

CRAFT BEER INDUSTRY ASSOCIATION LIMITED
(ACN 154 036 307)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014

TABLE OF CONTENTS

Directors' Report	3-5
Auditor's independence declaration	7
Financial statements	
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12-13
Directors' declaration	20
Independent Auditor's Report	21-22

DIRECTORS' REPORT

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

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Director

Brad Rogers (resigned 8 January 2014)
Dave Bonighton
Charles Hahn
Jeremy Good
Jayne Lewis (resigned 25 October 2013)
Owen Johnston (resigned 25 October 2013)
Matt Bebe
Jacob Uljans (appointed 25 October 2013)
Jared Birbeck (appointed 25 October 2013)

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

Principal activity

The CBIAs principal activity has been to be the independent, unifying voice shaping and driving the future of Australian craft beer.

Objectives

Unifying: We aim for a united approach to issues affecting the commercial sustainability of our industry.

Shaping: We want to build knowledge and share ideas from around the globe to continuously improve our industry.

Driving: We are focused on increasing education and awareness that leads to sustainable growth in volume and value of craft beer.

Strategies

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

- Our first industry survey was held through Roy Morgan Research, will build on this next year.
- We have created the 'whatiscraftbeer' website.
- We are developing a WH&S template for the industry.
- We have held the second Australian Craft Brewer's Conference.
- We have developed an Excise Whitepaper and are currently having it modelled.
- Our first Craft Beer Awards will be held in October 2014

Key Performance Measures

The Company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks will be used by the directors to assess the financial sustainability of the Company and whether the Company's short-term and long-term objectives are being achieved.

Our chief benchmark is to grow the craft beer segment. We estimate it to be around 3% by volume now. We intend to more accurately measure the size of our segment through our industry survey and subsequently grow as per our objectives and strategies above.

Our other benchmark is membership numbers. Our goal for this year was to have 80 members. We now have 84. That is an increase of 21 from last year.

Details of the directors

Director's Name: Brad Rogers
Position held: Chair
Special responsibilities: Chief Judge Australian International Beer Awards
Qualification and experience: Bachelor Applied Science (Oenology), Director/Cofounder Stone & Wood Brewing Co

Director's Name: Matt Bebe
Position held: Secretary
Special responsibilities: Committee Lead on Trade Development & Education
Qualification and experience: Bachelor of Science, Diploma in Education, Roles in Sales, Marketing and HR

Director's Name: Dave Bonighton
Position held: Treasurer
Special responsibilities: Committee Lead on Developing & celebrating Craft Beer
Qualification and experience: Co-founder, Director Mountain Goat Beer P/L, Ba/BBus (Banking/Finance), Diploma in Brewing (IBD).

Director's Name: Jeremy Good
Position held: Director
Special responsibilities: Committee Lead on Consumer Awareness & Education
Qualification and experience: IBD General Certificate in Brewing & Packaging, 7 years part owner and head brewer Cowaramup Brewing Company, WA. Honorary member - Western Australian Brewers Association (WABA)

Director's Name: Jayne Lewis
Position held: Director
Special responsibilities: Committee lead on Professional Development & Education.
Qualification and experience: Diploma in Brewing (IBD), Co-owner of Two Birds Brewing, President of the Pink Boots Society, Australia

Director's Name: Chuck Hahn
Position held: Director
Special responsibilities: None
Qualification and experience: PhD in Chemical Engineering 1971
Over 42 years brewing experience, starting with Coors Brewing Company in Colorado in 1971, then Tooth's Breweries in Sydney, and Lion Breweries in NZ. Founded Hahn Brewery in 1988, and Hahn became part of Lion Nathan in 1993. Chief Brewer of Lion for six years before starting up the Malt Shovel brewery and the James Squire brands in 2000.

Director's Name: Owen Johnston
Position held: Director
Special responsibilities: Committee Lead on Government Liaison & Advocacy
Qualification and experience: Bachelor of Science (Hons), MSc (Brewing), MBA
8 years head brewer, Moo Brew. President of the Tasmanian Association of Microbreweries Inc, 2007-2011

Director's Name: Jacob Uljans
Position held: Director
Special responsibilities: None
Qualification and experience: BA, BMus (Melb). LLB (Hons I) (La Trobe).
Senior Associate with the law firm Hall & Wilcox
Co-owner, director and part-time brewer with Moon Dog Brewing

Director's Name: Jared Birbeck
Position held: Director
Special responsibilities: None
Qualification and experience: Masters of Taxation, Bachelor of Laws Legal Practice and Bachelor of Commerce (Accounting, Business, Law)
I have been working as a business advisor specializing in tax for 13 years
Owner and brewer at Birbeck's Brewing Company

Meetings of the Directors

The table below provides details of the number of meetings of the board held and the attendance by each of director:

Director	Number of meetings eligible to attend	Number of meetings attended
Brad Rogers	6	5
Dave Bonighton	10	9
Charles Hahn	10	10
Jeremy Good	10	10
Jayne Lewis	4	4
Owen Johnston	3	3
Matt Bebe	10	10
Jacob Uljans	6	4
Jared Birbeck	6	5

Indemnification of Officer or Auditor

The Company has paid an annual premium to insure the Directors' and Officers against liabilities incurred in their respective capacities. Under the policy, details of the premium are confidential.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial period.

Contributions on winding up

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 \$10 towards meeting any outstanding obligations of the Company. At 30 June 2013 the total amount that members of the company are liable to contribute if the Company is wound up is \$1,850.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7 of this financial statement.

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



David Bonighton
Director

Dated: 27/8/14

Leave blank

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014**

	Note	16 May 2013 to 30 June 2014 \$	16 May 2012 to 15 May 2013 \$
Continuing operations			
Revenue	2	262,909	123,353
Administration expenses		(19,174)	(5,626)
Advertising and promotion expenses		(24,330)	(17,296)
Conference and events expenditure		(71,689)	(3,612)
Depreciation and amortisation		(4,920)	(675)
Employee benefits expenses		(98,213)	(6,923)
Professional and legal expenses		(18,525)	(33,529)
Travel and accommodation expenses		(29,363)	(2,690)
Other expenses		(13,328)	(1,613)
(Loss)/surplus before income tax	3	(16,633)	51,389
Income tax expense	1(a)	-	-
(Loss)/surplus for the year		(16,633)	51,389
Other comprehensive income, net of income tax			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive (deficit)/income for the year		(16,633)	51,389
(Loss)/surplus attributable to:			
Members of the company		(16,633)	51,389
(Loss)/surplus for the year		(16,633)	51,389
Total comprehensive (deficit)/income attributable to:			
Members of the company		(16,633)	51,389
Total comprehensive (deficit)/income for the year		(16,633)	51,389

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Note	30 June 2014 \$	15 May 2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	24,496	82,565
Trade and other receivables	5	<u>13,620</u>	<u>7,778</u>
TOTAL CURRENT ASSETS		<u>38,116</u>	<u>24,266</u>
NON-CURRENT ASSETS			
Plant and equipment	6	791	1,810
Intangible assets	7	<u>24,528</u>	<u>1,627</u>
TOTAL NON-CURRENT ASSETS		<u>25,319</u>	<u>3,437</u>
TOTAL ASSETS		<u>63,435</u>	<u>93,780</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	2,159	5,880
Income received in advance	9	<u>5,159</u>	<u>15,150</u>
TOTAL CURRENT LIABILITIES		<u>7,318</u>	<u>21,030</u>
TOTAL LIABILITIES		<u>7,318</u>	<u>21,030</u>
NET ASSETS		<u>56,117</u>	<u>72,750</u>
EQUITY			
Accumulated surplus		<u>56,117</u>	<u>72,750</u>
TOTAL EQUITY		<u>56,117</u>	<u>72,750</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 JUNE 2014**

	Accumulated surplus \$	Total \$
Balance at 16 May 2012	21,361	21,361
Surplus for the year	51,389	51,389
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>51,389</u>	<u>51,389</u>
Balance at 15 May 2013	<u>72,750</u>	<u>72,750</u>
Balance at 16 May 2013	72,750	72,750
(Loss)/surplus for the period	(16,633)	(16,633)
Other comprehensive income for the period	-	-
Total comprehensive (deficit)/income for the period	<u>(16,633)</u>	<u>(16,633)</u>
Balance at 30 June 2014	<u>56,117</u>	<u>56,117</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30 JUNE 2014**

	Note	16 May 2013 to 30 June 2014 \$	16 May 2012 to 15 May 2013 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from membership fees and other sources		242,076	131,188
Payments to suppliers and employees		<u>(273,343)</u>	<u>(63,796)</u>
Net cash (used in)/provided by operating activities	10(b)	<u>(31,267)</u>	<u>67,392</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(1,943)
Purchase of intangible assets		<u>(26,802)</u>	<u>(2,169)</u>
Net cash used in investing activities		<u>(26,802)</u>	<u>(4,112)</u>
Net (decrease)/increase in cash and cash equivalents		(58,069)	63,280
Cash and cash equivalents at beginning of the period		<u>82,565</u>	<u>19,285</u>
Cash and cash equivalents at end of the period	10(a)	<u>24,496</u>	<u>82,565</u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Craft Beer Industry Association Limited as an individual entity, incorporated and domiciled in Australia. Craft Beer Industry Association Limited is a not-for-profit company.

Statement of Compliance

The Company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the *Corporations Act 2001*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures'.

Basis of Preparation

The financial statement has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) 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.

(b) 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.

(c) Plant and Equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by the executive committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the estimated replacement cost of the asset. The cost of plant and equipment constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all plant and equipment are depreciated over their useful lives to the company commencing from the time the asset is held ready for use.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant and Equipment (continued)

The depreciation method and rates used for each class of depreciable asset are:

Class of Plant and Equipment	Depreciation rates	Depreciation method
Computer equipment	30%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial performance date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the company 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 transaction costs, except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

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

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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 stated at amortised cost.

ii. Financial liabilities, including trade and other payables

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

Impairment

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Instruments (continued)

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 where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability 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.

(e) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(g) Revenue

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

Interest revenue is recognised using the effective interest rate 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 (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority 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 taxation authority, are presented as operating cash flows.

(i) Critical Accounting Estimates and Judgments

The Board of Directors evaluates estimates and judgments incorporated into the financial report 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. There were no key estimates and judgments required to be incorporated into the financial report.

(j) Comparative Figures

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Adoption of new and revised accounting standards

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

- Amendments to AASB 101 *Presentation of Financial Statements*

The amendment (part of AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*) introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

- (a) items that will not be reclassified subsequently to profit or loss; and
- (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

- AASB 1054 *Australian Additional Disclosures*, AASB 2011-1 *Amendments to Australian Accounting Standards arising from Trans-Tasman Convergence Project* and AASB 2011-2 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements* (AASB 2011-2 has been adopted in advance of its effective date of 1 July 2013).

(l) Adoption of new and revised accounting standards (continued)

AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are in addition to IFRSs in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss).

AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard deletes various Australian specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that adopted in IFRSs. AASB 2011-2 establishes reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements in relation to the Australian additional disclosures arising from the Trans-Tasman Convergence Project.

(m) Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

	16 May 2013 to 30 June 2014 \$	16 May 2012 to 15 May 2013 \$
NOTE 2: REVENUE		
<i>Revenue from operating activities</i>		
- Membership fees	127,103	107,964
- Events	21,575	-
- Sponsorship partner fees	110,581	15,389
- Other	3,650	-
	<u>262,909</u>	<u>123,353</u>
NOTE 3: (DEFICIT)/SURPLUS BEFORE INCOME TAX		
(Deficit)/surplus before income tax is arrived at after taking into consideration the following charges/(credits):		
Depreciation and amortisation expense:		
- Computer equipment	1,019	133
- Website	3,901	542
	<u>4,920</u>	<u>675</u>
Bad debts written off	<u>5,000</u>	<u>1,613</u>
Rental expense on operation leases	<u>-</u>	<u>300</u>
	30 June 2014 \$	15 May 2013 \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	23,672	82,242
Cash on hand	824	323
	<u>24,496</u>	<u>82,565</u>
NOTE 5: TRADE AND OTHER RECEIVABLES		
Trade receivables	13,620	4,785
Other receivables	-	2,993
	<u>13,620</u>	<u>7,778</u>
NOTE 6: PLANT & EQUIPMENT		
<i>Computer equipment:</i>		
At cost	1,943	1,943
Accumulated depreciation	(1,152)	(133)
	<u>791</u>	<u>1,810</u>

NOTE 6: PLANT & EQUIPMENT (Continued)

Movements in Carrying Amounts

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

	Computer equipment \$	Total \$
Balance at 16 May 2013	1,810	1,810
Depreciation	<u>(1,019)</u>	<u>(1,019)</u>
Balance at 30 June 2014	<u>791</u>	<u>791</u>
	30 June 2014 \$	15 May 2013 \$

NOTE 7: INTANGIBLE ASSETS

At cost	26,089	2,169
Accumulated amortisation	<u>(1,561)</u>	<u>(542)</u>
	<u>24,528</u>	<u>1,627</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year:

	Intangibles \$	Total \$
Balance at 16 May 2013	1,627	1,627
Additions	23,920	23,920
Amortisation	<u>(1,019)</u>	<u>(1,019)</u>
Balance at 30 June 2014	<u>24,528</u>	<u>24,528</u>
	30 June 2014 \$	15 May 2013 \$

NOTE 8: TRADE AND OTHER PAYABLES

Current

Unsecured liabilities

Other payables	111	5,308
Accrued payroll expenses	<u>2,048</u>	<u>572</u>
	<u>2,159</u>	<u>5,880</u>

NOTE 9: INCOME RECEIVED IN ADVANCE

Current

Membership fees received in advance	<u>5,519</u>	<u>15,150</u>
-------------------------------------	--------------	---------------

	30 June 2014	15 May 2013
	\$	\$

NOTE 10: CASH AND CASH EQUIVALENTS

(a) *Reconciliation of cash and cash equivalents*

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial performance as follows:

Cash at bank	23,672	82,242
Cash on hand	824	323
Total cash and cash equivalents	24,496	82,565

	16 May 2013 to 30 June 2014	16 May 2012 to 15 May 2013
	\$	\$

(b) *Reconciliation of cash flows from operations with (deficit)/surplus for the period*

(Deficit)/surplus for the period	(16,633)	51,389
Bad debts expense	5,000	1,613
Depreciation and amortisation expense	4,920	675

Changes in assets and liabilities:

Increase in trade and other receivables	(10,842)	(4,410)
(Decrease)/increase in trade and other payables	(3,721)	5,880
(Decrease)/increase in income received in advance	(9,991)	12,245
	(31,267)	67,392

NOTE 11: MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30 June 2014 the total amount that members of the company are liable to contribute if the company is wound up is \$1,850 per member.

NOTE 12: EVENTS AFTER REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

NOTE 13: CONTINGENT LIABILITIES

There are no contingent liabilities at reporting date (2013: \$nil).

NOTE 14: COMPANY DETAILS

The registered office of the company is:

Suite 37, Level 3
799-807 Springvale Road
Mulgrave VIC 3170

The principal place of business of the company is:

4 Beverley Crescent
New Lambton Heights NSW 2305

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity, and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 19, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards; and
 - b. give a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Dave Bonington
Director

Dated: 27/8/14 .

Leave blank

Leave blank