



AUSTRALIAN BLOUZA ASSOCIATION INC.

Financial Statements

FINANCIAL YEAR ENDED 31ST DECEMBER 2013

Robert Bates & Co
Chartered Accountants

**AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885**

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Australian Blouza Association Inc. (the association), which comprises the balance sheet as at 31 December 2013, and the income and expenditure statement and cash flow statement, a summary of significant accounting policies, other explanatory information and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of Australian Blouza Association Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act NSW 2009 and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885**

Auditors' Opinion

In our opinion, the financial report of Australian Blouza Association Inc. presents fairly, in all material respects the financial position of Australian Blouza Association Inc. as of 31 December 2013 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporation Act NSW 2009.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the Associations Incorporation Act NSW 2009. As a result, the financial report may not be suitable for another purpose.

Name of Firm: Robert Bates & Co
Chartered Accountants

Name of Partner:



Robert Bates

Address: Ground Floor, 90 Phillip Street PARRAMATTA NSW 2150

Dated this 5th day of March 2014

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTOR OF
AUSTRALIAN BLOUZA ASSOCIATION INC.**

We declare, that to the best of our knowledge and belief, during the year ended 31 December 2013 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.

Name of Firm: Robert Bates & Co
Chartered Accountants

Name of Partner:



Robert Bates

Address: Ground Floor, 90 Phillip Street
PARRAMATTA NSW 2150

Dated this 5th day of March 2014

AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial statements :

1. Presents a true and fair view of the financial position of Australian Blouza Association Inc. as at 31 December 2013 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Australian Blouza Association Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President: _____
Joe D. Younis

Treasurer: _____
Sam Hassarati

Dated this 5th day of March 2014

AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
INCOME			
Donations - Building Contribution Fund		-	59,860
Donations -- other		20,708	12,395
Functions		84,033	72,070
Grant's Received		-	25,000
Hall Hire		58,839	49,615
Interest		687	8,735
Other Income - Billboard Advertising		12,000	9,000
		<u>176,267</u>	<u>236,675</u>
EXPENDITURE			
Bank charges & merchant fees		247	585
Borrowing costs		-	4,749
Depreciation		21,339	26,092
Donations		4,000	11,967
Function expenses		39,597	32,235
Property expenses		52,304	52,823
Interest paid		14,825	51,377
Merchandise Purchases		-	435
Printing and stationery		1,169	804
Other Expenses		3,881	-
		<u>137,362</u>	<u>181,067</u>
Profit before income tax		<u>38,905</u>	<u>55,608</u>
Profit for the year		38,905	55,608
Retained earnings at the beginning of the financial year		<u>553,439</u>	<u>497,832</u>
Retained earnings at the end of the financial year		<u>592,344</u>	<u>553,440</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Robert Bates & Co.,

AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	176,627	236,695
Payments to suppliers and employees	<u>(146,173)</u>	<u>(155,719)</u>
Net cash provided by operating activities	<u>30,454</u>	<u>80,976</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	<u>1,072</u>	<u>(6,904)</u>
Net cash provided by (used in) investing activities	<u>1,072</u>	<u>(6,904)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from financial liabilities	-	844,505
Repayment of financial liabilities	<u>(57,961)</u>	<u>(1,200,000)</u>
Net cash provided by (used in) financing activities	<u>(57,961)</u>	<u>(355,495)</u>
Net increase (decrease) in cash held	(26,435)	(281,423)
Cash at beginning of financial year	47,475	328,898
Cash at end of financial year	<u>21,040</u>	<u>47,475</u>

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AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	21,040	47,475
Accounts receivable and other debtors	3	3,521	3,304
Inventories	4	250	800
TOTAL CURRENT ASSETS		<u>24,811</u>	<u>51,579</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,591,800	2,114,039
TOTAL NON-CURRENT ASSETS		<u>2,591,800</u>	<u>2,114,039</u>
TOTAL ASSETS		<u>2,616,611</u>	<u>2,165,618</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable and Other Payables	6	2,510	3,497
TOTAL CURRENT LIABILITIES		<u>2,510</u>	<u>3,497</u>
NON-CURRENT LIABILITIES			
Lease Liabilities	7	787,031	844,005
TOTAL NON-CURRENT LIABILITIES		<u>787,031</u>	<u>844,005</u>
TOTAL LIABILITIES		<u>789,541</u>	<u>847,502</u>
NET ASSETS		<u>1,827,070</u>	<u>1,318,116</u>
EQUITY			
Reserves	8	1,234,726	764,676
Retained earnings	9	592,344	553,440
TOTAL EQUITY		<u>1,827,070</u>	<u>1,318,116</u>

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AUSTRALIAN BLOUZA ASSOCIATION INC.
A.B.N. 89 590 823 885

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Income Tax

As of 31 August 2005, the Association was granted an income tax exemption, as a result the Association is not subject to income tax on the income generated from its members or on any non mutual income.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in first-out basis.

Property

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

**AUSTRALIAN BLOUZA ASSOCIATION INC.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

AUSTRALIAN BLOUZA ASSOCIATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
2 Cash and Cash Equivalents		
Cash on hand	400	400
Cash at Bank - Arab Bank (Building Contribution Fund A/c)	88	10
Cash at Bank - Arab Bank (General A/c)	190	1,246
Cash at Bank - Arab Bank (Online Business Savings A/c)	9,634	30,280
Cash Management Account - (Takchi Fund)	10,728	15,539
	<u>21,040</u>	<u>47,475</u>
3 Trade and Other Receivables		
Current		
GST Paid	<u>3,521</u>	<u>3,304</u>
4 Inventories		
Current		
Stock on hand	<u>250</u>	<u>800</u>
5 Property, Plant and Equipment		
Land and Buildings		
Land and buildings, at market value (31 Dec 2009)	<u>2,500,000</u>	<u>2,000,000</u>
Total Land and Buildings	<u>2,500,000</u>	<u>2,000,000</u>
Furniture and fittings, at cost	207,237	208,309
Accumulated depreciation	<u>(115,437)</u>	<u>(94,270)</u>
	91,800	114,039
Total Plant and Equipment	<u>91,800</u>	<u>114,039</u>
Total Property, Plant and Equipment	<u>2,591,800</u>	<u>2,114,039</u>

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report of Robert Bates & Co.,

AUSTRALIAN BLOUZA ASSOCIATION INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
6 Accounts Payable and Other Payables		
Current		
Hall Hire Bonds Held	-	500
GST Collected	2,510	2,997
	2,510	3,497
7 Borrowings		
Non-Current		
Loan - Arab Bank Australia	96,303	148,466
Loan - C & T Takchi Fund	410,728	415,539
Loans ex members, J & M Habib	150,000	150,000
Interest Free Loans	130,000	130,000
Total non-current borrowings	787,031	844,005
8 Reserves		
Asset revaluation reserve		
Blaxcell St Revaluation - 31 December 2009	764,676	-
Blaxcell St Revaluation - 31 December 2009	-	764,676
Blaxcell St Revaluation - 21 November 2013	470,050	-
	1,234,726	764,676
9 Retained Earnings		
Retained earnings at the beginning of the financial year	553,439	497,832
Net profit attributable to the Association	38,905	55,608
Retained earnings at the end of the financial year	592,344	553,440

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
10. INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT		
Gross Proceeds from Fundraising Appeals		
Donations	20,708	12,395
Functions	84,033	72,070
Total Revenue	<u>104,741</u>	<u>84,465</u>
Total Cost of Fundraising		
Bank Charges	147	209
Borrowing expenses	-	1,695
Dues & subscriptions	-	-
Function expenses	39,597	32,235
Merchandise purchases	-	155
Postage, Printing & Stationery	695	287
Interest Paid	8,809	18,336
Telephone	943	576
	<u>50,191</u>	<u>53,493</u>
Net Surplus/(Deficit) from Fundraising	<u>54,550</u>	<u>30,972</u>
The surplus between fundraising and total expenditure was transferred to accumulated funds.		
Comparisons by Monetary Figures and Percentages		
Total cost of fundraising/	<u>50,191</u>	53,493
Gross income from fundraising	<u>104,741</u>	84,465
	48%	63%
Net surplus from fundraising/	<u>54,550</u>	30,972
Gross income from fundraising	<u>104,741</u>	84,465
	52%	37%
Total cost of services provided for charitable purposes/	<u>11,967</u>	7,670
Total expenditure	<u>50,191</u>	53,493
	24%	14%
Total cost of services provided for charitable purposes/	<u>11,967</u>	7,670
Total income received during the year	<u>104,741</u>	84,465
	11%	9%

Fundraising conducted during the year was mainly derived from social functions (including annual ball, family picnic and community seminars), bereavement donations and hall hire.