

**CABARITA BEACH BOWLS & SPORTS
CLUB LTD TRADING AS CABARITA BEACH
SPORTS CLUB**

ABN: 70 000 998 863

**Annual Financial Report For The Year Ended
30 June 2009**

Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club

30 June 2009

ABN: 70 000 998 863

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

Your directors present their report on the Company for the financial year ended 30 June 2009.

Directors

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

George Davidson (retired 28/07/09)
James Currie Baxter
Lawrence Peter Rose (retired 31/12/08)
Robert Coustley
Marlene Lambert
Raymond Anderson
Glenys Margaret Cartwright (resigned 30/07/08)
Ian Crabb (appointed 30/09/08)
Jack McArdle (appointed 27/01/09)
Robyn Creedon (appointed 20/07/09)

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

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

Phillip Scott Jesse Mallon - General Manager. Phillip Mallon has worked for the Company for the past 4 ½ years, performing management roles in the daily operations of the business. Phillip Mallon was appointed Company Secretary on 21 April 2005.

Principal Activities

The principal activity of the entity during the financial year was to provide members with lawn bowling and sporting facilities.

There were no significant changes in the nature of the entity's principal activities during the financial year.

Operating Results

The net operating profit before depreciation for the year ended 30 June 2009 was \$417,193 (2008: \$362,651). Depreciation amounted to \$283,685 (2008: \$246,750).

Review of Operations

Bar

Bar Sales for the year ended 30 June 2009 were \$1,098,993 with a gross profit of \$597,831, this represents an increase in gross profit of \$39,865 or 7.15% over last year. Bar gross percentage profit for the year was 54.4%.

Bottle Shop

Bottle Shop Sales for the year ended 30 June 2009 were \$915,400 with a gross profit of \$144,697, this represents an increase in gross profit of \$17,335 or 13.6% over last year. Bottle Shop gross percentage profit for the year was 15.81%.

Gaming

Poker Machine revenue (net), including government grants for the year ending 30 June 2009 was \$2,036,490, which is an increase of \$194,898 or 10.6% over last year.

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

Financial Position

The Company's cash position as at 30 June 2009 was as follows:

Cheque Account	\$ 97,720
Cash Maximiser Account	\$ 61,766
Cash on Hand & Floats (including ATM)	\$ 100,000
Poker Machine Hoppers	\$ 8,671
	<hr/> <u>\$ 268,157</u>

The Company's Cheque Account has an overdraft facility of \$60,000.00 which was not used during the year ended 30 June 2009.

The Company's strong financial position has enabled the Company to reduce its borrowings by \$180,000, leaving the balance of the debt at \$420,000 while maintaining a healthy working capital ratio. The Company's working capital, being current assets less current liabilities, has improved from \$90,061 in 2008 to \$144,163 in 2009.

The directors believe the Company is in a strong and stable financial position to maintain its current operations.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Company during the financial year.

After Balance Date Events

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

Future Developments

The aim of the Board is to ensure the Company remains liquid whilst ensuring its facilities including gaming are continually upgraded to accommodate changes in technology and the growing population of the area. All Bowling and Social Club development will continue throughout 2009/10.

Environmental Issues

There are no aspects of the Company's operations to which significant environmental regulations under the law of the Commonwealth or State is applicable.

Information on Directors

George Davidson

Qualifications & Experience
Special Responsibilities

— **Chairman**
— Member of the Board, 13 years
— Finance Committee
Building Committee
Membership Committee
Poker Machine Committee

James Currie Baxter

Qualifications & Experience
Special Responsibilities

— **Deputy Chairman**
— Member of the Board, 11 years
— Finance Committee
Building Committee
Promotions Committee

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

ABN: 70 000 998 863

DIRECTORS' REPORT

Lawrence Peter Rose	—	Director
Qualifications & Experience	—	Member of the Board, 9 years
Special Responsibilities	—	Poker Machine Director
Robert Coustley	—	Director
Qualifications & Experience	—	Member of the Board, 3 years 7 months
Special Responsibilities	—	Greens & Grounds Director Poker Machines Committee
Marlene Lambert	—	Director
Qualifications & Experience	—	Member of the Board, 2 years 7 months
Special Responsibilities	—	OH&S Director Bowling Club Liaison & Special Events
Raymond Anderson	—	Director
Qualifications & Experience	—	Member of the Board, 1 year 8 months
Special Responsibilities	—	Bowling Club Liaison
Glenys Margaret Cartwright	—	Director
Qualifications & Experience	—	Member of the Board, 4 years 9 months
Special Responsibilities	—	Membership & House Director
Ian Crabb	—	Director
Qualifications & Experience	—	Member of the Board, 9 months
Special Responsibilities	—	Social Clubs Director
Jack McArdle	—	Director
Qualifications	—	Member of the Board, 5 months
Experience	—	Greens & Grounds Director
Special Responsibilities	—	Poker machine Committee
Robyn Creedon	—	Director
Qualifications	—	Member of the Board, 2 months
Experience	—	OH&S Director
Special Responsibilities	—	Finance Committee

Meetings of Directors

During the financial year, 21 meetings of directors were held. Attendees by each director were as follows:

	Directors Meetings	
	Number eligible to attend	Number attended
George Davidson	21	19
James Currie Baxter	21	18
Lawrence Peter Rose	10	10
Robert Coustley	21	16
Marlene Lambert	21	20
Raymond Anderson	21	20
Glenys Margaret Cartwright	1	1
Ian Crabb	15	14
Jack McArdle	10	9

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

Indemnifying Officers or Auditor

The Constitution of the Company provides an indemnity to any current or former Director, Secretary and Auditor of the Company out of the property of the Company against liability for costs and expenses incurred in defending any proceedings whether civil or criminal in which judgement is given in his/her favour or in which he/she is acquitted or in conjunction with any application in relation to any such proceedings in which relief is granted to him/her by the Court.

The Company has paid a premium in respect of a contract insuring all current Directors and the Secretary, including all Directors named in this report, against certain liabilities (subject to exclusions) that may arise in relation to their respective positions as officers of the Company.

The Directors and Officers liability insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium paid.


Proceedings on Behalf of the Entity

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

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on the page following the directors' report.

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



Director

Ian Crabb

Dated this 29th day of September 2009

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WFD Assurance Services Pty Ltd

Name of Firm **WFD Assurance Services Pty Ltd**

B. Dunnett

Name of Partner **Barry Dunnett**

Date 26 September 2009

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

**CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS
CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Revenue from operating activities	2	4,237,944	3,925,984
Other income	2	7,681	13,287
Employee benefits expense		(1,165,047)	(1,112,976)
Depreciation and amortisation		(283,685)	(246,750)
Finance costs		(46,809)	(54,112)
Changes in inventories		55,186	9,432
Purchases		(1,327,048)	(1,259,764)
Other expenses	3a	<u>(1,349,360)</u>	<u>(1,154,264)</u>
Profit before income tax		128,862	120,837
Income tax expense		<u>-</u>	<u>-</u>
Profit after income tax		<u><u>128,862</u></u>	<u><u>120,837</u></u>

**CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS
CABARITA BEACH SPORTS CLUB
ABN: 70 000 998 863
BALANCE SHEET AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	268,157	212,486
Trade and other receivables	5	13,802	6,495
Inventories	6	206,381	151,194
Other assets	7	14,548	15,198
TOTAL CURRENT ASSETS		<u>502,888</u>	<u>385,373</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,916,032	4,047,923
Other assets	7	13,676	-
TOTAL NON-CURRENT ASSETS		<u>3,929,708</u>	<u>4,047,923</u>
TOTAL ASSETS		<u>4,432,596</u>	<u>4,433,296</u>
CURRENT LIABILITIES			
Trade and other payables	9	264,836	232,623
Financial liabilities	10	7,386	6,764
Short term provisions	11	86,503	55,923
TOTAL CURRENT LIABILITIES		<u>358,725</u>	<u>295,310</u>
NON-CURRENT LIABILITIES			
Financial liabilities	10	449,419	636,804
Long term provisions	11	23,429	29,021
TOTAL NON-CURRENT LIABILITIES		<u>472,848</u>	<u>665,825</u>
TOTAL LIABILITIES		<u>831,573</u>	<u>961,135</u>
NET ASSETS		<u>3,601,023</u>	<u>3,472,161</u>
EQUITY			
Retained earnings		2,741,475	2,612,613
Reserves	12	859,548	859,548
TOTAL EQUITY		<u>3,601,023</u>	<u>3,472,161</u>

**CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS
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ABN: 70 000 998 863
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2007	2,491,776	859,548	3,351,324
Profit attributable to the entity	120,837	-	120,837
Balance at 30 June 2008	2,612,613	859,548	3,472,161
Profit attributable to the entity	128,862	-	128,862
Balance at 30 June 2009	2,741,475	859,548	3,601,023

**CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA
BEACH SPORTS CLUB
ABN: 70 000 998 863
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		4,667,100	4,347,444
Payments to suppliers and employees		(4,213,990)	(4,011,097)
Interest received		1,320	446
Finance costs		(51,897)	(54,112)
Net cash generated from operating activities	18(b)	<u>402,533</u>	<u>282,681</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		8,000	26,136
Payment for property, plant and equipment		(174,862)	(242,857)
Net cash used in investing activities		<u>(166,862)</u>	<u>(216,721)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of Borrowings		(180,000)	(120,000)
Net cash generated from (used in) financing activities		<u>(180,000)</u>	<u>(120,000)</u>
Net increase in cash held		55,671	(54,040)
Cash at the beginning of the financial year		212,486	266,526
Cash at the end of the financial year	18(a)	<u><u>268,157</u></u>	<u><u>212,486</u></u>

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 1 Statement of Significant Accounting Policies

The financial report is for Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club as an individual entity, incorporated and domiciled in Australia. Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club is a company limited by guarantee.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Revenue

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

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(b) Inventories

Inventories are measured at cost, adjusted when applicable for any loss of service potential.

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

(c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholder's equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or 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.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) 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 using the effective interest rate method.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

(f) Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(g) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to Balance Sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

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

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Unexpended Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grants monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

(k) Contributions

Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club receives non-reciprocal contributions from the government and other parties for nothing or at nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

(l) Income Tax

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

(m) Intangibles

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and two years. It is assessed annually for impairment.

Computer software that is an internal part of a computer controlled machine is treated as property, plant and equipment. The operating system of a computer is treated the same way.

(n) 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.

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(o) Comparative Figures

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

(p) Critical accounting estimates and judgments

The directors evaluate 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 entity.

Key estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 2 Revenue

	2009	2008
	\$	\$
Revenue from Government Grants		
Government grants	17,180	17,180
Revenue from operating activities		
Gaming	2,036,490	1,841,592
Beverage sales	1,098,993	1,021,502
Bottleshop sales	915,400	914,157
Commission	115,584	106,119
Member subscriptions	17,698	17,340
Sundry revenue	36,599	8,094
	<u>4,237,944</u>	<u>3,925,984</u>
Other Revenue		
Interest received	1,320	446
Rental income	6,361	5,418
Gain on disposal of property, plant and equipment	-	7,423
	<u>7,681</u>	<u>13,287</u>
Total Revenue	<u>4,245,625</u>	<u>3,939,271</u>

Note 3 Profit

(a) Other expenses

	2009	2008
	\$	\$
General maintenance & support service	89,530	76,762
Advertising	67,243	57,859
Cleaning	67,276	62,114
Donations & CDSE	35,652	45,444
Electricity	91,901	80,601
Entertainment	94,006	61,465
Members expenses	153,868	138,972
Insurance	53,460	62,548
Poker machine expenses	355,260	309,750
Other operating expenses	341,164	258,749
	<u>1,349,360</u>	<u>1,154,264</u>

(b) Other disclosable expenses

Finance costs - External	46,809	54,112
Auditor Remuneration		
— audit services	13,500	13,965
— other services	65	615
Total Auditor Remuneration	<u>13,565</u>	<u>14,580</u>
Net loss on disposal of property, plant & equipment	1,393	-

Note 4 Cash and Cash Equivalents

	2009	2008
	\$	\$
CURRENT		
Cash on hand	108,671	107,641
Cheque Account	97,720	74,399
Cash Management Account	61,766	30,446
	<u>268,157</u>	<u>212,486</u>

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 5 Trade and Other Receivables

	2009	2008
	\$	\$
CURRENT		
Trade receivables	6,120	850
Other receivables	7,682	5,645
	13,802	6,495

Note 6 Inventories

	2009	2008
	\$	\$
CURRENT		
At cost		
Bar stock	10,573	12,559
Bottleshop stock	195,808	138,635
	206,381	151,194

Note 7 Other Assets

	2009	2008
	\$	\$
CURRENT		
Prepayments	14,548	15,198
	14,548	15,198
NON CURRENT		
Capital work in progress	13,676	-
	13,676	-

Note 8 Property, Plant and Equipment

	2009	2008
	\$	\$
LAND AND BUILDINGS		
Freehold land:		
- at independent valuation 2006	1,400,000	1,400,000
Total land	1,400,000	1,400,000
Buildings		
- at independent valuation 2006	500,000	500,000
- additions at cost	1,526,877	1,499,776
	2,026,877	1,999,776
- Less accumulated depreciation	(162,626)	(95,568)
Total buildings	1,864,251	1,904,208
Total land and buildings	3,264,251	3,304,208
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	1,528,549	1,471,475
Less accumulated depreciation	(909,260)	(771,083)
	619,289	700,392
Leased assets		
Cost	44,106	44,106
Accumulated depreciation	(11,614)	(783)
	32,492	43,323
Total plant and equipment	651,781	743,715
Total property, plant and equipment	3,916,032	4,047,923

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Movements in Carrying Amounts

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

	Land \$	Buildings \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
2008					
Balance at the beginning of the year	1,400,000	1,875,171	778,601	16,757	4,070,529
Additions at cost	-	91,260	107,491	44,106	242,857
Disposals	-	-	(5,467)	(13,246)	(18,713)
Depreciation expense	-	(62,223)	(180,233)	(4,294)	(246,750)
Carrying amount at end of year	<u>1,400,000</u>	<u>1,904,208</u>	<u>700,392</u>	<u>43,323</u>	<u>4,047,923</u>
2009					
Balance at the beginning of the year	1,400,000	1,904,208	700,392	43,323	4,047,923
Additions at cost	-	27,101	134,085	-	161,186
Disposals	-	-	(9,392)	-	(9,392)
Depreciation expense	-	(67,058)	(205,796)	(10,831)	(283,685)
Carrying amount at end of year	<u>1,400,000</u>	<u>1,864,251</u>	<u>619,289</u>	<u>32,492</u>	<u>3,916,032</u>

Note 9 Trade and Other Payables

	2009 \$	2008 \$
CURRENT		
Trade payables	108,915	87,523
Deferred income	12,882	11,898
Accrued expenses	44,695	54,108
GST payable	49,846	49,493
Sundry creditors	48,498	29,601
	<u>264,836</u>	<u>232,623</u>

Note 10 Financial Liabilities

	2009 \$	2008 \$
CURRENT		
Secured Liabilities		
Lease liabilities	7,386	6,764
	<u>7,386</u>	<u>6,764</u>
NON-CURRENT		
Secured Liabilities		
Lease Liabilities	29,419	36,804
Bills payable	420,000	600,000
	<u>449,419</u>	<u>636,804</u>
 (a) Total current and non-current secured liabilities:		
Lease liabilities	36,805	43,568
Bills payable	420,000	600,000
	<u>456,805</u>	<u>643,568</u>
 (b) The carrying amounts of non-current assets pledged as security are:		
Freehold land and buildings	3,304,208	3,304,208
	<u>3,304,208</u>	<u>3,304,208</u>

(c) Security for the bank overdraft facility and bills payable is described in note 18 (d).

(d) Bills Payable
 Bills payable have been drawn as a source of long-term finance.

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 11 Provisions

	2009	2008
CURRENT		
Employee Benefits	\$	\$
Opening balance at 1 July 2008	55,922	89,450
Additional provisions raised during year	82,420	61,530
Amounts used	(51,839)	(93,150)
Provisions no longer required	-	(1,907)
Balance at 30 June 2009	<u>86,503</u>	<u>55,923</u>
NON-CURRENT		
Employee Benefits		
Opening balance at 1 July 2008	29,021	43,378
Additional provisions raised during year	8,537	-
Amounts used	(14,129)	(5,211)
Provisions no longer required	-	(9,146)
Balance at 30 June 2009	<u>23,429</u>	<u>29,021</u>
Analysis of Total Provisions		
Current	\$ 86,503	\$ 55,923
Non-current	23,429	29,021
	<u>109,932</u>	<u>84,944</u>

Provision for Long-term Employee Benefits

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

Note 12 Reserves

Asset Revaluation Reserve

The asset revaluation reserve records revaluation of non-current assets.

	2009	2008
	\$	\$
	859,548	859,548

Note 13 Capital and Leasing Commitments

(a) Finance Lease Commitments

	2009	2008
Payable - minimum lease payments	\$	\$
— not later than 12 months	10,339	10,339
— later than 12 months but not later than 5 years (including residual payment)	<u>31,530</u>	<u>41,870</u>
Minimum lease payments	41,869	52,209
Less future finance charges	<u>(5,065)</u>	<u>(8,641)</u>
Total lease liability	<u>36,804</u>	<u>43,568</u>

The financial lease is in respect of a motor vehicle; this lease commenced in 2008 and has a duration of 36 months. There is an option to purchase the vehicle at the end of the lease.

(b) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Plant and equipment	-	-
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Note 14 Contingent Liabilities and Assets

The entity has no contingent liabilities or contingent assets in respect of the current financial year (2008 : nil)

Note 15 Events After the Balance Date

The financial report was authorised for issue on 29 September 2009 by the Board of Directors.

Note 16 Key Management Personnel Compensation

	Short - term benefits	Post employment benefits	Total
2009	\$	\$	\$
Total compensation	119,583	9,459	129,042
2008			
Total compensation	113,713	8,723	122,436

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 17 Related Party Transactions

There were no transactions between related parties in relation to the 2009 financial year.

Note 18 Cash Flow Information

	2009	2008
	\$	\$
(a) Reconciliation of cash		
Cash at bank	159,486	104,845
Other cash	<u>108,671</u>	<u>107,641</u>
	<u>268,157</u>	<u>212,486</u>
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	128,862	120,837
Non-cash flows in profit/loss		
Depreciation and amortisation	283,684	246,750
Net loss/(gain) on disposal of property, plant and equipment	1,393	(7,423)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(7,307)	2,403
(Increase)/decrease in prepayments	650	(5,987)
(Increase)/decrease in inventories	(55,187)	(9,431)
Increase/(decrease) in trade and other payables	24,988	(42,962)
Increase/(decrease) in lease liabilities	22,180	26,378
Increase/(decrease) in provisions	<u>3,270</u>	<u>(47,884)</u>
Cash flows provided by operating activities	<u>402,533</u>	<u>282,681</u>
(c) Credit Standby Arrangements		
Credit card	5,000	5,000
Credit facility	<u>60,000</u>	<u>60,000</u>
Sub total	65,000	65,000
Amount utilised	<u>(1,412)</u>	<u>(1,153)</u>
Amount unused	<u>63,588</u>	<u>63,847</u>
(d) Loan Facilities		
Leasing	50,000	50,000
Commercial bills	<u>510,000</u>	<u>750,000</u>
Sub total	560,000	800,000
Amount utilised	<u>(456,546)</u>	<u>(643,244)</u>
Amount unused	<u>103,454</u>	<u>156,756</u>

The major facilities are summarised as follows:

National Australia Bank Bill Facility - Acceptance and Discount - Flexible Maturity. Interest will be levied as follows: \$300,000 is fixed at an all up rate of 7.1%. The balance bears interest at the variable commercial bill rate. Expiry Date is 30 April 2011 unless the company exercises its discretion to extend the Expiry Date. The Facility is a non-amortising and a non-revolving facility.

Security held by National Australia Bank is as follows:

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

Registered Mortgage over property situated at Cabarita Beach Bowls & Sports, Lot 18/3 Jacaranda Avenue, Bogangar NSW more particularly described in Certificate of Title Folio Identifier 18/74/250211;

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

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

Finance will be given under all facilities, provided the company has not breached any borrowing requirements and the required financial ratios are met.

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 19 Financial Risk Management

(a) Financial Risk Management Policies

The entity does not consider itself exposed to credit risk as it is not in the business of selling on credit.

The entity does not consider itself exposed to price risk due to the nature of its sales and purchases and the industry it is in.

The entity has some exposure to market risk (namely interest rate risk). The manner in which this is managed includes the following:

- professional advice was taken
- projected interest rates were considered
- debt was structured in a way that a proportion attracted a fixed rate of interest and the balance a variable rate. The variable element was such that the entity felt comfortable to be exposed to and service, given projected cash flows. The entity's intention is to reduce this variable interest loan as cash flow allows.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing	
	2009	2008	2009	2008	2009	2008
	%	%	\$	\$	\$	\$
Financial assets						
Cash & cash equivalents	0.06	1.02	61,766	30,466	-	-
Trade and other receivables	0.00	0.00	-	-	-	-
Total financial assets			61,766	30,466	-	-
			Non-interest Bearing	Total		
			2009	2008	2009	2008
			\$	\$	\$	\$
Financial assets						
Cash & cash equivalents	0.06	1.02	206,391	182,040	268,157	212,506
Trade and other receivables	0.00	0.00	13,802	6,495	13,802	6,495
Total financial assets			220,193	188,535	281,959	219,001
			Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing	
			2009	2008	2009	2008
			%	%	\$	\$
Financial liabilities						
Trade and sundry payables	0.00	0.00	-	-	-	-
Lease liability	8.82	8.82	-	-	36,805	43,568
Bills payable	6.28	7.04	120,000	200,000	300,000	400,000
Total financial liabilities			120,000	200,000	336,805	443,568
			Non-interest Bearing	Total		
			2009	2008	2009	2008
			\$	\$	\$	\$
Financial liabilities						
Trade and sundry payables	0.00	0.00	251,955	220,725	251,955	220,725
Lease liability	8.82	8.82	-	-	36,805	43,568
Bills payable	6.28	7.04	-	-	420,000	600,000
Total financial liabilities			251,955	220,725	708,760	864,293

Trade and sundry payables are expected to be paid as follows:

	2009	2008
	\$	\$
Trade payables		
Less than 6 months	108,914	87,523
	<u>108,914</u>	<u>87,523</u>
Sundry payables		
Less than 6 months	143,041	133,202
	<u>143,041</u>	<u>133,202</u>
Total trade and sundry payables	<u><u>251,955</u></u>	<u><u>220,725</u></u>

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

(c) Net Fair Values

The net fair values of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	2009		2008	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Trade and other receivables	13,802	13,802	6,495	6,495
	<u>13,802</u>	<u>13,802</u>	<u>6,495</u>	<u>6,495</u>

A provision for impairment is not considered necessary.

(d) Sensitivity analysis

Interest rate risk:

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2009 \$	2008 \$
Change in profit		
- Increase in interest rate by 1%	1,200	2,547
- Decrease in interest rate by 1%	(1,200)	(2,547)
Change in equity		
- Increase in interest rate by 1%	1,200	2,547
- Decrease in interest rate by 1%	(1,200)	(2,547)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Note 20 Capital Management

The entity does not work to a specific gearing ratio. Intentions are to get through the difficult period (of reduced gaming revenue), incur minor capital expenditure only and limit the use of bank "assured" facilities, wherever possible. The intention is to continually reduce the level of debt, whenever cash flow permits.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manage the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 21 Accounting Standards

The following Accounting Standards issued or amended and are applicable to the entity but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

New Accounting Standards for application in future periods

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

- AASB 2008-11: Amendments to Australian Accounting Standard - Business Combinations among Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 July 2009). These amendments make the requirements in AASB 3: Business Combinations applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled, and to include specific recognition, measurement and disclosure requirements in AASB 3 for restructures of local governments.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the Company as a policy of capitalising qualifying borrowing costs has been maintained by the Company.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.
- AASB Interpretation 18: Transfers of Assets from Customers (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively to entities that receive transfers of assets, such as plant and equipment from their customers in order to connect customers to a network and provide them with access to a supply of goods or services. The Interpretation outlines the appropriate accounting treatment in respect of such transfers.

The Company does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the Company's financial statements.

Note 22 Entity Details

The registered office of the entity is:

Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club
Cabarita Road
Bogangar NSW 2488

The principal place of business is:

Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club
Cabarita Road
Bogangar NSW 2488

CABARITA BEACH BOWLS & SPORTS CLUB LTD TRADING AS CABARITA BEACH SPORTS CLUB ABN: 70 000 998 863
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 23 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the entity. At 30 June 2009 the number of members was 4118.

Note 24 Disclosure Requirements under Section 41J of the Registered Clubs Act

Core and Non Core Property

The Directors consider the Club's defined premises and all of its sporting facilities to be 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.

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

The directors of the entity declare that:

1. the financial statements and notes, comprising the income statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to the financial statements, are in accordance with the Corporations Act 2001 and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Director

Ian Crabb

Dated this 29th day of September 2009

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

Report on the Financial Report

We have audited the accompanying financial report of Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club, which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

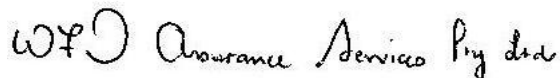
Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club on 26 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial report of Cabarita Beach Bowls & Sports Club Ltd trading as Cabarita Beach Sports Club 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 2009 and of their performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



Name of Firm: **WFD Assurance Services Pty Ltd**



Name of Partner: **Barry Dunnett**

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

Dated this 30th day of September 2009