

**The Castellarizian Association of NSW Limited
(formerly The Castellarizian Club Ltd)**

ABN: 98 000 791 159

Financial Statements

For the Year Ended 31 March 2015

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Contents

For the Year Ended 31 March 2015

Directors' Report	1
Auditors Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	18
Independent Audit Report to the members of The Castellorizian Association of NSW Limited	19

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

31 March 2015

Directors' Report

The directors present their report on The Castellorizian Association of NSW Limited ("the Company" "the Association") for the financial year ended 31 March 2015.

Information on directors

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

Nicholas Anastasas	Board Member
Experience	Appointed 30 March 2014 Company Director
John Michael Barbouttis	Board Member / President
Experience	Appointed 30 March 2014 Solicitor
Christine Birnbaum	Board Member / Vice President
Experience	Appointed 30 March 2014 Company Director
Victoria Gallagher	Board Member
Experience	Appointed 30 March 2014 School Teacher
Nicholas John Malaxos	Board Member / Treasurer
Experience	Appointed 30 March 2014 Audit and Risk Consultant
George Peter Manettas	Board Member / Vice President
Experience	Appointed 30 March 2014 Company Director
Tasha Vanos	Board Member
Experience	Appointed 30 March 2014 Retired
Constantine Dion Vertzayias	Board Member
Experience	Appointed 30 March 2014, Resigned 20 May 2015 Solicitor
Dialekti Dianne Voyage	Board Member / Secretary
Experience	Appointed 30 March 2014 Company Director
George Pizanis	Board Member
Experience	Appointed 16 June 2015 Company Director

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

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

31 March 2015

Directors' Report (continued)

Principal activity

The principal activity of The Castellorizian Association of NSW Limited during the financial year was the administration of Company's affairs. No significant changes in the nature of the Company's activity occurred during the financial year.

Objectives and strategy for achieving the objectives and performance measures

The objects for which the Company is established are to promote, foster and celebrate the history, tradition, culture, customs, local contribution, language, ethos and bonds of kinship of people of Greek origin in Australia especially those who are natives of the Island of Castellorizo or persons of Greek descent from a district within 45 kilometres of the island of Castellorizo or are descendants of such natives, or are married to such natives or their descendants through social intercourse and good fellowship amongst those people by amongst other things: establishing and maintaining social, recreational, cultural and/or sporting associations; and providing such facilities as may be required for such purposes; and any other activities in furtherance of the above purposes.

The principal activity has assisted in achieving these objectives and The Board closely monitors the financial performance of the Company.

Members Guarantee

The Castellorizian Association of NSW 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 was or ceased to be a member in the year prior to the winding up, is limited to \$2 for members that are corporations and for all other members, subject to the provisions of the Company's constitution. As at 31 March 2015 the number of members was 721 (2014: 975) and their collective liability on winding up was \$1,442 (2014: \$1,950).

Subsequent events

On 19th May 2015, the Association sold the Kingsford property (Shop 7/438-448 Anzac Parade, Kingsford) for the sum of \$690,000. The contract is settled on the same date.

Operating results

The surplus of the Company after providing for income tax amounted to \$84,444 (2014: deficit of \$316,243).

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

31 March 2015

Directors' Report (continued)

Meetings of directors

During the financial year, 16 directors meetings were held and all directors except George Pizanis (who was appointed after the year end) were eligible to attend these meetings. Attendances by each director were as follows:

	Number attended
Nicholas Anastasas	15
John Michael Barbouttis	13
Christine Birnbaum	14
Victoria Gallagher	16
Nicholas John Malaxos	15
George Peter Manettas	16
Tasha Vanos	15
Constantine Vertzayias	11
Dialekti Dianne Voyage	16

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 31 March 2015 has been received and can be found on page 4 of the financial report.

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

Director:

John Barbouttis

Director:

Nicholas Malaxos

6^{*} Nov. 2015

Sydney

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

31 March 2015

Auditors 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 31 March 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.

Lachlan Nielson Partners Pty Limited



**Anthony Rose
Director**

6 November 2015

Sydney

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2015

	Note	2015 \$	2014 \$
Revenue and other income	2	198,325	336,648
Administrative expenses		(94,767)	(107,281)
Land tax		-	(273,286)
Receivers fees		-	(149,750)
Legal fees		(16,364)	(106,563)
GST on apartment building		-	(8,451)
Other expenses		(2,750)	(7,560)
Surplus/(deficit) before income tax		84,444	(316,243)
Income tax expense	13	-	-
Surplus / (deficit) for the year		84,444	(316,243)
Other comprehensive income, net of income tax		-	-
Total comprehensive income / (loss) for the year		84,444	(316,243)

The accompanying notes form part of these financial statements.

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Statement of Financial Position

As at 31 March 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	601,293	4,116,193
Trade and other receivables	4	221,539	33,894
TOTAL CURRENT ASSETS		<u>822,832</u>	<u>4,150,087</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	-
Investment property	6	3,613,874	450,000
TOTAL NON-CURRENT ASSETS		<u>3,613,874</u>	<u>450,000</u>
TOTAL ASSETS		<u>4,436,706</u>	<u>4,600,087</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	7	41,824	283,513
Related party payables		-	6,136
TOTAL CURRENT LIABILITIES		<u>41,824</u>	<u>289,649</u>
NON-CURRENT LIABILITIES			
		-	-
TOTAL LIABILITIES		<u>41,824</u>	<u>289,649</u>
NET ASSETS		<u>4,394,882</u>	<u>4,310,438</u>
EQUITY			
Retained surplus		4,394,882	4,310,438
TOTAL EQUITY		<u>4,394,882</u>	<u>4,310,438</u>

The accompanying notes form part of these financial statements.

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Statement of Changes in Equity

For the year ended 31 March 2015

	Retained Earnings \$	Total \$
Balance at 1 April 2013	4,626,681	4,626,681
Deficit for the year	(316,243)	(316,243)
Balance at 31 March 2014	4,310,438	4,310,438
Profit for the year	84,444	84,444
Balance at 31 March 2015	4,394,882	4,394,882

The accompanying notes form part of these financial statements.

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and members		72,739	176,447
Payments to suppliers and employees		(549,351)	(391,095)
Interest received		125,586	164,030
Net cash used in operating activities		<u>(351,026)</u>	<u>(50,618)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property		(3,163,874)	-
Net cash used in investing activities		<u>(3,163,874)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		-	600,000
Net cash provided by (used in) financing activities		<u>-</u>	<u>600,000</u>
		(3,514,900)	549,382
Net increase/ (decrease) in cash and cash equivalents held			
Cash and cash equivalents at beginning of year		4,116,193	3,566,811
Cash and cash equivalents at end of financial year	3	<u>601,293</u>	<u>4,116,193</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2015

Notes to the Financial Statements

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.

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 historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

Comparatives are consistent with prior years, unless otherwise stated.

(b) Property, Plant and Equipment

Plant and equipment

Plant and equipment is measured on the cost basis and are carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present. The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

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.

Property

Property is measured either using the fair value or the cost model. If measured at fair value it is carried at fair value at the valuation date less any subsequent accumulated impairment losses. Assessments of value are performed whenever there is a material movement in the value of an asset under the revaluation model. Property carried at cost is treated in the same way as plant and equipment – per above.

Notes to the Financial Statements

For the year ended 31 March 2015

Notes to the Financial Statements

Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land, is depreciated on a straight line method from the date that management determine that the asset is available for use. Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(c) Investment property

Investment property is held to generate long term income and capital growth. Investment property is carried cost or fair value on a asset by asset basis. Where carried at fair value it is subject to periodic independent valuation. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses. Where it is carried at cost the element which relates to the building is depreciated over its estimated useful life, which has been assessed as 30 years from the date the property came into use, and the property is assessed for impairment annually.

(d) Impairment of Assets

At the end of each reporting period, the Directors review the carrying amounts of the associations tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset.

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.

Notes to the Financial Statements

For the year ended 31 March 2015

Notes to the Financial Statements

Financial Instruments (continued)

Classification and subsequent measurement

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

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.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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 period. All other loans and receivables are classified as non-current assets.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment of financial instruments

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Notes to the Financial Statements

For the year ended 31 March 2015

Notes to the Financial Statements

Financial Instruments (continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right 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 discharged, cancelled or have expired. The difference between the carrying amount 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.

(g) Income Tax

No provision for income tax has been raised as the Company has significant carried forward revenue and capital losses.

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

(h) 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). Receivables and payables are stated inclusive of GST. Cash flows are included in the statement of cash flows 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.

Notes to the Financial Statements

For the year ended 31 March 2015

Notes to the Financial Statements

(i) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied. All revenue is stated net of the amount of goods and services tax (GST).

Other revenue

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Subscriptions

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

(j) Critical accounting estimates and assumptions

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The estimates and assumptions that may give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: Carrying value of investment property, and property plant and equipment.

(k) New Accounting Standards for Application in Future Periods

An assessment of Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the association and their potential impact on the association when adopted in future periods is discussed below.

AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018). These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments.

The key changes that may affect the association on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the association's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Notes to the Financial Statements

For the year ended 31 March 2015

2 Revenue and other income

Revenue from continuing operations

Finance income includes all interest related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2015	2014
	\$	\$
Other Income		
- Membership subscriptions	-	-
- Interest income	125,587	164,030
- Other	72,738	172,618
Total revenue and other income	198,325	336,648

3 Cash and cash equivalents

	2015	2014
	\$	\$
Cash on hand	270	270
Cash at bank	601,023	101,803
Short-term bank deposits	-	4,014,120
	601,293	4,116,193

4 Trade and other receivables

	2015	2014
	\$	\$
CURRENT		
Prepayments	15,941	3,056
GST receivable	205,598	5,346
Interest receivable	-	25,492
Total current trade and other receivables	221,539	33,894

Notes to the Financial Statements

For the year ended 31 March 2015

5 Plant and equipment

	2015 \$	2014 \$
Plant and equipment		
At cost	-	-
Total plant and equipment	<u>-</u>	<u>-</u>

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:

	2015 Office Equipment \$	2014 Office Equipment \$
Opening Balance	-	2,311
Additions	-	-
Disposals	-	(2,311)
Balance at the end of the year	<u>-</u>	<u>-</u>

6 Investment property

	2015 \$	2014 \$
Shop 7/438-448 Anzac Parade, Kingsford; At fair value	450,000	450,000
36-38 Gardeners Road, Kingsford; At cost – land	2,200,000	-
At cost – building	963,874	-
Accumulated depreciation	-	-
	<u>963,874</u>	<u>-</u>
Net book value of 36-38 Gardeners Road, Kingsford, held on the cost basis	<u>3,163,874</u>	<u>-</u>
Total Investment property	<u>3,613,874</u>	<u>450,000</u>

During the year, the Association bought 36-38 Gardeners Road, Kingsford for \$3,200,000, of which \$200,000 of GST was recovered giving a net cost before stamp duties and other purchase costs of \$3,000,000. The directors have elected to recognise this property at cost, and stamp duties and other purchase costs of \$163,874 have been added to the purchase cost. The purchase was settled on 21 January 2015, less than two months before the end of the financial period. The directors are certain that the recoverable value of the property at 31 March 2015 is in excess of the cost and the added stamp duties and other purchase costs, and accordingly no impairment allowance has been made at the year end. No depreciation has been provided on the property from the period since settlement to the year-end because the property has not yet come into its intended use.

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Notes to the Financial Statements

For the year ended 31 March 2015

7 Trade and other payables

	2015	2014
	\$	\$
CURRENT		
Trade payables	2,134	277
Sundry payables and accrued expenses	26,081	283,236
Deferred income – special functions	13,609	-
	<u>41,824</u>	<u>283,513</u>

8 Members' guarantee

The Castellorizian Association of NSW 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 was or ceased to be a member in the year prior to the winding up, is limited to \$2 for members that are corporations and for all other members, subject to the provisions of the Company's constitution. As at 31 March 2015 the number of members was 721 (2014: 975) and their collective liability on winding up was \$1,442 (2014: \$1,950).

9 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. Key management personnel are related parties. All transactions with related parties are approved by the Board, and are as follows.

Key management personnel received \$Nil (2014: \$22,000 – Dianne Balafoutis) for services rendered.

Supplies for \$Nil were purchased from Digital Press Pty Ltd, an entity related to Theodore Pettaras (2014: \$25,675).

10 Company Details

The registered office of the Company is:
The Castellorizian Association of NSW Limited
36 Gardeners Road
Kingsford NSW 2032

11 Income Tax

No tax expense has been recognised in these financial statements as the Company has excess of \$6.8 million of unused tax losses available, and further temporary differences (which would give rise to deferred tax assets) of \$1.4 million. No deferred tax assets relating to these items have been recognised as the timing of their utilisation is not certain.

Notes to the Financial Statements

For the year ended 31 March 2015

12 Contingencies, commitments, and events after the reporting date

Sale of 7/438-448 Anzac Parade, Kingsford

On 19th May 2015, the Association sold Shop 7/438-448 Anzac Parade, Kingsford, for the sum of \$690,000. The contract settled on the same date.

Building repairs contingency

As part of the agreement for the development of the apartment building at 438-448 Anzac Parade, Kingsford, the contracted developer Exceland Group was responsible for certain repairs to the apartment building. Exceland Group ceased operations and is in liquidation and has not met these obligations, so the liability to pay for the repairs may fall on the Association.

South Sydney Leagues Club Loan and Claims

The Company provided a loan of \$2,000,000 to South Sydney Leagues Club Redfern on the 26th April 2012. Security was provided by way of a general security agreement over certain South Sydney Leagues Club's assets excluding land and buildings, together with a residual guarantee of the loan from Mr. Frank Vrachas, a Director of South Sydney Leagues Club.

On the 6th March 2013 South Sydney Leagues Club was placed in administration. On the 12th March 2013, a formal Notice of Default and Demand was issued by the Association to South Sydney Leagues Club and to Mr Frank Vrachas as guarantor. The Association appointed a receiver who recovered certain amounts against the Associations security interests, the net amount received from the exercise of the Associations security being approximately \$610,000.

On the 11th September 2014, the directors of the Company initiated claim against the former directors in relation to the decision to loan \$2,000,000 to South Sydney Leagues Club. The directors understand that the former directors may be covered by the Company's directors and officers insurance.

A formal demand, followed by a statement of Claim has been made against the guarantor, Mr Frank Vrachas for the balance of the amounts receivable under the loan, plus interest. On 30 October 2015 documents were lodged with the Supreme Court of New South Wales in relation to this matter. The amounts which are subject to the proceedings total \$1,879,053 including interest at 22 October 2015.

Any amounts which maybe recoverable under any actions are uncertain in their timing and amount, and have therefore not been recognised in these financial statements.

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Directors' Declaration

For the year ended 31 March 2015

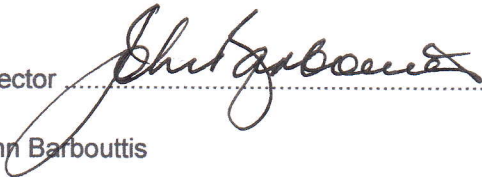
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 17, 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 31 March 2015 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director

John Barbouttis



Director

Nicholas Malaxos



6th NOV. 2015
Sydney

The Castellorizian Association of NSW Limited

ABN: 98 000 791 159

Independent Audit Report to the members of The Castellorizian Association of NSW Limited

Report on the Financial Report

We have audited the financial report of The Castellorizian Association of NSW Limited (“the Company”), which comprises the statement of financial position as at 31 March 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 Company 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 Company'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 Company'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 The Castellorizian Association of NSW Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of The Castellorizian Association of NSW Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 31 March 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*.

Lachlan Nielson Partners Pty Limited



Anthony Rose
Director

6 November 2015
Sydney