

BONDI ICEBERGS CLUB LIMITED

ABN: 22 263 683 268

Financial Statements

For the Year Ended 30 June 2015

Bondi Icebergs Club Limited

ABN: 22 263 683 268

Notice of Annual General Meeting

Notice is hereby given that the Eighty Sixth Annual General Meeting of the Bondi Icebergs Club Limited will be held in the clubrooms at 1 Notts Ave, Bondi Beach on Monday 19th October 2015 at 6.30 pm.

- Written notice of any questions regarding the financial Figures for 2014-2015 should be addressed and delivered to The Board of Directors at the Club 7 days prior to the meeting so a satisfactory answer can be provided at the meeting.
- No apologies will be taken from the floor. All apologies must be in writing addressed and delivered to The Board of Directors at the Club 7 days prior to the meeting. Apologies will be read out and recorded at the meeting if they have been received in writing

Agenda for the Annual General Meeting

- 1) Vale to deceased members.
- 2) To receive apologies that have been received in writing.
- 3) To confirm the Minutes of the Annual General Meeting held on 10th November 2014.
- 4) To confirm the Board of Directors for 2015-2016.
- 5) To confirm the Swimming Committee members for 2016.
- 6) To consider the the nomination(s) for Life Member(s)
- 7) To receive and if thought fit, adopt the Balance Sheet, Profit and Loss Statement, Directors' and Auditor's reports for the year ended 30th June 2015.
- 8) To consider and if thought fit, pass the following resolutions as approved by the Board of Directors.
 - A) That pursuant to the Registered Club's Act:
 - i) The Members hereby approve and agree to expenditure by the Club of amounts approved by the Board of Directors until the next Annual General Meeting of the Club for the following expenditure and benefits for Directors:
 - a) The reasonable cost of a meal and/or beverage for each Director immediately before, during or immediately after a Board or Committee Meeting on the date of that Meeting;
 - b) The reasonable cost of a meal and/or beverage for Directors engaged in the provision of hospitality to dignitaries visiting the Club; expenditure by the Club of amounts approved by the Board of Directors for the professional development and education of Directors until the next Annual General Meeting and including but not limited to:
 - c) The provision of clothing so that whilst on duty and on official occasions the Director can professionally represent the corporate image of the Club; and
 - d) The reimbursement of the cost of attending approved official functions to represent the Club.
 - ii) The Members acknowledge that the benefits in paragraph i) above are not available to Members generally but only for those who are either Directors or Officials of the Club.
 - B) That pursuant to the Registered Club's Act:
 - i) The Members hereby approve and agree
 - a) The reasonable cost of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;
 - b) The reasonable cost of Directors attending other Registered Clubs and like facilities for the purpose of assessing their amenities and methods of operation, provided such attendances are approved by the Board as being necessary for the betterment of the Club;
 - c) The reasonable cost of Directors attending the Annual General Meetings of bodies such as Clubs NSW and the Club Manager's Association.
 - ii) The Members acknowledge that the benefits in paragraph i) above are not available to Members generally but only for those who are Directors of the Club.
- 9) Appointment of Auditors
- 10) General Business.

Bondi Icebergs Club Limited

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President's Report

It has been an honour and a privilege to represent this club as President again this year, a year that has seen us build strong community ties and continue to flourish as a club.

Once again, through the commitment of our Board, Management and Staff we have achieved financial success, which our Treasurer, John Nurmi outlined in his report. We are still moving forward to achieve two main goals of the Club, and that is to payout the Warpo loan and to obtain an extended lease of the pool with the co-operation of the Bondi Baths Reserve Trust.

With the implementation of our strategic plan that was presented to the members last year, the Board is confident that several more goals outlined in the strategic plan will be achieved.

As all members who attended City to Surf day on Sundeck would be aware, our current partnerships with RUOK and the Cathy Freeman Foundation are developing strongly, and the support we received on that day was overwhelming and a credit to our membership.

I would like to thank our major sponsors Yalumba, Carlton United Breweries, Phillips Foote and Malley's Lawyers for supporting us once again throughout the year.

This club could not exist without the assistance of the many volunteers who selflessly give their time so that this great club can operate and flourish. To the backroom boys and girls, the time keepers, the BBQ boys and race officials, I thank you.

This club is so successful due to the commitment and excellence shown at both a registered club level and at a swimming pool level. My congratulations and thanks go to Kerrie, Charles and Chucky and their respective teams for the outstanding efforts they have put in over the year.

In closing I would like to thank Geoff Carr, our Patron, who has provided immeasurable guidance and support to myself and the Board throughout the year. Geoff's knowledge and assistance has made my role as President a much easier and enjoyable experience. Also I would like to thank new director Rebecca Piercy for the effort & expertise she has put in at Board level.

David Hall

President

Bondi Icebergs Club Limited

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Treasurer's Report

It is my pleasure to submit the Financial Statements and notes for the year ended 30th June 2015 for adoption. The material results are highlighted as below.

TRADING

Net Profit

\$248,914 (after providing for depreciation \$ 210,220) compared to 2014 \$519,768 (depreciation \$214,396), a decrease of \$270,854.

Revenue

Decreased by \$390,242 or 6.53% (2014 \$5,972,032 – 2015 \$5,581,790) due to inclement weather/competition, and closure of bars whilst undertaking improvements.

Expenditure

Decreased by \$119,388 or 2.19% (2014 \$5,452,264 – 2015 \$5,332,876).

BALANCE SHEET

Assets

Assets exceed Liabilities by \$2,770,659 showing strong stability and solvency.

Liquidity

Current assets \$1,928,826 less Current liabilities \$731,624 resulting in an excess of \$1,197,202 (Excess 2014 \$1,100,136)

On going

1. Warpo Pty Ltd debt of \$1,538,974 will be reduced in 2016 by \$124,457 in accordance with loan agreement.
2. Pool Licence Fee which was materially reduced by approximately \$90,000 in accordance with independent valuer assessment.
3. All Trusts fees increase have been met and satisfied in the 2015 year.

Finally, I thank all involved in the year's result and trust that full support will be given to the Board/Management at all times during 2016.

John Nurmi

Treasurer

Bondi Icebergs Club Limited

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Bondi Icebergs Club Limited

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Directors' Report

For the Year Ended 30 June 2015

The directors present their report on Bondi Icebergs Club Limited for the financial year ended 30 June 2015.

Directors

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

Names	Position	Appointed/Resigned
John Nurmi	Director	
David Hall	Director	
Noel O'Dwyer	Director	
Peter Ryan	Director	
Anthony Maunsell	Director	
Nicki Vinnicombe	Director	
Ken Spears	Director	
Ross Graham	Director	
Craig Moore	Director	Resigned 10 November 2014
Rebecca Piercy	Director	Appointed 10 November 2014

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

Information on directors

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

John Nurmi	
Experience	Club member since 1960, Director Since 2005 Life member
Occupation	Chartered Accountant
David Hall	
Experience	Club member since 1989, Director since 2008
Occupation	Company director - Concrete Cartage
Noel O'Dwyer	
Experience	Club member since 2000, Director since 2007
Occupation	Company director - Building Industry
Peter Ryan	
Experience	Club member since 1996, Director since 2010
Occupation	Retired
Anthony Maunsell	
Experience	Club member since 2008, Director since 2013
Occupation	Company director - Real Estate

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Directors' Report

For the Year Ended 30 June 2015

Nicki Vinnicombe

Experience Club member since 1994, Director since 2014
Occupation Professional Salesperson

Ken Spears

Experience Club member since 1991, Director since 2014
Occupation Deckhand

Ross Graham

Experience Club member since 1998, Director since 2014
Occupation Police Officer

Craig Moore

Experience Club member since 2002, Director since 2014
Occupation Creative director

Rebecca Piercy

Experience Club member since 2011, Director since 2015
Occupation Communications consultant

Principal activities

The principal activity of Bondi Icebergs Club Limited during the financial year was promoting amateur swimming and the operation of a licensed club.

No significant changes in the nature of the Club's activity occurred during the financial year.

Short term objectives

The Club's short term objectives are to:

- provide and maintain pools, buildings, equipment and other facilities for swimming and other sport;
- maintain Club facilities and improve amenities of the Club; and
- provide the best possible hospitality service to members and the community.

Long term objectives

The Club's long term objectives are to:

- to foster, conduct, control and host swimming races and competitions especially during winter;
- to co-operate and affiliate with other winter swimming organisations including Bondi Icecubes Swimming; and
- to operate and carry on a licensed club in accordance with applicable legislation and provide a clubhouse.

Bondi Icebergs Club Limited

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Directors' Report

For the Year Ended 30 June 2015

Strategy for achieving the objectives

To achieve these objectives, the Club has adopted the following strategies:

- ensure Club policies are appropriate;
- ensure Club employs professional management;
- ensure efficient and cost effective operation of the Club;
- always endeavour to attract and train effective professional staff;
- always endeavour to satisfy or exceed members' expectations for all services and facilities provided by the club; and
- ensure continued trading profitability and invest surplus returns back into facilities for members and/or in.

Members guarantee

Bondi Icebergs Club Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 1 for members that are corporations and \$ 1 for all other members, subject to the provisions of the company's constitution.

At 30 June 2015 the collective liability of members was \$ 3,775 (2014: \$ 4,033).

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of Bondi Icebergs Club Limited.

Proceedings on behalf of 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.

Bondi Icebergs Club Limited

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Directors' Report For the Year Ended 30 June 2015

Meetings of directors


During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Directors' Meetings	
	Number eligible to attend	Number attended
John Numi	12	12
David Hall	12	10
Noel O'Dwyer	12	11
Peter Ryan	12	9
Anthony Maunsell	12	10
Nicki Vinnicombe	12	12
Ken Spears	12	7
Ross Graham	12	8
Craig Moore	4	3
Rebecca Piercy	8	8

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2015 has been received and can be found on page 5 of the financial report.

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

Director: 
John Nurmi

Director: 
David Hall

Dated 10th August 2015

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Bondi Icebergs Club Limited

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

PKF SYDNEY
Chartered Accountants

SCOTT TOBUTT
Partner

Dated 10th August 2015

Level 8, 1 O'Connell Street SYDNEY NSW
2000

Bondi Icebergs Club Limited

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Statement of profit or loss and other comprehensive income
For the Year Ended 30 June 2015

		2015	2014
	Note	\$	\$
Revenue	2	5,581,790	5,972,032
Administration Fees		(70,500)	(67,867)
Advertising		(39,004)	(38,886)
Cost of Goods Sold	3	(2,979,302)	(3,107,919)
Employee Benefits Expense	3	(913,561)	(881,924)
Entertainment & Marketing		(81,279)	(106,059)
Printing, Stationary & Telephone		(36,425)	(33,103)
Cleaning		(121,826)	(112,113)
Depreciation & Amortisation	3	(210,220)	(214,396)
Glass, Crockery & Replacements		(15,339)	(13,457)
Repairs & Maintenance		(122,052)	(127,400)
Insurance		(50,538)	(52,458)
Bondi Trust Expenses		(172,212)	(173,498)
Professional Fees		(60,101)	(51,256)
Hire Charges		(8,414)	(8,980)
Rental Expenses		(98,587)	(105,778)
Finance Costs	3	(32,832)	(37,292)
Other Expenses		(320,684)	(319,878)
Total expenses		(5,332,876)	(5,452,264)
Profit from continuing operations		248,914	519,768
Income tax expense		-	-
Profit for the year		248,914	519,768
Other comprehensive income		-	-
Total comprehensive income for the year		248,914	519,768

The accompanying notes form part of these financial statements.

Bondi Icebergs Club Limited

ABN: 22 263 683 268

Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,644,728	1,652,817
Trade and other receivables	5	82,979	72,029
Inventories	6	112,398	104,269
Other assets	7	88,721	88,351
TOTAL CURRENT ASSETS		<u>1,928,826</u>	<u>1,917,466</u>
NON-CURRENT ASSETS			
Trade and other receivables	5	7,530	7,530
Property, plant and equipment	8	2,977,662	2,923,906
Intangible assets	9	109,375	109,375
TOTAL NON-CURRENT ASSETS		<u>3,094,567</u>	<u>3,040,811</u>
TOTAL ASSETS		<u>5,023,393</u>	<u>4,958,277</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	332,357	311,231
Short - Term Borrowings	11	119,566	246,320
Employee benefits	12	99,693	86,129
Other liabilities	13	180,008	173,650
TOTAL CURRENT LIABILITIES		<u>731,624</u>	<u>817,330</u>
NON-CURRENT LIABILITIES			
Borrowings	11	1,419,408	1,538,974
Employee benefits	12	101,702	80,228
TOTAL NON-CURRENT LIABILITIES		<u>1,521,110</u>	<u>1,619,202</u>
TOTAL LIABILITIES		<u>2,252,734</u>	<u>2,436,532</u>
NET ASSETS		<u>2,770,659</u>	<u>2,521,745</u>
EQUITY			
Reserves	14	1,250	1,250
Retained earnings		2,769,409	2,520,495
TOTAL EQUITY		<u>2,770,659</u>	<u>2,521,745</u>

The accompanying notes form part of these financial statements.

Bondi Icebergs Club Limited

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Statement of Changes in Equity
For the Year Ended 30 June 2015

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2014	1,250	2,520,495	2,521,745
Profit attributable to members	-	248,914	248,914
Balance at 30 June 2015	1,250	2,769,409	2,770,659
Balance at 1 July 2013	1,250	2,000,727	2,001,977
Profit attributable to members	-	519,768	519,768
Balance at 30 June 2014	1,250	2,520,495	2,521,745

The accompanying notes form part of these financial statements.

Bondi Icebergs Club Limited

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Statement of Cash Flows
For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,130,134	6,551,845
Payments to suppliers and employees	(5,583,854)	(5,670,294)
Finance costs	(32,832)	(37,292)
Net cash provided by operating activities	<u>513,448</u>	<u>844,259</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(275,424)	(93,053)
Proceeds from sale of intangible asset	-	65,625
Net cash used by investing activities	<u>(275,424)</u>	<u>(27,428)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(246,113)	(190,340)
Net cash used by financing activities	<u>(246,113)</u>	<u>(190,340)</u>
Net increase (decrease) in cash and cash equivalents held	(8,089)	626,491
Cash and cash equivalents at beginning of year	1,652,817	1,026,326
Cash and cash equivalents at end of financial year	4 <u>1,644,728</u>	<u>1,652,817</u>

The accompanying notes form part of these financial statements.

Bondi Icebergs Club Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2015

The financial statements are for Bondi Icebergs Club Limited ("the Club") as a not-for-profit individual entity incorporated and domiciled in Australia. Bondi Icebergs Club Limited is a Club limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

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

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

(b) Income Tax

No provision for income tax has been raised as the Club is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*. The income tax exemption has been claimed based on self assessment by the Club.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO. Receivables and payables in the statement of financial position are shown inclusive of GST.

(d) Revenue and other income

The Club recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Bondi Icebergs Club Limited's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue

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

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

(e) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Inventories

Inventories are measured at the lower of cost and current replacement cost.

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

(g) Property, plant and equipment

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

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.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(g) Property, plant and equipment continued

Depreciation

The depreciable amount of all all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club 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 asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	13 -20%
Leasehold improvements	2.5-20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(h) Intangible Assets

Poker machine entitlements

Poker machine entitlements are initially recorded at cost. Poker machine entitlements have an indefinite life and are tested annually for impairment and carried at cost less any accumulated amortisation and impairment losses.

(i) Trade and other payables

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

(j) Borrowings

Carrying amounts represent the amount expected to be repaid at settlement.

(k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club 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 that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Club will obtain ownership of the asset or over the term of the lease.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(k) Leases continued

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(l) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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.

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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(m) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Club commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either 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 in an arm's length transaction. 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:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) 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
- (d) less any reduction for impairment.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Club does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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 the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

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 expired. 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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(n) Impairment of Assets

At the end of each reporting period, 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 statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's 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 determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(o) Comparative figures

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

When the Club applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

(p) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

Key estimates - Impairment of Intangibles

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of cash flow projections over a 5 year period. The cash flows are discounted using a rate of 5% and an annual growth rate of 3%. Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount. The assumptions used in the discounted cash flow model are tested against a sensitivity model (+/- 5%).

Key estimates - Income tax exemption status

The Directors of the Club have self assessed their ongoing exemption from income tax at 30 June 2015, as a sporting Club in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

Bondi Icebergs Club Limited

ABN: 22 263 683 268

Notes to the Financial Statements
For the Year Ended 30 June 2015

	2015	2014
	\$	\$
2 Revenue and Other Income		
Sales revenue		
- Sales of Goods	4,209,740	4,579,231
- Membership Fees	114,238	154,785
- Admission Fees	656,073	595,799
- Commissions	2,649	1,905
- Member Pool Access Income	71,456	88,757
- Net Gaming Revenue	134,201	166,640
- Hire and Rental Income	215,354	193,739
- Other Revenue	178,079	191,176
	<u>5,581,790</u>	<u>5,972,032</u>
3 Result for the Year		
The result for the year includes the following specific expenses		
Cost of Goods Sold	2,979,302	3,107,919
Employee Benefits Expense	913,561	881,924
Finance Costs	32,832	37,292
Depreciation & Amortisation	210,220	214,396
	<u>4,135,915</u>	<u>4,241,531</u>
4 Cash and Cash Equivalents		
Cash on hand	30,300	30,300
Cash at bank	1,614,428	1,622,517
	<u>1,644,728</u>	<u>1,652,817</u>
5 Trade and Other Receivables		
CURRENT		
Trade receivables	82,979	72,029
NON-CURRENT		
Trade receivables	7,530	7,530
	<u>90,509</u>	<u>79,559</u>
6 Inventories		
CURRENT		
At cost:		
Beverage stock on hand	47,461	40,636
Merchandise stock on hand	41,618	45,975
Kitchen food stock on hand	23,319	17,658
	<u>112,398</u>	<u>104,269</u>

Bondi Icebergs Club Limited

ABN: 22 263 683 268

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
7 Other Assets		
CURRENT		
Prepayments	88,721	88,351
	<hr/>	<hr/>
8 Property, Plant and Equipment		
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	869,292	820,466
Accumulated depreciation	(537,428)	(454,623)
Total plant and equipment	<hr/>	<hr/>
	331,864	365,843
Leasehold improvements		
At cost	3,711,811	3,531,500
Accumulated depreciation	(1,066,013)	(973,437)
Total leasehold improvements	<hr/>	<hr/>
	2,645,798	2,558,063
Total plant and equipment	<hr/>	<hr/>
	2,977,662	2,923,906

(a) 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:

	Plant and Equipment	Leasehold Improvements	Total
	\$	\$	\$
Year ended 30 June 2015			
Balance at the beginning of the year	365,843	2,558,063	2,923,906
Additions	87,462	187,962	275,424
Disposals	(5,669)	(5,779)	(11,448)
Depreciation expense	(115,772)	(94,448)	(210,220)
Balance at the end of the year	<hr/>	<hr/>	<hr/>
	331,864	2,645,798	2,977,662

9 Intangible Assets

Poker machine entitlements
Cost

109,375	109,375
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Bondi Icebergs Club Limited

ABN: 22 263 683 268

Notes to the Financial Statements For the Year Ended 30 June 2015

	2015	2014
	\$	\$
10 Trade and Other Payables		
CURRENT		
Trade payables	299,830	261,152
Other payables	32,527	50,079
	<u>332,357</u>	<u>311,231</u>
11 Borrowings		
CURRENT		
Unsecured liabilities:		
Loan from Warpo Pty Ltd	<u>119,566</u>	246,320
NON-CURRENT		
Unsecured liabilities:		
Loan from Warpo Pty Ltd	<u>1,419,408</u>	1,538,974

The loan payable to Warpo Pty Ltd is in relation to the redevelopment of the club's premises. The loan is a limited recourse, interest free loan repayable over a period of 40 years. Repayment is limited to 50% of each year's audited net profit until the loan is repaid or the expiration of 40 years whichever first occurs. The balance of the loan at 30 June 2015 is \$1,538,974.

A facilitation fee of 2% of the outstanding loan pursuant to a Deed of Agreement with WARPO is also payable by the club until the loan is paid out. Facilitation fees paid amounted to \$32,832 for the year ended 30 June 2015.

12 Provisions

CURRENT		
Employee benefits	<u>99,693</u>	86,129
NON-CURRENT		
Employee benefits	<u>101,702</u>	80,228

(a) Movement in carrying amounts

	Total
	\$
Opening balance at 1 July 2014	166,357
Additional provisions	75,745
Provisions used	<u>(40,707)</u>
Balance at 30 June 2015	<u>201,395</u>

Bondi Icebergs Club Limited

ABN: 22 263 683 268

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
13 Other liabilities		
CURRENT		
Membership subscriptions and income received in advance	<u>180,008</u>	173,650
14 Reserves		
Members share capital	<u>1,250</u>	1,250
15 Leasing Commitments		
Operating leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	285,329	79,810
- between one year and five years	491,557	399,052
- later than five years	<u>1,285,102</u>	1,735,447
	<u><u>2,061,988</u></u>	<u><u>2,214,309</u></u>
<p>Operating leases have been taken out for the use of the poker machine room.</p>		
16 Contingencies		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Security deposit guarantee		
Bondi Baths Reserve Trust	<u>10,000</u>	10,000
17 Key Management Personnel Disclosures		

The total remuneration paid to key management personnel of the Club is \$ 318,832 (2014: \$ 298,208).

Bondi Icebergs Club Limited

ABN: 22 263 683 268

Notes to the Financial Statements

For the Year Ended 30 June 2015

18 Related Parties

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

The following transactions occurred with related parties:

	Purchases	Sales	Other transactions	Balance outstanding Owed to the company	Owed by the company
	\$	\$	\$	\$	\$
Bay Breeze Constructions Pty Ltd	5,485	-	-	-	-
Claire Parker	46,082	-	-	-	-

19 Financial Risk Management

The main risks Bondi Icebergs Club Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Club's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans and overdrafts and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2015	2014
		\$	\$
Financial Assets			
Cash and cash equivalents	4	1,644,728	1,652,817
Trade and other receivables	5	82,979	72,029
Total financial assets		1,727,707	1,724,846
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	10	332,357	311,231
Borrowings	11	1,538,974	1,785,294
Other liabilities	13	180,008	173,650
Total financial liabilities		2,051,339	2,270,175

Bondi Icebergs Club Limited

ABN: 22 263 683 268

Notes to the Financial Statements

For the Year Ended 30 June 2015

20 Events after the end of the Reporting Period

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

21 Members' Guarantee

The Club is incorporated under the *Corporations Act 2001* and is a Club limited by guarantee. If the Club 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 Club. At 30 June 2015 the number of members was 3,775 (2014: 4,033).

22 Club Details

The registered office of and principal place of business is:
Bondi Icebergs Club Limited
1 Notts Ave
Bondi Beach NSW 2026

Bondi Icebergs Club Limited

ABN: 22 263 683 268

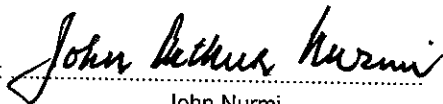
Directors' Declaration

The directors of the Club declare that:

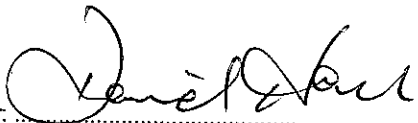
1. The financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001* and:
 - a) Comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b) Give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club 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:


.....
John Nurmi

Director:


.....
David Hall

Dated 10th August 2015

Independent Audit Report to the members of Bondi Icebergs Club Limited

Report on the Financial Report

We have audited the accompanying financial report of Bondi Icebergs Club Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 Club'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 Club'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 Bondi Icebergs Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

PKF(NS) Audit & Assurance Limited
Partnership
ABN 91 850 561 535

Liability limited by a scheme
approved under Professional
Standards Legislation

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PO Box 2368 Dangar NSW 2309

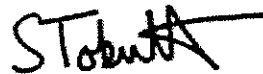
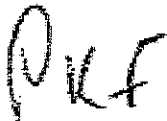
p +61 2 4962 2698
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Independent Audit Report to the members of Bondi Icebergs Club Limited

Opinion

In our opinion the financial report of Bondi Icebergs Club Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Club'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 - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



PKF SYDNEY
Chartered Accountants

SCOTT TOBUTT
Partner

Dated 10th August 2015

Level 8, 1 O'Connell Street SYDNEY NSW 2000

Bondi Icebergs Club Limited

ABN: 22 263 683 268

SPONSORS

ICEBERGS

- Yalumba
- Carlton United Breweries
- Phillips Foote Restaurant, The Rocks
- Malleys Lawyers
- The Crabbe Hole
- All Sign Solutions
- BB International
- AFT Fire Protection

ICECUBES

- All Sign Solutions
- Mastercut Meats
- Malleys Lawyers
- BB International
- Phillips Foote Restaurant, The Rocks
- 2Aspire Business Solutions
- Icebergs Dining Room & Bar