



Cottage by the Sea

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Financial Report

Year Ended 30th June, 2015



Cottage by the Sea, Queenscliff Inc.

Contents

30 June 2015

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Cottage by the Sea, Queenscliff Inc.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2015

	Note	2015 \$	Restated 2014 \$
Revenue			
Donations from Trusts, corporations, individuals and community groups		1,208,819	1,245,228
Branch fundraising		105,079	144,806
Special bequests		120,426	228,512
Interest and dividend income	3	837,085	394,666
Income from hire cottage		99,165	95,329
Fundraising and events income		154,560	161,285
Merchandise sales		15,852	18,382
Other revenue		104,560	12,702
Other Income			
Profit/(loss) from sale of available for sale assets		(19,052)	11,138
Profit/(loss) from sale of property, plant and equipment		(8,766)	(2,142)
Total Revenue and Other Income		<u>2,617,728</u>	<u>2,309,906</u>
Expenses from Operating Activities			
Wages and superannuation		(1,047,587)	(925,067)
Depreciation expenses		(133,992)	(88,432)
Insurance		(63,057)	(50,516)
Printing, stationery and postage		(52,083)	(44,596)
Other operating expenses	4	(352,231)	(263,575)
Total Expenses from Operating Activities		<u>(1,648,950)</u>	<u>(1,372,186)</u>
Administration Expenses			
Wages and superannuation		(199,216)	(203,680)
Advertising & promotion		(75,733)	(32,182)
Audit and accounting services		(9,823)	(11,000)
Fundraising and events expense		(56,954)	(31,757)
Rent		(10,387)	(10,078)
Other expenses		(67,410)	(93,382)
Total Administration Expenses		<u>(419,523)</u>	<u>(382,079)</u>
Total Expenditure		<u>(2,068,473)</u>	<u>(1,754,265)</u>
Surplus for the year attributable to the members of Cottage by the Sea, Queenscliff Inc.		549,255	555,641
Other comprehensive income for the year			
<i>Items which may be subsequently reclassified to profit or loss:</i>			
Fair value changes on available for sale assets		109,592	318,790
Transfer to income on sale of available for sale assets		19,052	(11,138)
Total comprehensive income for the year attributable to the members of Cottage by the Sea, Queenscliff Inc.		<u>677,899</u>	<u>863,293</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cottage by the Sea, Queenscliff Inc.
Statement of financial position
As at 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	11	696,332	1,724,152
Trade and other receivables	5	345,389	47,817
Financial assets	6	4,062,000	4,072,000
Total current assets		<u>5,103,721</u>	<u>5,843,969</u>
Non-current assets			
Financial assets	6	5,824,123	4,333,558
Property, plant and equipment	7	5,603,686	5,480,281
Total non-current assets		<u>11,427,809</u>	<u>9,813,839</u>
Total assets		<u>16,531,530</u>	<u>15,657,808</u>
Liabilities			
Current liabilities			
Trade and other payables	8	193,298	33,219
Employee benefits	9	252,372	238,313
Financial liabilities		15,488	-
Total current liabilities		<u>461,158</u>	<u>271,532</u>
Non-current liabilities			
Employee benefits	9	44,897	38,699
Total non-current liabilities		<u>44,897</u>	<u>38,699</u>
Total liabilities		<u>506,055</u>	<u>310,231</u>
Net assets		<u>16,025,475</u>	<u>15,347,577</u>
Equity			
Accumulated surplus		14,394,288	14,338,106
Available for sale asset reserve	10	582,474	453,830
Scholarship reserve (Shine On)		29,458	-
Rod Laver Project reserve		-	77,880
Foundation reserve		1,019,255	477,761
Total equity		<u>16,025,475</u>	<u>15,347,577</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Cottage by the Sea, Queenscliff Inc.
Statement of changes in equity
For the year ended 30 June 2015

	Accumulated Surplus	Scholarship Reserve	Asset Revaluation Reserve	Rod Laver Project Reserve	Foundation Reserve	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	14,338,105	-	146,178	-	-	14,484,284
Surplus for the year	555,641	-	-	-	-	555,641
Other comprehensive income	-	-	307,652	-	-	307,652
Total comprehensive income for the year	555,641	-	307,652	-	-	863,293
Transfers from retained earnings to Reserves	(555,641)	-	-	77,880	477,761	-
Balance at 30 June 2014	14,338,105	-	453,830	77,880	477,761	15,347,577
	Accumulated Surplus	Scholarship Reserve	Asset Revaluation Reserve	Rod Laver Project Reserve	Foundation Reserve	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	14,338,105	-	453,830	77,880	477,761	15,347,576
Surplus for the year	549,255	-	-	-	-	549,255
Other comprehensive income	-	-	128,644	-	-	128,644
Total comprehensive income for the year	549,255	-	128,644	-	-	677,899
Transfers from retained earnings to Reserves	(493,072)	29,458	-	(77,880)	541,494	-
Balance at 30 June 2015	14,394,288	29,458	582,474	-	1,019,255	16,025,475

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cottage by the Sea, Queenscliff Inc.
Statement of cash flows
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Donations and fundraising consideration received		1,792,491	1,853,350
Interest received		157,522	194,885
Dividends received		536,747	199,780
Payments to suppliers and employees		(1,892,931)	(1,532,408)
Net cash provided from operating activities	11(b)	<u>593,829</u>	<u>715,607</u>
Cash flows from investing activities			
Proceeds from disposal of financial assets		906,572	2,466,791
Payments for financial assets		(2,277,545)	(2,149,256)
Proceeds from sale of property, plant and equipment		49,763	-
Payments for property, plant and equipment		(315,927)	(67,168)
Net cash provided by (used in) investing activities		<u>(1,637,137)</u>	<u>250,367</u>
Cash flows from financing activities			
Receipts from borrowings		15,488	-
Net cash from financing activities		<u>15,488</u>	<u>-</u>
Net increase in cash and cash equivalents		(1,027,820)	965,974
Cash and cash equivalents at the beginning of the financial year		<u>1,724,152</u>	<u>758,178</u>
Cash and cash equivalents at the end of the financial year	11(a)	<u><u>696,332</u></u>	<u><u>1,724,152</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Cottage by the Sea, Queenscliff Inc.
Notes to the financial statements
30 June 2015

The financial statements cover Cottage by the Sea, Queenscliff Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Cottage by the Sea, Queenscliff's functional and presentation currency.

The financial statements were authorised for issue on 26 October 2015.

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Associations Incorporation Reform Act 2012* as appropriate for not-for-profit oriented associations.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations and Contributions

Contributions and donations are recognised when the incorporated association gains control of the contribution or donation and the associated conditions are fulfilled.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	50 years
Freehold land improvements	20-50 years
Furniture and equipment	5-10 years
Motor vehicles	7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Financial Assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are categorised as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

The incorporated association's objectives are not aligned to acquiring financial assets for the purpose of trading; accordingly it does not hold financial assets classified as at fair value through profit or loss.

Recognition and Derecognition

Financial assets are recognised when the incorporated association becomes a party to the contractual provisions to the instrument. This is the equivalent to the date that the incorporated association 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.

Held-to-maturity investments, loans and receivables

Held-to-maturity investments have fixed maturities, and it is the incorporated association's intention to hold these investments to maturity. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Each asset category is carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when assets are derecognised or impaired, as well as through the amortisation process.

Available-for-sale investments

Available-for-sale financial assets include the incorporated association's investments in listed shares. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in income.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Where required by accounting standards comparative figures have been adjusted/reclassified to conform with changes in presentation for the current financial year and make the disclosures meaningful to users of the financial statements.

During the financial year, management undertook a review of available for sale financial assets and adopted for the first time the recognition and measurement principles of AASB 139 *Financial Instruments: Recognition and Measurement*. The financial statements for 2014 were produced as Special Purpose statements and the 2015 statements were produced under AASB 139.

As required by AASB 108, management have restated available for sale financial assets at their fair value with gains or losses being recognised as a separate component of equity until the assets are sold, retrospectively. The impact on comparative disclosures are as follows:

	2014	Adjustment	2014 Restated
Available for Sale Financial Assets	3,879,728	453,830	4,333,558
Asset Revaluation Reserve	-	453,830	453,830
Net Assets	14,893,747	453,830	15,347,577

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The incorporated association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the incorporated association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Cottage by the Sea, Queenscliff Inc.
Notes to the financial statements
30 June 2015

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Interest and dividend income

	2015	2014
	\$	\$
<i>Interest and dividend income:</i>		
Interest	153,922	194,886
Dividends	683,163	199,780
	<u>837,085</u>	<u>394,666</u>

Note 4. Other Operating Expenses

	2015	2014
	\$	\$
<i>Other Operating Expenses:</i>		
Food and requisites	(70,623)	(55,355)
Light, power and utilities	(22,074)	(16,287)
Repairs and maintenance	(56,241)	(38,137)
Motor vehicle expenses	(41,365)	(36,073)
Cottage children's program	(41,837)	(63,123)
Telephone and tax	(11,798)	(10,921)
Rates and taxes	(1,521)	(8,933)
National program travel	(53,238)	(11,014)
Staff training	(26,487)	(17,518)
Computer consumables	(6,687)	(6,214)
Shine on Scholarship expenses	(20,360)	-
	<u>(352,231)</u>	<u>(263,575)</u>

Note 5. Trade and other receivables

	2015	2014
	\$	\$
<i>Trade and other receivables:</i>		
Dividends receivable	281,608	-
Trade debtors	22,176	-
GST receivable	7,193	13,313
Interest receivable	30,904	34,504
Other receivables	3,508	-
	<u>345,389</u>	<u>47,817</u>

Cottage by the Sea, Queenscliff Inc.
Notes to the financial statements
30 June 2015

Note 6. Financial assets

		2015	Restated
		\$	2014
			\$
<i>Current:</i>			
Term deposits		4,062,000	4,072,000
		<u>4,062,000</u>	<u>4,072,000</u>
<i>Non-current:</i>			
Available for sale shares	6(a)	5,814,123	4,333,558
Held to maturity term deposits		10,000	-
		<u>5,824,123</u>	<u>4,333,558</u>
		<u><u>9,886,123</u></u>	<u><u>8,405,558</u></u>

(a) Available for sale shares

		2015	Restated
		\$	2014
			\$
<i>Reconciliation</i>			
Reconciliation of the fair values at the beginning and end of the current financial year are set out below:			
Opening fair value		4,333,558	2,340,697
Additions		2,277,545	2,149,256
Disposals		(906,572)	(475,185)
Revaluation increments		109,592	318,790
		<u>5,841,123</u>	<u>4,333,558</u>
Closing fair value		<u><u>5,841,123</u></u>	<u><u>4,333,558</u></u>

Cottage by the Sea, Queenscliff Inc.
Notes to the financial statements
30 June 2015

Note 7. Property, plant and equipment

	2015 \$	2014 \$
Land – deemed cost	2,700,000	2,700,000
	<u>2,700,000</u>	<u>2,700,000</u>
Buildings – deemed cost	1,300,000	1,300,000
Less: Accumulated depreciation	(342,004)	(316,004)
	<u>957,996</u>	<u>983,996</u>
Land - at cost	1,290,000	1,290,000
	<u>1,290,000</u>	<u>1,290,000</u>
Land improvements - at cost	26,199	20,409
Less: Accumulated depreciation	(3,552)	(3,144)
	<u>22,647</u>	<u>17,265</u>
Buildings - at cost	200,000	200,000
Less: Accumulated depreciation	(39,623)	(35,623)
	<u>160,377</u>	<u>164,377</u>
Furniture and Equipment – at cost	483,688	443,326
Less: Accumulated depreciation	(188,638)	(182,195)
	<u>295,050</u>	<u>261,131</u>
Motor vehicles – at cost	335,996	235,131
Less: Accumulated depreciation	(158,380)	(171,619)
	<u>177,616</u>	<u>63,512</u>
	<u><u>5,603,686</u></u>	<u><u>5,480,281</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings at deemed cost \$	Land and Land improvements at cost \$	Buildings at cost \$	Furniture and Equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2014	3,683,996	1,307,265	164,377	261,127	63,516	5,480,281
Additions	-	5,890	-	110,028	200,009	315,927
Disposals	-	-	-	(21,104)	(37,426)	(58,530)
Depreciation expense	(26,000)	(508)	(4,000)	(55,001)	(48,483)	(133,992)
Balance at 30 June 2015	<u>3,657,996</u>	<u>1,312,647</u>	<u>160,377</u>	<u>295,050</u>	<u>177,616</u>	<u>5,603,686</u>

Cottage by the Sea, Queenscliff Inc.
Notes to the financial statements
30 June 2015

Note 8. Trade and other payables

	2015	2014
	\$	\$
Trade payables	20,119	9,961
Accrued expenses	34,783	9,701
Revenue received in advance	126,416	-
PAYG Payable	11,980	13,557
	<u>193,298</u>	<u>33,219</u>

(a) Revenue received in advance

Revenue received in advance relates to;

- 50% portion of \$200,000 contributed by the Portland House foundation for the period 1 January 2015 – 31 December 2015. 50% of this contribution has been deferred to match the final period to which it relates.
- \$26,416 relates to funding from the Cathy Freeman foundation in relation to a camp expected to occur post 30 June 2015.

Note 9. Employee benefits

	2015	2014
	\$	\$
<i>Current</i>		
Annual leave	85,897	89,512
Long Service leave	166,475	148,801
<i>Non-Current</i>		
Long Service leave	44,897	38,699
	<u>297,269</u>	<u>277,012</u>

Note 10. Available for sale asset reserve

	2015	Restated
	\$	2014
		\$
Opening balance	453,830	146,178
Transfer available for sale asset reserve to profit or loss (sold assets)	19,052	(11,138)
Net revaluation increments/(decrements)	109,592	318,790
	<u>582,474</u>	<u>453,830</u>
Closing balance	<u>582,474</u>	<u>453,830</u>

Cottage by the Sea, Queenscliff Inc.
Notes to the financial statements
30 June 2015

Note 11. Cash Flow Information

	2015 \$	2014 \$
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank	688,389	1,715,891
Cash on hand	7,943	8,261
	<u>696,332</u>	<u>1,724,152</u>

(b) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Surplus for the year	549,255	555,641
<i>Adjustments for:</i>		
Depreciation	133,992	88,432
Loss sale of property, plant and equipment	8,766	2,142
(Profit)/loss on sale of shares	19,052	(11,138)
Movements in assets and liabilities		
- (Increase)/decrease in receivables	(297,571)	(4,146)
- Increase/(decrease) in payables	160,078	(1,095)
- Increase/(decrease) in provisions	20,257	85,771
	<u>593,829</u>	<u>715,607</u>

Note 12. Key management personnel disclosures

Compensation

The aggregate compensation made to officers and other members of key management personnel of the incorporated association is set out below:

	2015 \$	2014 \$
Aggregate compensation	<u>307,234</u>	<u>249,545</u>

Note 13. Contingent liabilities

The incorporated association had no contingent liabilities as at 30 June 2015 (30 June 2014: None).

Note 14. Commitments

Lease commitments - operating

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	2,900	805
One to five years	11,598	-
More than five years	1,745	-
	<u>16,243</u>	<u>805</u>

Operating lease commitments include contracted amounts for office equipment rental and a crown lease payable for use of land.

Cottage by the Sea, Queenscliff Inc.
Notes to the financial statements
30 June 2015

Note 15. Cottage by the Sea, Queenscliff Inc. Information

(a) Association Details

The association is an incorporated association under the Associations Incorporation Reform Act (Victoria) 2012. The registered office and principal place of business is 29 Flinders St, Queenscliff. The principal activity of the association is to provide short term relief care in a holiday environment for needy children in disadvantaged situations.

(b) Cottage Foundation

The association has established a Cottage Foundation fund as an investment fund for the sustainable generation of income to assist in the future provision of Cottage services. Major bequests to the fund form a solid basis to accumulate and grow future income to benefit the Cottage program and children's services.

Note 16. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 17. Events after the reporting period

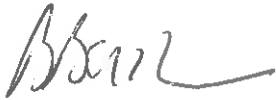
No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

**Cottage by the Sea, Queenscliffe Inc.
Certificate by Members of the Committee
30 June 2015**

In the Members of the Committee's opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, *Associations Incorporation Reform Act 2012* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the Members of the Committee



Bob Bellhouse
26 October 2015



Don Rankin
26 October 2015

Compilation Report to Cottage by the Sea, Queenscliff Inc.

We have compiled the accompanying income statements for the Cottage by the Sea, Queenscliff Inc. Foundation and Operations and the balance sheet for the Cottage by the Sea, Queenscliff Inc. Foundation . These have been prepared on the basis instructed by management.

The responsibility of the Committee of Management

The committee of management of Cottage by the Sea, Queenscliff Inc. is solely responsible for the information contained in the income statements and balance sheet.

Our responsibility

The income statements and balance sheet were compiled exclusively for the benefit of the committee of management and are unaudited.

We do not accept responsibility to any other person for the contents of the income statements and balance sheet.



CROWE HORWATH MELBOURNE



Ryan Leemon
Partner

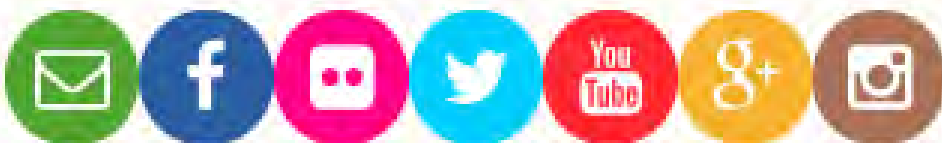
Melbourne, Victoria
26 October 2015

Cottage by the Sea

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Independent Auditor's Report to the Members of Cottage by the Sea, Queenscliff Inc.

Report on the financial report

We have audited the accompanying financial report of Cottage by the Sea, Queenscliff Inc. (the association), 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 certification by members of the committee on the annual statements giving a true and fair view of the financial position of the association.

Committee's responsibility for the financial report

The committee of the association is 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 *Associations Incorporation Reform Act 2012* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that 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. These 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 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 association's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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.



Auditor's opinion

In our opinion the financial report of the Cottage by the Sea, Queenscliff Inc. is in accordance with the *Associations Incorporation Reform Act 2012*, including

- a) giving a true and fair view of the association'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*.

Crowe Horwath Melbourne

CROWE HORWATH MELBOURNE

A handwritten signature in black ink, appearing to read "Ryan Leemon".

Ryan Leemon
Partner

Melbourne, Victoria
26 October 2015