

# The Castellorizian Association of NSW Limited

---

(formerly The Castellorizian Club Ltd)

ABN 98 000 791 159

---

**Financial Statements**

**For the year ended 31 March 2018**

---

## **Contents**

### **For the Year Ended 31 March 2018**

Treasurer's Report	1
Directors' Report	2-4
President's Report	5
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-21
Directors' Declaration	22
Independent Auditor's Report to the member of The Castellorizian Association of NSW Limited	23-24

**The Castellorizian Association of NSW Limited**

**ABN 98 000 791 159**

For the year ended 31 March 2018

**Treasurer's Report**

It gives me great pleasure that I present the association's FINANICAL STATEMENTS for the year ended 31 March, 2018.

Our operating profit for the year of \$52,161 (2017 loss \$53,735). During the year the association incurred légal fee \$26,791. This cost was incurred in pursuit of monies loaned to SSLC.

The primary sources of revenue for this financial year are as follows

"Special functions and events" (2018: \$84,063, 2017: \$147,531)

"Rent 1/36-38 Gardeners Rd" (2018: \$39,790, 2017: \$49,753)

The Association now carries NET ASSETS of \$4,627,408 (2017: \$4,575,247). Key assets are as follows

36-38 Gardeners Rd, Kingsford (at cost )	\$3,505,766
Cash on Hand	\$1,119,222

During the year, the Association commenced development of the Kingsford site, continued with its attempts to recover monies loaned to SSLC, whilst undertaking extensive social, charitable and historical programmes. These pursuits were funded through the tireless work of the Social Committee of which the Ball committee is an integral part, and the Castellorizian Ladies for Welfare, with the support of members and friends. Again, we restate that the Board is rigorous in promoting the financial security and financial prosperity of the Association, to ensure that it can successfully undertake our objectives of social growth, the support of our charities (the proferred charity being the Castellorizian Nursing Home), and the maintenance and preservation of our traditions.

The coming year will be one of ambition for our Association.

The building development is well underway and we have received approval from St George Bank to fund the project. The board had applied to many financial institutions for a loan and settled on the St George Bank for \$1.5m to fund the redevelopment. We will be interviewing potential tenants for our Café and the Board anticipates that the successful applicant will provide our Association and the wider community with an enjoyable "kafenion style" experience. The building will also contain cultural centre areas and two new apartments, one being 2 bedroom, the other being 3. Both the café and the apartments are expected to provide our Association with a sound return on investment for many years to come. Our social agenda, again, will be tireless and the Board expects to be much closer to finalising our current legal pursuits.



Peter Salakas

Treasurer

**The Castellorizian Association of NSW Limited**

**ABN 98 000 791 159**

For the year ended 31 March 2018

**Directors' Report**

The directors present their report on The Castellorizian Association of NSW Limited (the "Company" or the "Association") for the financial year ended 31 March 2018

**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
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 Company Director
Angelo Elliott	Board Member
Experience	Appointed 3 April 2016 Company director
George Peter Manettas	Board Member / Vice President
Experience	Appointed 30 March 2014 Company Director
George Pizanis	Board Member / President
Experience	Appointed 16 June 2015 Company Director
Dialekti Dianne Voyage	Board Member / Secretary
Experience	Appointed 30 March 2014. Company Director
Peter Salakas	Board Member / Treasurer
Experience	Appointed 1 November 2017 Treasurer
Stace Vallianos	Board Member / Treasurer
Experience	Resigned 11 October 2017 Accountant

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**

For the year ended 31 March 2018

**Directors' Report (continued)**

**Principal Activities**

The principal activities 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 activities occurred during the 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 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 thing: 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.

**Significant changes in state of affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the accounts.

**After balance date events**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in subsequent financial years.

**Future developments**

It is intended to continue the activities and operations of the company on a similar basis to the past financial year. The major expenses will be the development of the new home in Gardeners Road.

**Auditor**

BT & A Consultants are the current auditors and have been appointed since 2017.

**Operating Result**

The surplus of the Company amounted to \$52,161 (2017: loss of \$53,735). This resulted after charging \$190 for depreciation, (2017: \$23,710)

**Membership**

The Club is a company limited by guarantee and without a share capital. The number of members as at 31 March 2018 and the comparison with last year is as follows:

Member	2018	2017
-Life members	351	351
-Social and associate members	253	338
	<u>604</u>	<u>689</u>

**The Castellorizian Association of NSW Limited**

**ABN 98 000 791 159**

For the year ended 31 March 2018

**Meetings of directors**

The number of directors' meetings (excluding special and sub-committee meetings) and number of meetings attended by each of the directors of the Company during the financial year are:

	Number eligible to attend	Number attended
Nicholas Anastasas	15	15
John Michael Barbouttis	15	12
Christine Birnbaum	15	15
Victoria Gallagher	15	13
George Peter Manettas	15	13
George Pizanis	15	14
Angelo Elliott	15	13
Stace Vallianos (resigned 11/10/2017)	10	8
Dialekti Dianne Voyage	15	14
Peter Salakas (appointed 01/11/2017)	5	5

**Indemnification and Insurance of Officers and Auditors**

During or since the financial year the company has paid premiums to insure each of the following persons against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as an officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium cannot be disclosed due to policy conditions.

N.Anastasas,J.M.Barbouttis,C.Birnbaum,V.Gallagher,G.P.Manettas,G.Pizanis,A.Elliott,S.Vallianos,  
D.D.Voyage and P.Salakas

To the extent permitted by Law, the Company has agreed to indemnify its auditors, BT&A Consultants as part of its audit engagement agreement against claims by third parties arising from the audit ( for an unspecified amount) other than a loss resulting for BT&A Consultants' negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify BT&A Consultants during or since the financial year.

**Auditors Independence Declaration**

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 31 March 2018 has been received and can be found on page 6 of the financial report.

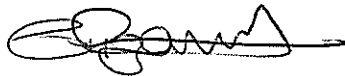
Signed in accordance with a resolution of the Board of Directors:

George Pizanis

President


Date 23/7/2018

Sydney



Peter Salakas

Treasurer



## **President's Report**

Dear Members,

As you know we have received the approval for our DA from council for our premises at 36-38 Gardeners Road Kingsford, however the CC and insurances took over 3 months to complete hence the delays.

The board made a decision to stage works to complete the front of the building. The apartments and the restaurant will be our primary source of income. Our Association has been active in NSW for over 90 years due to the continued efforts of our forefathers who started from humble beginnings in 1924.

We have commenced our building project to construct our new home. Our home will be a centrepiece for not only Castellorizians but for all Greek Associations in Sydney and the broader community. As part of the construction of the Club Premises in Anzac parade in 1973, the board at the time requested from the community contributions towards the completion of the Club. This was because the banks at the time would not substantiate the entire loan amount. The community's generosity ensured the construction of the club.

The current Board has been strategic and vigilant in its plan to progress with the development site at Gardeners Rd Kingsford.

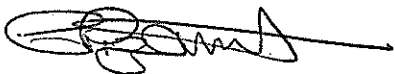
It is imperative that all our members attend our AGM. I will present a full report of the current position on the development of the Premises and our financial status and future projections. I urge you to attend at this critical time in our Associations' history, as it is time to rebuild and create a future for our children to experience the strength of our community.

We have the opportunity to rebuild and become a beacon in the Sydney community. We ask you take this journey with us and come to the meeting and be fully informed on our progress.

Our objective is also to keep our community united. Currently while we are constructing our premises, we are continuing to provide social events to our member and friends. The social committee has appreciated your past support in attending functions. The next year is even more important for us as a community as we need to keep together and support the Association, as our Social events are our primary source of income.

We are looking for expressions of interest for Debutants for 2019 to continue the tradition of the Spring Debutant Ball. Please email us at [cazzieclub@outlook.com](mailto:cazzieclub@outlook.com)

We include our Association Pledge form, which is your opportunity to assist in the rebuilding project. Your donation will be acknowledged once our premises are complete with a listing on our donors wall for future generations to recognise your generosity.



Yours Sincerely

George Pizanis

President Castellorizian Association NSW

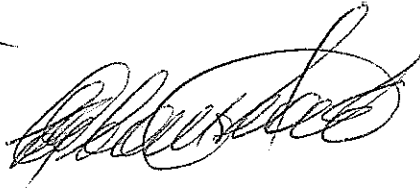
**Under Section 307C of the Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2018 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

  
B T & A Consultants

Spiros Arvanitakis  
Partner



Sydney 24 JULY 2018



**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**  
For the year ended 31 March 2018

**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 2018**

	Note	2018 \$	2017 \$
Revenue	3	189,019	245,684
- Administrative costs	4	(39,376)	(122,584)
- Operating costs	4	(97,083)	(168,208)
- Other costs		-	(8,000)
<b>Results from operating activities</b>		<u>52,560</u>	<u>(53,108)</u>
Finance costs	4	<u>(399)</u>	<u>(627)</u>
<b>Net finance costs</b>		<u>(399)</u>	<u>(627)</u>
<b>Profit (Loss) before income tax</b>	13	<u>52,161</u>	<u>(53,735)</u>
Income tax expenses			-
<b>Profit (Loss) from continuing operations</b>		<u>52,161</u>	<u>(53,735)</u>
<b>Profit (Loss) for the period</b>		<u>52,161</u>	<u>(53,735)</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the period</b>		<u>52,161</u>	<u>(53,735)</u>

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

**The Castellarozian Association of NSW Limited**  
**ABN 98 000 791 159**

**Statement of Financial Position**

**For the year ended 31 March 2018**

	<b>Note</b>	2018 \$	2017 \$
<b>Assets</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,119,222	1,394,546
Trade and other receivables	6	<u>20,324</u>	<u>8,130</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>1,139,546</b></u>	<u><b>1,402,676</b></u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	652	842
Land and buildings	8	<u>3,505,766</u>	<u>3,207,308</u>
<b>Total NON-CURRENT ASSETS</b>		<u><b>3,506,418</b></u>	<u><b>3,208,150</b></u>
<b>TOTAL ASSETS</b>		<u><b>4,645,964</b></u>	<u><b>4,610,826</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	9	<u>18,556</u>	<u>35,579</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>18,556</b></u>	<u><b>35,579</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>18,556</b></u>	<u><b>35,579</b></u>
<b>NET ASSETS</b>		<u><b>4,627,408</b></u>	<u><b>4,575,247</b></u>
<b>EQUITY</b>			
Retained surplus	17	<u>4,627,408</u>	<u>4,575,247</u>
<b>TOTAL EQUITY</b>		<u><b>4,627,408</b></u>	<u><b>4,575,247</b></u>

The Statement of Financial Position is to be read in conjunction with the accompanying notes.

**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**

**Statement of Changes in Equity**

**For the year ended 31 March 2018**

	2018	2017
	\$	\$
Profit(Loss) for the period	52,161	(53,735)
Total recognized income and expense for the period	<u>52,161</u>	<u>(53,735)</u>
Retained earnings at 1 April	4,575,247	4,628,982
Retained earnings at 31 March	<u>4,627,408</u>	<u>4,575,247</u>

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**

**Statement of Cash Flows**

**For the year ended 31 March 2018**

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		140,113	208,700
Cash payments in the course of operations		<u>(153,691)</u>	<u>(246,570)</u>
<b>Net cash provided by operating activities</b>		<u>(13,578)</u>	<u>(37,870)</u>
<b>Cash flows from investing activities</b>			
Interest received		36,713	31,616
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		<u>(298,459)</u>	<u>(82,842)</u>
<b>Net cash used in investing activities</b>		<u>(261,746)</u>	<u>(51,226)</u>
<b>Cash flows from financing activities</b>			
<b>Net cash provided by financing activities</b>			
<b>Net increase / (decrease) in cash held</b>		(275,324)	(89,096)
Cash and cash equivalents at the beginning of the financial year		<u>1,394,546</u>	<u>1,483,642</u>
<b>Cash and cash equivalents at the end of the financial year</b>	5	<u>1,119,222</u>	<u>1,394,546</u>

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**  
**Notes to Financial Statements**  
**For the year ended 31 March 2018**

**Note 1. Corporate Information**

The financial report of The Castellorizian Association of New South Wales Limited (the Company) for the year ended 31 March 2018 was authorised for issue in accordance with a resolution of the Directors on August 2018.

The Castellorizian Association of New South Wales Limited is a company limited by guarantee and without share capital. It is incorporated and domiciled in Australia. In accordance with the Constitution the liability of members in the event of the Company being wound up would not exceed \$2 per member.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

**Note 2. Summary of Significant Accounting Policies**

**(a) Basis of preparation**

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

The directors have elected under Section 334(5) of the Corporation Act 2001 to apply the following Accounting standards in advance of their effective dates:

- AASB 1053 Application of Tiers of Australian Accounting Standards; and
- AASB 2010-2 Amendments to Australian Accounting Standards arising for Reduced Disclosure Requirements.

These Accounting Standards are not required to be applied until annual reporting periods beginning on or after 1 April 2018.

AASB 1053 establish a differential financial reporting framework consisting of two tiers of reporting requirements for General Purpose Financial Statements:

- Tier 1 - Australian Accounting Standards
- Tier 2 - Australian Accounting Standards - Reduced Disclosure Requirements.

AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by Tier 2 entities or inserting RDR paragraphs requiring simplified disclosures for Tier 2 entities.

The company complies with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

The adoption of these standards has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no other impact on the current or prior year financial statements.

The financial report has been prepared on a historical cost basis, unless otherwise stated. The financial report is presented in Australian dollars (\$).

**(b) Going Concern**

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. At 31 March 2018, the Company's total current assets exceeded total current liabilities by \$1,120,990.

**(c) Statement of compliance**

The accounting policies adopted are consistent with those of the previous financial year. Other new/revised standards and interpretations applicable for the year commencing 1 April 2017 have been reviewed and it has been determined that those new/revised standards and interpretations do not have a material effect on the measurement and recording of items in the balance sheet and statement of comprehensive income. The financial report complies with Australian Accounting Standards.

**(d) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above. Commercial bills are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

**(e) Trade and other receivables**

Trade receivables, which generally have 60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt.

**(f) Inventories**

Inventories are valued at the lower of cost and net realisable value.

**(g) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Freehold Land - not depreciated

Buildings (Including bar and restaurant) - over 40 years

Plant and equipment - over 2.5 to 20 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

*Disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(h) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

*Company as a lessee*

Finance lease that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A lease asset is depreciated over the useful life of the asset. However, there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

**(i) Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Directors conduct an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in economic conditions, are also monitored to assess indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

**(j) Trade and other payables**

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**(k) Interest-bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**(l) Borrowing costs**

Borrowing costs are recognised as an expense when incurred.

**(m) Employee leave benefits**

*(i) Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

*(ii) Long service leave*

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. 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 national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**(n) Revenue recognition**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Sales of goods and rendering of services*

Revenue comprises revenue earned from the Club's trading activities including bar and function sales, regalia sales, dining room and catering receipts and marina sales. It is recognised as income when earned.

*(ii) Membership*

Membership subscriptions are deferred to the period in which the income related. All costs associated with the procurement of membership subscriptions are expensed as incurred.

*(iii) Interest income*

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.

*(iv) Other Revenue*

Other revenue is recognised when the right to receive the revenue has been established.

**(o) Income tax**

The Income Tax Assessment Act 1997 (Amended) provides that under the concept of mutuality, companies are only liable for income tax on income derived from non-members and from outside entities. The assessable income of the Company for income tax purposes comprises only certain income deemed to be derived from non-member activities. Conversely, allowable deductions for income tax purposes are limited to certain expenses and statutory deductions.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.



**(p) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the Cash Flow Statement 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 part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(q) Significant 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 and estimates on historical experience and on other various factors it believes to be reasonable

under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily

apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

**(i) Significant accounting judgments**

*Impairment of non-financial assets*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include technology, economic and political environments. If an impairment trigger exists the recoverable amount of the asset is determined. If an impairment trigger exists the recoverable amount of the asset is determined.

*Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**  
**Notes to Financial Statements**  
**For the year ended 31 March 2018**

**Note 3. 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:

	2018	2017
	\$	\$
Revenue and other Income		
- Membership subscriptions	5,440	8,244
- Interest income	36,713	31,616
- Profit on Sale of Property, Plant & Equipment	-	1,091
- Donations	15,795	5,520
- Rental Income	39,790	49,753
- Advertising	7,218	-
- Other	84,063	149,460
<b>Total revenue and other income</b>	<u>189,019</u>	<u>245,684</u>

**Note 4. Expense**

	2018	2017
	\$	\$
Administrative costs		
- Auditors Remuneration	5,500	14,885
- Accountancy	5,760	9,125
- Legal	26,791	105,605
- Postage	955	169
- Filing fees	370	1,925
	<u>39,376</u>	<u>122,584</u>
Finance costs		
- Bank fees and charges	399	627
	<u>399</u>	<u>627</u>
Operating costs		
- Advertising and promotion	-	-
- Agency fee	2,034	4,275
- Cleaning and Rubbish removal	-	109
- Computer Software	-	2,236
- Consultants fees	-	2,725
- Depreciation	190	23,710
- Electricity and gas	1,798	1,583
- Flowers/Welfare	727	4,060
- General Expense	-	2,495
- Insurance	7,397	8,841
- Printing & Stationary	787	5,239
- Rate & Land tax	16,694	17,009
- Repair & maintenance	2,234	59
- Special Events Expense	64,502	95,867
- Telephone	720	-
	<u>97,083</u>	<u>168,208</u>

The Castellorizian Association of NSW Limited  
 ABN 98 000 791 159  
 Notes to Financial Statements  
 For the year ended 31 March 2018

**Note 5. Cash and cash equivalents**

	2018	2017
	\$	\$
Cash on hand	270	270
Cash a bank	1,118,952	94,276
Short-term bank deposits	-	1,300,000
	<u>1,119,222</u>	<u>1,394,546</u>

**Note 6. Trade and other receivable**

	2018	2017
	\$	\$
CURRENT		
Prepayments	4,522	4,218
GST receivable	15,802	3,912
	<u>20,324</u>	<u>8,130</u>

**Note 7. Plant and equipment**

	2018	2017
	\$	\$
<b>Plant and equipment</b>		
At cost	1,340	1,340
Less accumulated	(688)	(498)
Total plant and equipment	<u>652</u>	<u>842</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:

	2018	2017
	Office Equipment \$	Office Equipment \$
Carrying amount at the beginning of the year	842	1,090
Depreciation	(190)	(248)
<b>Balance at the end of the year</b>	<u>652</u>	<u>842</u>

**Note 8. Land and buildings**

	2018	2017
	\$	\$
36-38 Gardeners Road, Kingsford; At cost	3,162,534	3,162,534
Less accumulated depreciation	<u>(47,525)</u>	<u>(47,525)</u>
Refurbishment of building at cost	<u>390,757</u>	<u>92,299</u>
Net book value of 36-38 Gardeners Road, Kingsford, held on the cost basis	<u>3,505,766</u>	<u>3,207,308</u>
Total Land and Buildings	<u>3,505,766</u>	<u>3,207,308</u>

**Note 9. Trade and other payables**

	2018	2017
	\$	\$
CURRENT		
Sundry payables and accrued expenses	<u>18,556</u>	<u>35,579</u>
	<u>18,556</u>	<u>35,579</u>

**Note 10. 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 member 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.

**Note 11. Related party disclosures**

**a) Key management personnel disclosures**

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire periods:

Non-executive directors

Nicholas Anastasas, John Michael Barbouttis, Christine Birnbaum, Victoria Gallagher, George Peter Manettas, George Pizanis, Angelo Elliott, Peter Salakas (appointed 1/11/2017), Stace Vallianos (resigned 11/10/2017) and Dialekti Dianne Voyage.

**b) Transactions with key management personnel**

No director of the Company receives any remuneration or retirement benefit.

**c) Other key management personnel transactions with the Company**

No key management personnel have entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving key management personnel interest existing at year-end. Mr. J. Barbouttis is the brother of a partner in the firm of BT & A Consultants, which provided audit services amounting to \$5,500. Mr. J. Barbouttis is an employee of St George Bank, the company has banking facility with this bank. (refer note 15). Mr G. Pizanis is a relative of a director of Koomoo Constructions Pty Ltd. This company has been contracted to build the associations site at 36-38 Gardeners Road, Kingsford.

**d) Loans to key management personnel**

There are no loans between key management personnel and the association.

**Note 12. Company Details**

The registered office of the company is:  
The Castellorizian Association of NSW Limited  
36-38 Gardeners Road  
Kingsford NSW 2032

**Note 13. Income Tax**

The Company has tax losses of \$6,416,241 (2017: \$6,428,446) for which no deferred tax asset is recognised on the balance sheet given that it is not probable that taxable profit will be available against which the tax loss can be utilised.

**Note 14. Contingencies, commitments, and events after the reporting date**

**Sale of 7/438-448 Anzac Parade, Kingsford**

On 19<sup>th</sup> May 2015, the Company 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 26<sup>th</sup> 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 6<sup>th</sup> March 2013 South Sydney Leagues Club was placed in administration. On the 12<sup>th</sup> 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.

**Note 14. Contingencies, commitments, and events after the reporting date continued**

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 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. The association has also made a claim against former director Nicholas Moraitis in relation to same.

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

On 3 April 2017 a Notice of Motion was filed with the Supreme Court of NSW seeking to amend the Statement of Claim joining former directors Michael Alexander, Theodore Pettaras, Katina Nicholas, Harley Economou and Alex Alexiou. On 8 May 2017 by consent of the First and Second Defendants ( Vrachas and Moraitis) and leave of the Court the former directors will be joined to the proceeding.

On 10 May 2018 the Plaintiffs were granted leave to join Ronald Finlay (8<sup>th</sup> Defendant) and Maddocks, (solicitors), and its partners (9<sup>th</sup> to 22<sup>nd</sup> Defendants ) to the proceedings. The joined defendants have been served with the pleading and solicitors acting for them have entered appearances. On 25 June 2018 short minutes of order were made by Justice Black, for the matter to enable the 8<sup>th</sup> to 22<sup>nd</sup> defendants time to review the matter and consider filing their defences. The matter is listed for further directions on 6 August 2018.

**Note 15. Bank Facilities**

The Company's borrowing facilities as at 31 March 2018 is nil. At the date of this report, a new business loan from St George Bank has been approved. The total facility is \$1,500,000 and secured by a Registered Mortgage over 36-38 Gardeners Rd, Kingsford and a mortgage debenture over all company assets.

**Note 16. Core property**

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Club defines property as follows:

	2018	2017
	\$	\$
Core property	<u>3,553,291</u>	<u>3,254,833</u>

Core property includes the defined premises of the club and any facilities provided for the Club members. Accordingly, all property occupied by the Club is defined as core property.

**Note 17. Retained Profit**

	2018	2017
	\$	\$
Retained Profit at the beginning of the financial year	4,757,247	4,628,982
Profit (Loss) after income tax expense	<u>52,161</u>	<u>(53,735)</u>
Retained Profit at the end of the financial year	<u>4,627,408</u>	<u>4,575,247</u>

**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**  
**Notes to Financial Statements**  
**For the year ended 31 March 2018**

**Note 18 .** Restatement of comparatives at 31 March 2017, a repayment of part of a term deposit was recognised as interest only. Part of this payment was interest, the balance was repayment of principal. The impact of this adjustment is a decrease in assets and an increase in operating loss of \$20,760 at 31 March 2017.

**Statement of Comprehensive Income**

Extract	2017 Reported	Adjustment	2017 Restated
	\$	\$	\$
Income – interest	52,376	(20,760)	31,616

**Statement of Financial Position at the end of the earlier comparative period**

Extract	Reported	Adjustment	Restated
	\$	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,415,306	(20,760)	1,394,546
Total current assets	1,423,436	(20,760)	1,402,676
Net assets	4,596,007	(20,760)	4,575,247
<b>Equity</b>			
Retained surplus	4,596,007	(20,760)	4,575,247
Total Equity	4,596,007	(20,760)	4,575,247

Statement of financial position at the beginning of the earliest comparative period. When there is restatement of comparative, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period. However, as there were no adjustments made as at 1 April 2016. The company has elected not to show on 1 April 2016 statement of financial position.

**Note 19. Capital Commitments**

During the year, the company entered into a contract with Koomoo Construction Pty Ltd to build a new part commercial and residential building on 36-38 Gardeners Road, Kingsford NSW. The gross contract price is \$2,483,504.10 including GST \$225,773.10. To cover the cost of building work, a business loan of \$1,500,000 has been approved with the St George Bank.

**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**  
**Directors' Declaration**  
**For the year ended 31 March 2018**

**Directors' Declaration**

In accordance with a resolution of the directors of the Castellorizian Association of NSW Limited, I state that:

1. In the opinion of the directors:
  2. the financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:
    - (i) giving a true and fair view of the Company's financial position as at 30 March 2018 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will able to pay its debts as and when they become due and payable.

On behalf of the Board



George Pizanis  
President

Date 23/7 | 2018  
Sydney



Peter Salakas  
Treasurer



**The Castellorizian Association of NSW Limited**  
**ABN 98 000 791 159**

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

### **Opinion**

We have audited the financial report of The Castellorizian Association of NSW Limited which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 2018 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

BT & A

BT & A Consultants

Spiros Arvanitakis

Partner

Sydney 24 JULY 2018

G.M. BARBOUTTIS OAM FCA, S. ARVANITAKIS B. Ec., MIPA-AFA  
SUITE3,644 BOTANY ROAD ALEXANDRIA NSW 2015  
PO BOX 901 MASCOT 1460 TELEPHONE: (02) 9700 8811 FAX: (02) 9700 8812

Liability limited by a Scheme approved under Professional Standards Legislation