

CRAFT BEER INDUSTRY ASSOCIATION LIMITED
(ACN 154 036 307)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015

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DIRECTORS' REPORT

Your directors present their report on the Company for the financial period ended 30 June 2015.

Directors

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

Director	Date Appointed	Date Resigned/Retired
Bebe, Matthew Stuart		12 November 2014
Birbeck, Jared Paul		17 December 2014
Bonighton, David		29 August 2014
Brooke, Douglas George	29 August 2014	
Fielding, Peta	29 August 2014	
Good, Jeremy Mark		
Hahn, Charles William		
Uljans, Jacob Paul		29 August 2014
Varis, Brendan Leslie	29 August 2014	

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

Principal activity

The Craft Beer Industry Association aspires to be the independent, unifying voice shaping and driving the future of Australian craft beer.

Objectives

To achieve the stated principal activity, our constitution contains a number of long-term goals:

- to create and maintain a unified craft beer industry
- to improve the quality and standard of craft beer in Australia
- to increase the market share of craft beer in the Australian beer market place
- to ensure the growth of the industry
- to increase consumer awareness of the craft beer industry in Australia
- to increase trade awareness of the craft beer industry in Australia
- to aide professional and technological development within the craft beer industry in Australia
- to liaise with the Commonwealth and State governments with respect to the regulation of the craft beer industry in Australia

In working towards these goals the Board of the CBIA has identified a number of shorter-term objectives including important steps to consolidate the association's fiscal position and governance.

These shorter-term objective are as follows:

- increase membership numbers
- increase engagement with other sectors of the industry including suppliers and the trade
- increase the industry's participation rates in CBIA events
- conduct events that help improve industry knowledge and standards
- work with the industry to develop adequate workplace health and safety standards
- conduct events that raise the profile of the industry with consumers and the trade
- increase the CBIA's recognition with Commonwealth and State Governments through contact with politicians and bureaucrats
- improve the company's fiscal position through the development of sponsorships and commercial activities
- continually improve the association's standards of governance

Strategies and Key Performance Measures

To achieve these goals the CBIA has set out a strategy based around a number of events and programmes run by our administrative team consisting of our Executive Officer, Chris McNamara, and Sponsorship and Events Manager, Katherine McLean based in our Newcastle office.

Strategies and Key Performance Measures (Continued)

Chief among these for the year are the Australian Craft Brewers Conference and the Craft Beer Awards, the first of which was held in 2014/15.

The Australian Craft Brewers Conference is important in a number of ways including raising the profile of the organisation within all sectors of the industry, providing a vital source of information and professional development for industry participants and providing an important revenue source for the CBIA. The conference continued to grow in 2015 with ticket sales up 60% to 268, trade show exhibitors up 200% to 30 and income up 63% to \$180943.

For the first time the conference included a trade symposium with presentations aimed at topics outside the brewhouse and of relevance to anyone involved in selling craft Beer. In addition the Conference had a greatly expanded trade exhibit that provided suppliers and sponsors with a unique opportunity to interact with the industry. Feedback has reinforced that this event was a significant success.

The inaugural Craft Beer Awards were held in Sydney coinciding with Sydney Good Beer Week and represent our contribution to celebrating and rewarding achievements by Australian craft brewers. 78 brewers entered 282 beers for judging. The Craft Beer Awards provide valuable feedback to brewers on their beers, give us an opportunity to raise the profile of craft beers generally and also provide another important income source to the CBIA.

Over the course of the year the Association has made significant progress in it's lobbying activities, holding a well attended event for Victorian state government representatives and contributing submissions to the Federal Government's Tax Review and various state government reviews into areas concerning our industry. These are small but important steps in the process of engaging with government in a credible and structured way.

As a Board we recognise that ultimately the success of our interactions with government will rely greatly on our ability to cite up-to-date data about our industry. To this end we have surveyed members on several occasions through the year to assist building a picture of our industry. We encourage every member to contribute to these surveys – they provide the crucial information our association needs to be effective in interacting with government.

Fundamental to our ability to deliver services to members is having a stable and sustainable organisation. Establishing our office in Newcastle is important to that. As is improving our fiscal stability through the support of our sponsors and the success of our events which meant we have delivered a modest profit, appropriate for our association.

In the last year we have had two board members resign due to other commitments. This has highlighted that our constitution doesn't strike an adequate balance between fresh faces/new ideas and the stability needed to get things done. We are proposing changes to our constitution to achieve what we believe is a better balance, that is more stability and more ability to bring in specialised skills as we need them to the board.

Finally our membership through the last year has increased from 63 to 108 with 85% of members rating the performance of the association as good/very good in a recent survey. This gives us confidence that those not already members are seeing the benefits the association delivers to them as members and our existing membership believes we are heading substantially in the right direction.

As a board we congratulate every member for their support for your association over the previous year and we enter the new year enthusiastically looking forward to even greater achievements in 2015/16.

Director's details

Bebe, Matthew Stuart

Position held:

Treasurer (part of year)

Qualifications:

Bachelor of Science and Graduate Diploma of Education and
Owner/operator of Morningson Peninsula Brewery

Director's details (Continued)

Birbeck, Jared Paul	Secretary (part of year)
Position held:	Secretary (part of year)
Qualifications:	Masters of Taxation, Bachelor of Laws and Legal Practice, Bachelor of Commerce (Accounting, Business Law) and Owner/operator of Birbecks Brewing Co
Bonighton, David	Chair (part of year)
Position held:	Chair (part of year)
Qualifications:	Bachelor of Arts/Business, Diploma of Brewing, Co-founder/owner of Mountain Goat Beer
Brooke, Douglas George	Treasurer (part of year)
Position held:	Treasurer (part of year)
Qualifications:	Bachelor of Applied Science (Hons) and Owner/operator of Brookes Beer
Fielding, Peta	Chair (part of year)
Position held:	Chair (part of year)
Qualifications:	Bachelor of Laws, Bachelor of Arts, Master of Business Administration, Co-founder and CEO of Burleigh Brewing Co
Good, Jeremy Mark	Owner/operator of Cowaramup Brewing Co
Qualifications:	Owner/operator of Cowaramup Brewing Co
Hahn, Charles William	PhD Chemical Engineering and Founder of Malt Shovel Brewery
Qualifications:	PhD Chemical Engineering and Founder of Malt Shovel Brewery
Uljans, Jacob Paul	Bachelor of Arts, Bachelor of Music, Bachelor of Laws (Hons), Co-founder/owner Moon Dog Brewing Co
Qualifications:	Bachelor of Arts, Bachelor of Music, Bachelor of Laws (Hons), Co-founder/owner Moon Dog Brewing Co
Varis, Brendan Leslie	Associate Diploma in Brewing and Owner/operator of Feral Brewing Co
Qualifications:	Associate Diploma in Brewing and Owner/operator of Feral Brewing Co

Meetings of the Directors

There were 10 Board meetings held for the year. 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
Bebe, Matthew Stuart	5	4
Birbeck, Jared Paul	6	2
Bonighton, David	3	3
Brooke, Douglas George	7	7
Fielding, Peta	10	10
Good, Jeremy Mark	10	8
Hahn, Charles William	10	10
Uljans, Jacob Paul	3	1
Varis, Brendan Leslie	7	6

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. The premium paid on the policy was \$1,505.

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 2015 the total amount that members of the company are liable to contribute if the Company is wound up is \$1,080.

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:



Peta Fielding
Director

Dated: 20th October 2015.

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE *CORPORATIONS ACT 2001* TO THE BOARD OF CRAFT
BEER INDUSTRY ASSOCIATION LIMITED**

In relation to our audit of the financial report of Craft Beer Industry Association Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Crowe Horwath Vic

CROWE HORWATH VIC

G. Robertson

GORDON ROBERTSON

Partner

Date: 20 October 2015

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2015**

	Note	1 July 2014 to 30 June 2015 \$	16 May 2013 to 30 June 2014 \$
Continuing operations			
Revenue	2	410,515	262,909
Administration expenses		(36,491)	(19,174)
Advertising and promotion expenses		(2,380)	(24,330)
Conference and events expenditure		(198,408)	(71,689)
Depreciation and amortisation		(5,500)	(4,920)
Employee benefits expenses		(112,489)	(98,213)
Professional and legal expenses		(54,043)	(18,525)
Travel and accommodation expenses		(421)	(29,363)
Other expenses		(568)	(13,328)
Surplus/(Deficit) before income tax	3	215	(16,633)
Income tax expense	1(a)	-	-
Surplus/(Deficit) for the period		215	(16,633)
Other comprehensive income, net of income tax			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income/(deficit) for the period		215	(16,633)
Surplus/(Deficit) attributable to:			
Members of the company		215	(16,633)
Surplus/(Deficit) for the period		215	(16,633)
Total comprehensive income/(deficit) attributable to:			
Members of the company		215	(16,633)
Total comprehensive income/(deficit) for the period		215	(16,633)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	42,238	24,496
Trade and other receivables	5	7,063	17,733
TOTAL CURRENT ASSETS		49,301	42,229
NON-CURRENT ASSETS			
Plant and equipment	6	1,059	791
Intangible assets	7	19,996	24,528
TOTAL NON-CURRENT ASSETS		21,055	25,319
TOTAL ASSETS		70,356	67,548
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	4,976	6,272
Income received in advance	9	500	5,159
Provisions	10	8,548	-
TOTAL CURRENT LIABILITIES		14,024	11,431
TOTAL LIABILITIES		14,024	11,431
NET ASSETS		56,332	56,117
EQUITY			
Accumulated surplus		56,332	56,117
TOTAL EQUITY		56,332	56,117

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 30 JUNE 2015**

	Accumulated surplus \$	Total \$
Balance at 16 May 2013	72,750	72,750
Deficit for the period	(16,633)	(16,633)
Other comprehensive income for the period	-	-
Total comprehensive deficit for the period	<u>(16,633)</u>	<u>(16,633)</u>
Balance at 30 June 2014	<u>56,117</u>	<u>56,117</u>
Balance at 1 July 2014	56,117	56,117
Surplus for the period	215	215
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>215</u>	<u>215</u>
Balance at 30 June 2015	<u>56,332</u>	<u>56,332</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR PERIOD ENDED 30 JUNE 2015**

	Note	1 July 2014 to 30 June 2015 \$	16 May 2013 to 30 June 2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from membership fees and other sources		413,075	242,076
Payments to suppliers and employees		(394,097)	(273,343)
Net cash provided by/(used in) operating activities	11(b)	18,978	(31,267)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(1,236)	-
Purchase of intangible assets		-	(26,802)
Net cash used in investing activities		(1,236)	(26,802)
Net increase/(decrease) in cash and cash equivalents		17,742	(58,069)
Cash and cash equivalents at beginning of the period		24,496	82,565
Cash and cash equivalents at end of the period	11(a)	42,238	24,496

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2015**

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', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Basis of Preparation

The financial statements have been prepared on an accruals basis and are 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) Intangible assets

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 6 years.

(e) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (continued)

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.

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.

(f) 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.

(g) 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.

(h) Revenue

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

Revenue from membership fee subscriptions is recognised on a straight line basis over the financial year.

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).

(i) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) Comparative Figures

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

(l) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2015. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

	1 July 2014 to 30 June 2015 \$	16 May 2013 to 30 June 2014 \$
NOTE 2: REVENUE		
<i>Revenue from operating activities</i>		
- Membership fees	153,822	127,103
- Events	144,547	21,575
- Sponsorship partner fees	109,530	110,581
- Other	2,616	3,650
	<u>410,515</u>	<u>262,909</u>
NOTE 3: SURPLUS/(DEFICIT) BEFORE INCOME TAX		
Surplus/(Deficit) before income tax is arrived at after taking into consideration the following charges:		
Depreciation and amortisation expense:		
- Computer equipment	968	1,019
- Website	4,532	3,901
	<u>5,500</u>	<u>4,920</u>
Bad debts written off	<u>568</u>	<u>5,000</u>
Rental expense on operating leases	<u>7,559</u>	<u>-</u>
	<u>30 June 2015</u> \$	<u>30 June 2014</u> \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	42,203	23,672
Cash on hand	35	824
	<u>42,238</u>	<u>24,496</u>
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	5,833	13,620
Other receivables	1,230	4,113
	<u>7,063</u>	<u>17,733</u>
NOTE 6: PLANT & EQUIPMENT		
<i>Computer equipment:</i>		
At cost	3,179	1,943
Accumulated depreciation	(2,120)	(1,152)
	<u>1,059</u>	<u>791</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 1 July 2014	791	791
Additions	1,236	1,236
Depreciation	(968)	(968)
Balance at 30 June 2015	<u>1,059</u>	<u>1,059</u>
	30 June 2015 \$	30 June 2014 \$

NOTE 7: INTANGIBLE ASSETS

At cost	26,089	26,089
Accumulated amortisation	(6,093)	(1,561)
	<u>19,996</u>	<u>24,528</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 1 July 2014	24,528	24,528
Additions	-	-
Amortisation	(4,532)	(4,532)
Balance at 30 June 2015	<u>19,996</u>	<u>19,996</u>
	30 June 2015 \$	30 June 2014 \$

NOTE 8: TRADE AND OTHER PAYABLES

Current

Unsecured liabilities

Other payables	4,608	4,224
Accrued payroll expenses	368	2,048
	<u>4,976</u>	<u>6,272</u>

NOTE 9: INCOME RECEIVED IN ADVANCE

Current

Membership fees received in advance	<u>500</u>	<u>5,519</u>
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	30 June 2015 \$	30 June 2014 \$
NOTE 10: PROVISIONS		
Current		
Provision for annual leave	8,548	-

NOTE 11: NOTES TO THE STATEMENT OF CASH FLOWS

(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 position as follows:

Cash at bank	42,203	23,672
Cash on hand	35	824
Total cash and cash equivalents	42,238	24,496

	1 July 2014 to 30 June 2015 \$	16 May 2013 to 30 June 2014 \$
(b) <i>Reconciliation of cash flows from operations with surplus/(deficit) for the period</i>		
Surplus/(Deficit) for the period	215	(16,633)
Bad debts expense	568	5,000
Depreciation and amortisation expense	5,500	4,920
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in trade and other receivables	10,102	(10,842)
Decrease in trade and other payables	(1,296)	(3,721)
(Decrease)/increase in income received in advance	(4,659)	(9,991)
Increase in provisions	8,548	-
	18,978	(31,267)

NOTE 12: 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 2015 the total amount that members of the company are liable to contribute if the company is wound up is \$1,080.

NOTE 13: 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 14: CONTINGENT LIABILITIES

There are no contingent liabilities at reporting date (30 June 2014: \$nil).

NOTE 15: COMPANY DETAILS

The registered office of the company is:

Level 1, 31 Darby Street
Newcastle NSW 2300

The principal place of business of the company is:

7/265 King Street
Newcastle NSW 2300

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 2015 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.



Peta Fielding
Director

Dated: 20th October 2015.

INDEPENDENT AUDITOR'S REPORT

To the Members of Craft Beer Industry Association Limited

We have audited the accompanying financial report, being a special purpose financial report of Craft Beer Industry Association Limited, which comprises the statement of financial position as at 30 June 2015 the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Craft Beer Industry Association Limited, would be in the same terms if given to the directors as at the time of the auditor's report.



Opinion

In our opinion the financial report of Craft Beer Industry Association Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Crowe Horwath Vic

CROWE HORWATH VIC

A handwritten signature in dark ink, appearing to read "G. Robertson".

GORDON ROBERTSON

Partner

Mulgrave

Date: 23 October 2015