with us also hosting the finals of the Opens, Seniors and Reserves. The District representatives marked the finals and all players had nothing but positive comments in relation to the running of the events and the condition of the greens. I am pleased to note that our own Ken Coyte was successful in the Seniors Final.

Several of our club championships have been played with minimal concern, mainly the wet weather. Our latest event was the Club A Grade Singles, which was taken out by Laurie Freeman. Well done, Laurie, and I wish you all the best in the upcoming Champion of Champions. I would also, at this time, like to wish Bill Creedon and John Turner all the best in the pairs.

The Men's Bowling Club also tasted success in other District events, which only confirms the stability of the Club. I must give credit to the Greens staff for presenting our greens in such good condition for our members, guests and visitors to display their ability. Well done Dave Peres and team Bill and Waz, and of course, volunteers Rod, Greg etc. for all your efforts with the greens and also the surrounds, as these are the first impressions seen by members and visitors to our great club.

Pennants are over for another season, with mixed results. No flags this year. 2018 is a new year and, with the positive attitude of members, we can expect a positive approach in 2018, which will only lead to success in the future.

In conclusion, on behalf of the Committee, I would like to thank Club Ltd for all their support this term, as we are mainly 'new boys' on the block. I would also like to thank all Committee members for their support and effort, which has led to all the success the Club has been able to achieve.

Yours In Bowls

Dave Crow
PRESIDENT

Cabarita Beach Men's Bowling Club

Committee list for 2016-2017:

President –	Dave Crow
Vice President-	Barry Sheppard
Secretary –	Bill Davey
Treasurer –	Greg Goode
Games Controller –	Ricky Maunders
Committee –	Darren Black and Barry Poole

Championship Results 2016 - 2017

A Singles:	L Freeman
B Singles:	T Furnell
A Grade Pairs:-	B Creedon, J Turner
B Grade Pairs:	J Hammersley, R Faulkner
Men's Triples:	I Smith, B Kent, D Crow
Men's Fours:	B Gormly, D Moir, B Kent, D Crow
Club Selected Fours:	B Sheppard, J Clarke, B Gormly, D Black
President's Handicap:	R Reid

Cabarita Beach Women's Bowling Club
President's Report

This year has been a challenging one, with a new committee and renovations to the club taking place. In saying that, it has been one of great success, both on and off the greens.

I will leave the accolades for the Pennants and District achievements to the Championship Committee to report on.

Along with the Presidential role, I took on the role of being the Tournament Director this year. The management committee has worked both diligently and tirelessly to ensure that all the events and tournaments that we held this year have been an outstanding success. Compliments have flowed back to us from other clubs regarding our delicious and delectable menu choices (thanks to Sue Harriman) along with the fabulous and streamlined organisation of the events.

I would also like to mention here our gratitude to the members of the Ladies Club who are not on any committees, but always put their hand up and turn up to help our committee run these events to ensure a successful outcome and smooth running of the tournaments, with a special mention to Fay Jones and Robyn Andrews, along with all the ladies who continue to support Sue in the kitchen.

Our Charity Day last October raised in excess of \$1600 which was donated to the Tweed Palliative Care and Wedgetail Retreat – thank you to all who contributed and played in this event.

The Seashell Triples, Prestige Pairs and Cabarita Beach Gala Day were once again well attended this year and contributed to our popularity and success as a club.

As many of you would know, the region was devastated by flood this year, with many of our club members being affected personally. Thank you to the other club members who volunteered their time and effort to help them get back on their feet.

Condong Bowling Club was virtually wiped out, with 4 feet of water going through their club. The Cabarita Men's and Ladies Bowling Clubs got together and decided to hold a benefit day to help Condong get back on their feet. Over the months of April and May a lot of time effort and energy went into organising this benefit. It was held on Sunday the 21st May at Cabarita with over 120 bowlers and patrons from our club and surrounding clubs attending. The men's club donated vouchers for the first 20 touchers for the day – I have never seen so many touches, in any games in the first half hour! Simply amazing what can be achieved when money is up for grabs! We also held raffles, an auction and a sausage sizzle and sweets for our hungry punters. To say the day was an outstanding success is an understatement. Through the generosity and participation of all those who attended we were able to hand over a cheque for \$5000.00 to Condong Bowling Club to help them move forward after the devastation they suffered.

Many thanks to Dave Perez and his staff who have supplied us with fabulous greens all year, Nick Brabham and his staff who continually support us, and to office staff, Ncki, Mary and Rhonda who tirelessly assist us without any complaint. A big thank you to the Men's Club for

Cabarita Beach Women's Bowling Club
President's Report
(Continued)

your help & support on our tournament days and to Club Ltd and the board for their commitment to the continued success of the Cabarita Ladies Club.

To my vice Presidents, Rhonda and Marge, and to the Committee, who I believe did a sterling job this year and to Jan Soan who continues to manage the visits in, thank you. To all the members of the ladies club, it is through your continued support, love of bowling, generosity and participation that we have been able to grow and go from strength to strength this financial year. In doing this we are able to contribute twice the amount of money to Club Ltd as has been done in previous years. So let us continue to move forward and grow. It has been an honour and a privilege to serve as your President this year.

Karen Cranwell
PRESIDENT

COMMITTEE LISTING – 2016/17

President:	K. Cranwell
Vice President:	R Gleeson/M Turner
Secretary:	L Marsden/L Sheppard
Treasurer:	B Allen
Chairperson of Championships & Pennants:	M Freeman
Championship Committee:	J Lake, C Kinnaird, P Moore
Chairperson Match Committee:	L Middleton
Match Committee/Bowls Office:	P Kennedy, Y Hawkey, S Evans
Social Committee Co-ordinator:	S Harriman / E Crabb
Delegates – District Meetings:	L Middleton
Patron:	K Dimauro

**Cabarita Beach Women's Bowling Club
Championship Results 2016- 2017**

Open Singles:	J Lake
B Grade Singles	K Potter
Club Selected Pairs	R Andrew, J Lake
Club Selected Triples	S Evans, L Marsden, S Goode
Championship Fours	R Gleeson, K Potter, S Goode, M Freeman
C Grade Singles	K Cranwell
Club Selected Fours	L Middleton, L Marsden, C Kinnaird, P Moore
Mixed Pairs	K Foran, J Foran
Consistency Singles	S Goode
Mixed Fours	S Goode, K Potter, D Delgado, G Goode
Ladies Open Pairs	S Goode, K Potter.
Ladies Open Triples	M Freeman, R Creedon, R Wickbold
Cross Border Shield	Cabarita Beach Ladies Club won the 2016 cross border shield
Tweed Byron District Triples	Cabarita - L Marsden, K Cranwell, P Moore
Tweed Byron District Singles	Cabarita - M Freeman.

Cabarita Beach Social Golf Club
President's Report

Another season has been and gone with 13 games being played, together with one trip away and the Annual Surf 'N' Turf Charity Golf Day which, this season, was won by the Cabarita Surf Club. This brings the score to 3 to 2 in favour of the Sports Club. Funds raised were given to Tweed Palliative Support, the supporters of Wedgetail Palliative Care.

The Golf Club also presented Tweed Palliative Support with a cheque for \$500, which was raised from fines paid by our players throughout the season.

This season has seen the introduction of a new handicapping system, which has resulted in many new faces in the winner's circle. This is really fantastic to see and proves the new system is working well, allowing both high and low scorers a chance to shine.

This year has also seen several new members join the Golf Club, many of whom have shared in the spoils throughout the various games.

The Club's one and only junior member continues to show up the hardened golfers and, without a doubt, he will only improve and continue to put us all to shame.

Support for games throughout the year has generally been good, however with as many members as we have, support could be better, as any club is only as good as those who support it and enjoy in the fun and frivolity.

As always, new members and guests are welcome irrespective of golfing abilities, men, ladies and juniors. So if anyone is interested in joining the rest of the hackers, you are very welcome, and if any member knows of someone interested, please encourage them to join us.

Our games are played on Sunday mornings with presentation and light snacks provided at the Sports Club following the game.

Time for me to sign off and I hope to see you on the tee for the next game.

Chris Middleton
President

**Cabarita Beach Social Golf Club
(Continued)**

Committee Members

President - C Middleton

Secretary - F Perlenfein

Treasurer - B Huber

Captain - K Hejduk

Vice Captain - R Linz

Handicapper - C Gale

Starter - not filled

Committee - B. Pilling, W Hammond

Championship Results

2016: A – N Sneesby

B – J Withers

C – T Leby

2017: A – K Hejduk

B – N Wilson

C – S Bristow

Cabarita Beach Social Fishing Club
President's Report

The 2016/2017 fishing year has been very successful once again. We have had new members join, and all are keen fishers. We've also seen many fish weighed in this year from the beach, offshore and estuaries. This has resulted in many fishing stories around our monthly weigh-in BBQs which have been well attended.

Thank you to Bill Creedon, our BBQ cooker extra-ordinaire, and others who also contributed. Our away trips have been lots of fun, with fish caught, good weather, and some serious fines from the "Waterways Report" for those attending. A few dollars were made there.

Well done to the members for your support of our Friday night raffles. This enables Club Ltd to provide us with more much needed financial sponsorship. We are a great sub-club because of this. Thank you, Club Ltd.

Thanks also to the management committee for your efforts in making our Club run smoothly, and to all who volunteer.

A huge thanks to our sponsors, Tweed Skips, O'Connors Transport, Advanced Blind & Curtain Cleaning & Repairs, Max Autos and Tweed Tackle & Marine. Your continued support is greatly appreciated.

On a sad note, one of our beloved members passed away recently after a long battle. Keep on fishing Eddie, you will be sadly missed.

Tight lines

Chris Wilson
PRESIDENT

COMMITTEE LIST FOR 2016-2017

President	C Wilson
Secretary	B Wickbold
Treasurer	G Dryden
Weighmaster	P Welsh
Social Secretary	D Johnston

Cabarita Beach Social Fishing Club
Championship Results for 2016-2017

Club Champion	D Johnston (372.5 Points)
Mens Champion	C Wilson (362.5 Points)
Ladies Champion	T Alexander (151.2 Points)
Seniors Champion	P Welsh (233.8 Points)
Veterans Champion	D Johnston (372.5 Points)
Junior Champion	C Welsh (130.6 Points)
Sub Junior Champion	L Wilson (91.6 Points)
Biggest Fish Offshore	C Wilson (6.04kg Sp. Emperor)
Biggest Fish Estuary	G King (1.5kg Flathead)
Biggest Fish Rock & Beach	S Gilbert (2.10kg Tailor)
Biggest Tailor	S Gilbert (2.10kg)
Biggest Flathead	G King (1.5kg)
Biggest Whiting	D Welsh (0.44kg)
Biggest Bream	G King (0.72kg)
Biggest Tarwhine	B Bowden (0.38kg)
Biggest Dart	D Johnston (0.48kg)
Biggest Snapper	C Wilson (2.56kg)
Biggest Fish Out Of Competition	D Welsh (6.5kg Amberjack)
Biggest Fish On Away Trips:	
Iluka	R Goswell (2.47kg Flathead)
Evans Head	B Bowden (42cm Flathead)
Brooms Head	K Goswell (45cm Flathead)
Keenest Angler	R Faulkner

Cabarita Beach Social Cricket Club

President's Report

The 2016/17 T.D.C.A 3rd Grade competition saw the Cabarita Sharks taking part in our 5th season. With the experience of previous seasons and a better understanding of the competition's modified rules, the team held high hopes for the season ahead.

We started positively in the first 4 or 5 matches. Despite not winning every game, we always had the full complement of players, and the enthusiasm from everyone was without exception. Even though a couple of guys dropped out after this stage, the core of 9 or 10 players from the last few seasons remained and produced some handy performances to have us placed outside the top 4 going into the Christmas break.

Our first game after Christmas signalled the commencement of a 6 week standalone 20/20 competition, and the suspension of the one day fixtures. Given our experience in the inaugural T20 comp last seasons – which requires 2 matches against 2 different teams each week – sometimes resulting in matches finishing after 7.30pm, it was unanimously decided to only play one game per week (2 other clubs made the same decision). Despite this, we still managed a respectable mid table finish.

With T20's behind us and a couple of extra players, we resumed the remaining one day fixtures highly optimistic of a final appearance in March. Some great wins against teams ranked above us strengthened our hopes reaching as high as 3rd on the ladder. But we couldn't maintain the momentum and slipped out of the top 4, eventually finishing the season in 6th place.

Special mentions must go to Warren Hammond for his 5 wicket haul and John Fallows' century and taking 5 wickets. The end of the season awards were dominated by these two, taking all but 2 of the trophies at our presentation. The 2016/17 season however, was not judged by the number of wins or losses, but by the enjoyment we had. Therefore, on that basis, this season was the most successful thus far.

Darren Laycock
President

Cabarita Beach Social Carpet Bowls Club

President's Report

Another year has gone by and all is going well.

Since we have changed to afternoons, we have gained some new members. They have fitted in nicely, with our only rule, which is to have fun!

Thank you to Club Ltd for new carpet sweepers and your continued support.

See you on the Carpet!

Flo Boshier
President

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED

ABN: 70 000 998 863

**Financial Report For The Year Ended
30 June 2017**

Cabarita Beach Bowls & Sports Club Limited

ABN: 70 000 998 863

Financial Report For The Year Ended 30 June 2017

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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 2017.

Directors

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

Ian Crabb
Alex Barbacetto
Greg Dryden
Kearen Finn appointed (30/05/2017)
Greg Goode
Susan Harriman
John Klose appointed (30/5/2017)
James Rannie
Margery Turner appointed (30/05/2017)
Lyndell Wickbold resigned (28/11/2016)

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 to ensure the continued viability of the club (e.g. water & electricity costs, poker machine income, beverage income etc.).
- Monitor the environment of the club to ensure that we are providing an inviting and safe place for our members, visitors and staff.
- Provide adequate and appropriate sponsorship to the sub-clubs to ensure:
 - the continuation of sporting activities for club members
 - the extension of involvement of members in the club
- Create a welcoming and friendly atmosphere for our members, visitors and staff.
- 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.
- Continue to seek major sponsorship for bowls tournaments.
- Continue to submit applications for State / Zone / District Bowling Carnivals.
- Increase the number of visits-in from other bowling clubs.

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.
- Continue discussions that will ensure the continued development and viability of the 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 and a major expenditure plan for Board approval.
- Encourage local organisations to make application for ClubGRANTS funds.
- Communicate with sub-clubs and acknowledge their activities.
- Regularly monitor the Club's utilities use.
- Identify and implement projects from the major expenditure plan that improve the ambience for the patrons and staff of the club (e.g. Main Bar, Western verandah).

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED

ABN: 70 000 998 863

DIRECTORS' REPORT

Key Performance Measures

- Satisfactory operating profit
- Steps taken to improve the financial viability of Club Ltd
- 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 started/completed
- Additional sponsorships for bowls tournaments
- Visits-In encouraged, supported and maintained

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
Alex Barbacetto	—	Deputy Chairman 29/3/2016 to 22/12/2016
Qualifications	—	Member of the Board since 30/9/2014
Special Responsibilities	—	Finance Committee, Strategic Planning & Development, Technology
Greg Dryden	—	Director
Qualifications	—	Member of the Board since 26/4/2016
Special Responsibilities	—	Greens, Poker Machines
Kearen Finn	—	Director
Qualifications	—	Member of the Board since 30/5/17
Greg Goode	—	Director, Deputy Chairman since 22/12/2016
Qualifications	—	Member of the Board since 7/11/2011
Special Responsibilities	—	Finance Committee, Poker Machines
Susan Harriman	—	Director
Qualifications	—	Member of the Board since 30/9/2014
Special Responsibilities	—	Strategic Planning & Development, Finance Committee
John Klose	—	Director
Qualifications	—	Member of the Board since 30/5/2017
James Rannie	—	Director
Qualifications	—	Member of the Board since 11/11/2013
Special Responsibilities	—	Work Health & Safety, Poker Machines
Margery Turner	—	Director
Qualifications	—	Member of the Board since 30/5/2017
Lyndell Wickbold	—	Director
Qualifications	—	Member of the Board since 30/7/2013, resigned 28/11/2016
Special Responsibilities	—	Raffles, Finance Committee, Sub-Club Liaison

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

Meetings of Directors

During the financial year, 16 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ian Crabb	16	16
Alex Barbacetto	16	13
Greg Dryden	16	14
Kearen Finn	2	2
Greg Goode	16	15
Susan Harriman	16	13
John Klose	2	1
James Rannie	16	16
Margery Turner	2	2
Lyndell Wickbold	7	5

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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$3,724 (2016: \$3,670).

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 2017 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Director

Ian Crabb

Dated this 17th day of October 2017

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 2017 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 black ink, starting with the letter 'B.' followed by a stylized, cursive signature.

Name of Partner Barry Dunnett

Date 16/10/2017

Address 39 Wharf Street

Tweed Heads NSW 2485

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue	2	4,236,117	4,246,821
Other income	2	34,093	9,375
Employee benefits expense	3(a)	(1,373,327)	(1,217,848)
Depreciation and amortisation expense	3(a)	(274,938)	(237,938)
Interest expense	3(a)	(3,997)	(1,520)
Cost of sales	3(a)	(1,131,360)	(1,056,172)
Other expenses	3(b)	(1,551,724)	(1,486,526)
Profit/(loss) before income tax		<u>(65,136)</u>	<u>256,192</u>
Tax expense	1(j)	-	-
Profit/(loss for the year)		<u><u>(65,136)</u></u>	<u><u>256,192</u></u>

The accompanying notes form part of these financial statements.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017	2016
Profit/(loss) for the year		\$ (65,136)	\$ 256,192
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings	5,15	1,820,388	3,522
Total comprehensive income for the year		<u>1,755,252</u>	<u>259,714</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 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	295,106	631,341
Trade and other receivables		11,119	8,757
Inventories		104,372	126,714
Prepayments		12,821	25,285
Total current assets		<u>423,418</u>	<u>792,097</u>
Non-current assets			
Property, plant and equipment	5	5,437,093	3,192,818
Intangible assets	6	104,417	104,417
Total non-current assets		<u>5,541,510</u>	<u>3,297,235</u>
TOTAL ASSETS		<u>5,964,928</u>	<u>4,089,332</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	290,591	292,251
Borrowings	8	138,965	128,258
Provisions	9	127,396	110,094
Total current liabilities		<u>556,952</u>	<u>530,603</u>
Non-current liabilities			
Trade and other payables			
Borrowings	8	99,563	3,804
Provisions	9	24,933	26,697
Total non-current liabilities		<u>124,496</u>	<u>30,501</u>
TOTAL LIABILITIES		<u>681,448</u>	<u>561,104</u>
NET ASSETS		<u>5,283,480</u>	<u>3,528,228</u>
EQUITY			
Retained surplus		3,459,570	3,524,706
Reserves	15	1,823,910	3,522
TOTAL EQUITY		<u>5,283,480</u>	<u>3,528,228</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 2017

	Note	Retained Earnings \$	Revaluation Reserve \$	Total \$
Balance at 1 July 2015		3,268,514		3,268,514
Comprehensive Income				
Profit/(loss) for the year		256,192		256,192
Other comprehensive income for the year				
Asset Revaluation Reserve	15		3,522	3,522
Total comprehensive income attributable to the entity		256,192	3,522	259,714
Balance at 30 June 2016		3,524,706	3,522	3,528,228
Balance at 1 July 2016		3,524,706	3,522	3,528,228
Comprehensive Income				
Profit/(loss) for the year		(65,136)		(65,136)
Other comprehensive income for the year				
Asset Revaluation Reserve	15		1,820,388	1,820,388
Total comprehensive income attributable to the entity		(65,136)	1,820,388	1,755,252
Balance at 30 June 2017		3,459,570	1,823,910	5,283,480

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 2017

	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, tenants and patrons		4,640,807	4,656,239
Payments to suppliers, employees and ATO		(4,395,535)	(4,167,534)
Interest received		2,605	5,242
Interest paid		(3,997)	(1,520)
Net cash(used in)/generated from operating activities	12	<u>243,880</u>	<u>492,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		91	2,727
Payment for property, plant and equipment	12(b)	(431,932)	(215,021)
Net cash from/(used in) investing activities		<u>(431,841)</u>	<u>(212,294)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings - lease & hp arrangements		(9,840)	(54,953)
Repayment of borrowings - instalment arrangements		(172,436)	(89,841)
Net cash from/(used in) financing activities		<u>(182,276)</u>	<u>(144,794)</u>
Net (decrease)/increase in cash held		(370,237)	135,339
Cash on hand at beginning of the financial year		631,341	496,002
Donation from Sub Clubs	16	34,002	-
Cash on hand at end of the financial year	4	<u>295,106</u>	<u>631,341</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 2017

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.

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

The financial statements were authorised for issue on 17 October 2017 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 bar, bottleshop and coffee shop 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.

Revenue from members subscriptions is aligned with the period the members utilise the facilities provided and paid for. 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 mat 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 use of club facilities 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.

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

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(c) Property, Plant and Equipment

Land

The valuation model is applied to land.

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. This has been used.

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 the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. 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 held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	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.

(d) Leases

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 recognised immediately as expenses in profit or loss.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Classification and Subsequent Measurement

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

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(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) 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.

(f) 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 of disposal 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.

(g) 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 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.

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 (9.5%) 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.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(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 (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.

(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) Intangible Assets

Poker Machine Entitlements

Poker machine entitlements are recorded at cost. 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

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

(n) 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.

(o) 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 is based on "notices of valuation" issued by the NSW Valuer General on 22 December 2016.

Herron Todd White (Brisbane Pty Ltd) was engaged to provide a valuation of the company's building (and its improvements) for financial reporting purposes.

The cost approach methodology was used, an approach recognised by AASB13 Fair Value Measurement.

A depreciation cost estimate, determined on 25 May 2016, was adopted by the Board for the 2017 financial year.

Long Service Leave Entitlement

Assessments are made on the probability of staff taking long service leave. This took into account history within the Club itself and characterisation of the Club industry. Staff with less than four years were assessed from 21% to 36%, four years at 49%, five years at 55%, six years at 65%, seven years at 75%, eight years at 80%, nine years and beyond at 100%.

Key Judgements

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services.

(p) Economic Dependence

Cabarita Beach Bowls & Sports Club Limited is dependent on the members and 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 and patrons will not continue to support Cabarita Beach Bowls & Sports Club Limited.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2 Revenue and Other Income

	Note	2017 \$	2016 \$
Revenue			
Revenue from government grants and operating activities			
— Government subsidy		17,180	17,180
— Gaming		1,806,258	1,951,588
— Bar sales		1,299,089	1,254,451
— Bottleshop sales		617,791	608,418
— Functions, promotional rebates, mat fees etc		143,813	125,223
— Commission		132,418	141,188
— Club raffles		69,730	69,118
— Coffee shop sales		66,834	25,037
— Sub clubs	16	29,236	-
— Member subscriptions		28,955	31,062
— Bowls shop sales		6,592	1,042
		<u>4,217,896</u>	<u>4,224,307</u>
Other revenue			
— Rent received		15,616	17,272
— Interest received		2,605	5,242
		<u>18,221</u>	<u>22,514</u>
Total revenue		<u>4,236,117</u>	<u>4,246,821</u>
Other income			
— Net profit on disposal of property, plant and equipment (including items received at fair value)		91	9,375
— Donation from Sub Clubs	16	34,002	-
Total other income		<u>34,093</u>	<u>9,375</u>
Total revenue and other income		<u>4,270,210</u>	<u>4,256,196</u>

Note 3 Expenses

		2017 \$	2016 \$
(a) Expenses			
Employee benefits expense:			
— Employee benefits expense including contributions to defined contribution superannuation funds		1,373,327	1,217,848
— Employee on costs expense	3(b)	57,350	51,743
Total employee benefits expense		<u>1,430,677</u>	<u>1,269,591</u>
Depreciation and amortisation:			
— Buildings		56,570	53,387
— Plant and equipment		218,368	184,551
Total depreciation and amortisation		<u>274,938</u>	<u>237,938</u>
Finance costs:			
— Interest expense on financial liabilities		3,997	1,520
Directors expenses		3,505	516
Directors honorariums		13,438	13,250
	3(b)	<u>16,943</u>	<u>13,766</u>
Cost of sales			
— Bar		544,021	529,271
— Bottleshop		532,449	506,155
— Coffee shop		49,114	20,825
— Bowls shop		5,776	(79)
		<u>1,131,360</u>	<u>1,056,172</u>

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(b) Other	Note		
— Poker machine expenses		313,872	346,016
— Members expenses		156,957	129,453
— Entertainment		151,638	161,170
— Repairs and maintenance		118,457	148,273
— Electricity		106,247	86,435
— Club raffles		86,138	81,633
— Insurance		72,072	71,750
— Cleaning		59,381	56,086
— Employee on-costs expenses	3(a)	57,350	51,743
— Advertising		45,246	60,521
— Donations & CDSE		42,750	39,690
— Net loss on disposal of property, plant and equipment		21,374	-
— Sub clubs	16	19,082	-
— Directors' honorariums and expenses	3(a)	16,943	13,766
— Security		5,865	3,900
— Other operating expenses		278,352	236,090
		1,551,724	1,486,526

Note 4 Cash and Cash Equivalents

		2017	2016
		\$	\$
CURRENT			
Cash float	4(a)	135,075	147,899
Cheque account		41,807	136,963
Cash Maximiser account		74,084	346,479
Sub Clubs		44,140	-
Total cash on hand as stated in the statement of financial position and statement of cash flows		295,106	631,341
		295,106	631,341

(a) Included in this amount is Bowls Club Travel account of \$17,945 (2016: \$17,899).

Note 5 Property, Plant and Equipment

		2017	2016
		\$	\$
LAND AND BUILDINGS			
Freehold land:			
— 2017 independent valuation	5(a)	900,000	-
— 2016 directors valuation		-	819,700
Total land		900,000	819,700
Buildings:			
— 2017 independent valuation	5(b)	3,304,452	-
— 2016 directors valuation		-	1,640,158
Total buildings		3,304,452	1,640,158
Total land and buildings		4,204,452	2,459,858
PLANT AND EQUIPMENT			
Plant and equipment:			
— At cost		2,769,788	2,258,991
— Less accumulated depreciation		(1,572,155)	(1,534,969)
		1,197,633	724,022
CAPITAL WORKS IN PROGRESS (CWIP)			
— At cost		35,008	8,938
Total plant and equipment		1,232,641	732,960
Total property, plant & equipment and CWIP		5,437,093	3,192,818

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 \$	Capital Works in Progress \$	Total \$
2017					
Balance at the beginning of the year	819,700	1,640,158	724,023	8,938	3,192,819
Additions at cost	-	-	694,146	26,070	720,216
Disposals	-	(19,224)	(2,168)	-	(21,392)
Revaluations	80,300	1,740,088	-	-	1,820,388
Depreciation expense	-	(56,570)	(218,368)	-	(274,938)
Carrying amount at the end of the year	<u>900,000</u>	<u>3,304,452</u>	<u>1,197,633</u>	<u>35,008</u>	<u>5,437,093</u>

Asset revaluations

- (a) The valuation of land is based on "notices of valuation" issued by the NSW Valuer General annually.
(b) The valuation of buildings is more fully described in note 1(o).

Note 6 Intangible Assets

	2017 \$	2016 \$
Poker machine entitlements - at cost	104,417	104,417
Net carrying amount	<u>104,417</u>	<u>104,417</u>

Note 7 Trade and Other Payables

	2017 \$	2016 \$
CURRENT		
Accounts payable	138,288	117,512
Deferred income	16,308	16,327
Accrued expenses	46,455	60,714
GST payable	50,476	58,392
Sundry creditors	37,009	37,684
Payroll liabilities	2,055	1,622
	<u>290,591</u>	<u>292,251</u>

	2017 \$	2016 \$
(a) Financial liabilities at amortised cost classified as accounts payable and other payables		
Accounts payable and other payables:		
— Total current	<u>290,591</u>	<u>292,251</u>
Less deferred income	<u>(16,308)</u>	<u>(16,327)</u>
Financial liabilities as accounts payable and other payables	<u>274,283</u>	<u>275,924</u>

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 8 Borrowings

	Note	2017 \$	2016 \$
CURRENT			
Instalment arrangements		137,697	126,990
HP Photo copier		1,268	1,268
		<u>138,965</u>	<u>128,258</u>
NON-CURRENT			
Instalment arrangements		97,027	-
HP - Photo Copier		2,536	3,804
		<u>99,563</u>	<u>3,804</u>
TOTAL BORROWINGS	13	<u><u>238,528</u></u>	<u><u>132,062</u></u>

(a) Instalment arrangements

Aristocrat Technologies Australia Pty Ltd has granted the company 12 month, interest free, instalment arrangements to acquire poker machines. The arrangement is unsecured. The amount owing at 30 June 2017 was \$74,850.

IGT has granted the company a 36 month, interest free, instalment arrangement to acquire a gaming system. The arrangement is unsecured. The amount owing at 30 June 2017 was \$159,873.

Note 9 Provisions

	2017 \$	2016 \$
CURRENT		
Provision for employee benefits: annual leave	56,653	59,560
Provision for employee benefits: long service leave	70,743	50,534
	<u>127,396</u>	<u>110,094</u>
NON-CURRENT		
Provision for employee benefits: long service leave	24,933	26,697
	<u>24,933</u>	<u>26,697</u>
	<u><u>152,329</u></u>	<u><u>136,791</u></u>

Analysis of total provisions:

Opening balance at 1 July 2016	Employee Benefits 136,791
Additional provisions raised during the year	121,644
Amounts used	(83,342)
Reversed during the year	(22,764)
Balance at 30 June 2017	<u><u>152,329</u></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. whilst a departure from the Accounting Standards, the effect on the financial statements as a whole, is not material.

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(g).

Note 10 Events After the Reporting Period

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

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 11 Key Management Personnel Compensation

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

The totals of remuneration paid to KMP of the company during the year are as follows:

	2017 \$	2016 \$
KMP compensation:	118,075	118,188

Note 12 Cash Flow Information

	2017 \$	2016 \$
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus/(Deficit)		
Net current year surplus/(deficit)	(65,136)	256,192
Non-cash flows:		
Depreciation and amortisation expense	274,938	237,938
Loss/(gain) on disposal of property, plant and equipment	21,301	(9,375)
Other	-	(1,502)
Donation of funds by Sub Clubs	(34,002)	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,381)	(3,600)
Increase/(decrease) in trade and other payables	(1,641)	25,640
(Increase)/decrease in other liabilities	457	-
Increase/(decrease) in employee provisions	15,538	17,385
(Increase)/decrease in inventories	22,342	(15,745)
(Increase)/decrease in prepayments	12,464	(14,506)
	<u>243,880</u>	<u>492,427</u>

(b) Property Plant and Equipment

Note

In 2017 additions to property, plant and equipment per note 5 were acquired through:

		2017 \$	2016 \$
Cash		431,932	215,021
Vendor finance	8(a) 5	288,284	250,154
		<u>720,216</u>	<u>465,175</u>

- Cash payments for property, plant and equipment are disclosed in 'cashflow from investing activities' in the cashflow statement.
- The repayment of these instalment arrangements is disclosed in 'cashflow from/(used in) finance activities in the cashflow

Note 13 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, bank accounts, payables and instalment arrangements.

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:

		2017 \$	2016 \$
Financial assets			
Cash and cash equivalents	4	295,106	631,341
Trade and other receivables		11,119	8,757
Total financial assets		<u>306,225</u>	<u>640,098</u>
Financial liabilities			
Financial liabilities at amortised cost:			
— trade and other payables	7(a)	274,283	275,924
— borrowings	8	238,528	132,062
Total financial liabilities		<u>512,811</u>	<u>407,986</u>

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14 Fair Value Measurements

(a) *Fair Value Hierarchy*

The company's assets and liabilities are measured or disclosed at fair value, using a three level hierarchy, base on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

Assets and liabilities held for sale are measured at fair value on a non-recurring basis. There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature

(b) *Valuation Techniques*

Your attention is drawn to note 1(o) key estimates.

The following table provides the fair values of the company's assets and liabilities.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Balance 30 June 2016		-	-	2,459,858	2,459,858
Unrealised gain from market revaluation		-	-	1,820,388	1,820,388
Disposals		-	-	(19,224)	(19,224)
Depreciation expense		-	-	(56,570)	(56,570)
Balance 30 June 2017	5	-	-	4,204,452	4,204,452

Note 15 Reserves

(a) Revaluation Surplus

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

(b) Analysis of Revaluation Reserve

	2017 \$	2016 \$
Opening balance at 1 July 2016	3,522	-
Gains (losses) on revaluation of land	80,300	-
Gains (losses) on revaluation of buildings	1,740,088	3,522
Balance at 30 June 2017	1,823,910	3,522

Note 16 Sub Clubs

A decision was reached in which the sub clubs listed below were acquired by 'Club Ltd' with effect from 1 May 2017.

The sub clubs in question include the following:

- golf club
- fishing club
- carpet bowls club
- men's bowls club
- women's' bowls club

At 30 April 2017, the aggregated bank balances in respect of the above amounted to \$34,002. This has been donated to Club Ltd and has been disclosed under other income for purposes of financial reporting (see note 2).

Revenue recognised and expenses incurred in respect of sub clubs from date of acquisition, namely 1 May 2017, to 30 June 2017 are disclosed under revenue and expenses respectively (see notes 2&3). However, the 2018 financial statement will reflect 12 months figures.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED
ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 17 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 18 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the entity. At 30 June 2017 the number of members was 3,724.

CABARITA BEACH BOWLS & SPORTS CLUB LIMITED

ABN: 70 000 998 863

DIRECTORS' DECLARATION

1. The financial statements and notes, as set out on pages 5 to 20, are in accordance with the Corporations Act 2001 and:
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Director

Ian Crabb

Dated this 17th day of October 2017

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 Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Cabarita Beach Bowls & Sports Club Limited (the company), which comprises the statement of financial position as at 30 June 2017, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph below, the financial report of Cabarita Beach Bowls & Sports Club Limited is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for Qualified Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Restriction of scope

As disclosed in note 1(o), Herron Todd White (Brisbane Pty Ltd) was engaged to provide a valuation of the company's building (and its improvements) for financial reporting purposes.

The cost approach methodology was used, an approach recognised by AASB13 Fair Value Measurement.

A depreciation cost estimate, determined on 25 May 2016, was adopted by the Board for the 2017 financial year. The valuation is disclosed in note 5.

We are required in terms of ASA 500 Audit Evidence to test the evidence provided which includes: assumptions used, methods, calculations performed, make suitable enquiries and gain a full understanding of the work undertaken by the management expert. However we were not provided with underlying workpapers prepared by the valuer, to enable us to do so. Accordingly, our audit procedures were restricted to an examination of their report, as furnished to the Board, only.

Emphasis of matter

Without modifying our opinion, your attention is drawn to note 16, whereby a decision was reached in which sub clubs were acquired by 'Club Limited' from 1 May 2017.

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.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Your attention is drawn to the term 'operating profit' as referred to in the Chairman and General Managers' reports for the year ended 30 June 2017. 'Operating profit' is the result before deducting depreciation of \$274,938.

Responsibilities of the Directors 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.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

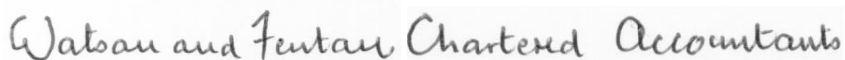
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Auditor's name and signature: Barry Dunnett



Name of firm: Watson & Fenton Chartered Accountants

Address: 39 Wharf Street
Tweed Heads NSW 2485

Dated this 18th day of October 2017