

THE BUTTERY LIMITED

A.C.N. 130 812 994

30 JUNE 2016

Financial Report

THE BUTTERY LIMITED
A.C.N. 130 812 994
DIRECTORS REPORT

Your Directors submit the financial report of The Buttery Limited for the year ended 30 June 2016.

The names of the Directors of the company holding office during or since the end of the financial year are:

Dr Robert Weatherby	
Joan Davies	
Tim Limbert	
Tracey Horden	
Ian McKay	
John Mundy	
Ian Murray	
Fr Matthew Smedley	
Kara Susan Goodsell	(appointed 18 September 2015)
Andrew Alexander Lockhart	(appointed 18 September 2015)
Rosemary Warnock	(appointed 2 November 2015)
Paul Heylon	(resigned 20 August 2015)

OBJECTIVES

The objectives of The Buttery Limited are

- to assist in combating social problems;
- to support people in crisis and develop them in life coping skills;
- to provide short and long term accommodation for people in need;
- to provide accommodation and rehabilitation for people with problems related to the abuse of drugs and alcohol;
- to provide and foster a therapeutic community;
- to encourage and provide for the development in the therapeutic community of Christian values;
- to facilitate learning and provide for development of peoples' skills and abilities;
- to provide community activities in and around the Binna Burra area; and
- to promote and assist informed participation of the general community in the consideration of social issues.

The Buttery Limited has developed various programs to assist in achieving the above objectives.

PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the financial year were to promote and demonstrate that addiction is not a consequence of choice, but recovery is, to assist people to find their way out of active addiction by discovering their own self worth, strengths and place in society and to foster community awareness, education and participation in the reduction of harm in society caused by addiction.

THE BUTTERY LIMITED
DIRECTORS REPORT

The Buttery has operated a range of programs helping people who have an addiction to drugs, alcohol or gambling.

MEASUREMENT OF PERFORMANCE

The Buttery Limited measures its fiduciary performance by reviewing income and expenditure statements and monitoring ongoing cash flow.

DIRECTORS' PARTICULARS

The qualifications, experience and special responsibilities of the company's Directors are as follows:

Name	Qualifications	Experience	Special Responsibilities
Dr Robert Weatherby	Professor	The Buttery Limited Board Member 8 years	Chairperson
Joan Davies	Retired	The Buttery Limited Board Member 8 years	Deputy Chairperson
Tim Limbert	Accountant	The Buttery Limited Board Member 8 years	Treasurer
Tracey Horden	Journalist	The Buttery Limited Board Member 5 years	
Ian McKay	Solicitor	The Buttery Limited Board Member 2 years	
John Mundy	CEO	The Buttery Limited Board Member 2 years	
Ian Murray	Retired Mental Health Worker	The Buttery Limited Board Member 4 years	
Fr Matthew Smedley	Rector Anglican Parish of Bangalow	The Buttery Limited Board Member 3 years	
Kara Susan Goodsell	Lawyer	The Buttery Limited Board Member 1 year	
Andrew Lockhart	Banker	The Buttery Limited Board Member 1 year	
Rosemary Warnock	Business Consultant	The Buttery Limited Board Member 1 year	

THE BUTTERY LIMITED
DIRECTORS REPORT

MEETINGS OF DIRECTORS

The number of meetings attended and the number of meetings held during each term of office are:

	Number Eligible to Attend	Number Attended
Dr Robert Weatherby	11	11
Joan Davies	8	7
Tim Limbert	11	9
Tracey Horden	11	2
Ian McKay	11	11
John Mundy	11	10
Ian Murray	11	8
Fr Matthew Smedley	11	9
Kara Susan Goodsell	6	6
Andrew Alexander Lockhart	10	8
Rosemary Warnock	7	5
Paul Heylon	2	0

MEMBERS LIABILITY

If the company is wound up, the constitution states that each member of the company is liable to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2016 the maximum amount that members of the company would be liable to contribute if the company is wound up \$110.

AUDITOR'S INDEPENDENCE DECLARATION

The Directors received an independence declaration from the auditor of The Buttery Limited. A copy of the independence declaration is attached on the page immediately following this report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



DR R WEATHERBY - Chairperson



T LIMBERT - Treasurer

Dated at Bangalow - 19 September 2016

19 September 2016

The Board of Directors
The Buttery Limited
PO Box 42
BANGALOW NSW 2479

**REGISTERED
COMPANY
AUDITORS**

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA, Dip FP

SI Trustum
BBus, CA, Dip, FP

TL Kirkland
BBus, CA

**SMSF
AUDITORS**

GJ Smith
BBus, LLB, CA, Dip FP

SI Trustum
BBus, CA Dip, FP

T Bazzana
BBus, CA Dip, FP

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of The Buttery Limited for the year ended 30 June 2016 and in accordance with the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

We declare that, to the best of our knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to this audit; and
- No contraventions of any applicable Code of Professional Conduct in relation to this audit.

Yours faithfully,

WCA audit & assurance services pty ltd
Authorised Audit Company



Tania L Kirkland
Director

Lismore Office
158 Molesworth St
PO Box 198
Lismore NSW 2480
† 02 6621 2551

Ballina Office
2/37-41 Cherry St
Ballina NSW 2418
† 02 6686 5655

f 02 6621 9740
e admin@wca.com.au
w www.wca.com.au

THE BUTTERY LIMITED
A.C.N. 130 812 994
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenues from ordinary activities	(3)	3,844,819	3,841,940
Depreciation expense	(4)	(145,173)	(155,689)
Employee benefits expense	(4)	(2,736,401)	(2,613,312)
Finance costs expense	(4)	(7,664)	(1,325)
Rent payments expense	(4)	(84,203)	(82,962)
Other expenses	(4)	(822,762)	(774,616)
		-----	-----
Profit/(Loss) from ordinary activities before income tax expense		48,616	214,036
Income tax expense relating to ordinary activities	(1)	-	-
		-----	-----
Profit/(Loss) from ordinary activities after income tax expense		48,616	214,036
		-----	-----
Other Comprehensive Income			
Net gain on revaluation of land and buildings		-	-
		-----	-----
Total Comprehensive Income		48,616	214,036
		-----	-----

To be read in conjunction with attached notes.

THE BUTTERY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash & Cash Equivalents	(5)	2,752,336	1,856,326
Trade & Other Receivables	(6)	15,240	900
Other Assets	(7)	11,953	11,894
		-----	-----
TOTAL CURRENT ASSETS		2,779,539	1,869,120
		-----	-----
NON-CURRENT ASSETS			
Property, Plant & Equipment	(8)	1,481,385	2,417,969
		-----	-----
TOTAL NON-CURRENT ASSETS		1,481,385	2,417,969
		-----	-----
TOTAL ASSETS		4,260,914	4,287,089
		-----	-----
CURRENT LIABILITIES			
Trade & Other Payables	(9)	157,855	175,321
Provisions	(10)	276,634	255,797
Financial Liabilities	(11)	4,962	16,458
Other Liabilities	(12)	19,681	95,860
		-----	-----
TOTAL CURRENT LIABILITIES		459,132	543,436
		-----	-----
NON-CURRENT LIABILITIES			
Provisions	(10)	100,913	91,400
		-----	-----
TOTAL NON-CURRENT LIABILITIES		100,913	91,400
		-----	-----
TOTAL LIABILITIES		560,045	634,836
		-----	-----
NET ASSETS		3,700,869	3,652,253
		=====	=====
EQUITY			
Retained Profits	(13)	3,665,378	3,616,762
Asset Revaluation Reserve	(14)	35,491	35,491
		-----	-----
TOTAL EQUITY		3,700,869	3,652,253
		=====	=====

To be read in conjunction with attached notes.

THE BUTTERY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		3,857,653	4,125,782
Cash payments in the course of operations		(3,906,562)	(3,773,402)
Interest received		34,655	47,736
Interest paid		-	(1,325)
		-----	-----
Net cash provided by (used in) operating activities	(17ii)	(14,254)	398,791
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of property, plant and equipment		921,100	-
Payments for property, plant and equipment		-	(54,770)
		-----	-----
Net cash used in investing activities		921,100	(54,770)
		-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(10,836)	(20,269)
		-----	-----
Net cash used in financing activities		(10,836)	(20,269)
		-----	-----
TOTAL NET INCREASE IN CASH HELD		896,010	323,752
		-----	-----
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		1,856,326	1,532,574
		-----	-----
CASH AT THE END OF THE FINANCIAL YEAR	(17i)	2,752,336	1,856,326
		=====	=====

To be read in conjunction with attached notes.

THE BUTTERY LIMITED
STATEMENT OF RECOGNISED INCOME & EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Total equity at the beginning of the financial year		3,652,253	3,438,217
Net profit/(loss) for the financial year	(13)	48,616	214,036
Net Gain in Asset Value for the year	(14)	-	-
Total equity at the end of the financial year		3,700,869	3,652,253

To be read in conjunction with attached notes.

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs).

Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

Critical Accounting Estimates

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

(b) Receivables & Revenue Recognition

Trade debtors are recognised at the amount receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where the collection of the full amount of the debt is no longer probable.

Revenue is measured as the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and discounts given. Grants from the government are recognised when the company gains control of the funds and are brought to account as income when the service requirements under the relevant funding agreements are met.

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(c) Impairment of Assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use which is based on the depreciated replacement cost of the asset.

(d) Cash & Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are disclosed within current liabilities on the balance sheet.

(e) Investments & Other Financial Assets

The company classifies its investments in the following categories: loans and receivables and available-for-sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

- *Loans and Receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets as receivables in the balance sheet (note 6).

- *Available-for-sale financial assets*

Are non-derivative financial assets that are either designated as available-for-sale or are not classified as financial assets at fair value through profit and loss, held-to-maturity investments or loans and receivables.

Available-for-sale financial assets are carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Movements in the fair value of available for-sale financial assets are recorded in the available-for-sale reserve.

(f) Property, Plant & Equipment

Property, plant and equipment are carried at cost, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of depreciated replacement cost.

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Depreciation is provided on plant and equipment so as to write off the assets progressively over their estimated remaining useful lives from the time the asset is held ready for use.

Both the prime cost method and diminishing value method of calculating depreciation are applied to property, plant and equipment as they are considered most appropriate in the circumstances.

The following table indicates the typical rates of depreciation used for property, plant and equipment and on which depreciation charges are based:

Buildings	- 2.5% Prime Cost
Plant & Equipment	- 5 to 20% Prime Cost
Motor Vehicles	- 20 to 25% Prime Cost

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(g) Employee Benefits

Short-Term Employee Benefits

Liabilities for wages and salaries, annual leave and sick leave that are expected to be paid within 12 months of the reporting date are recognised in respect of employee service up to the reporting date, and are measured at the amounts expected to be paid on settlement.

Long Service Leave

Liability for long service leave is recognised based upon employee service up to the reporting date. It is measured at the present value of expected future payments relating to past service.

Superannuation

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(h) Trade & Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(i) **Income Tax**

The company has been granted exemption from income tax under the Income Tax Assessment Act.

(j) **Other Liabilities**

These amounts represent grant funding that has been received in advance of the period to which it relates. Grant income is brought to account when the company gains control of the revenue in accordance with the conditions of the funding agreement.

(k) **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(l) **Goods & 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 Taxation 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 statement of financial position are shown inclusive of GST.

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. The new accounting standards are not expected to have a material effect on the company's financial statements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates & Judgements

The committee evaluate estimates and judgements incorporated in the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the company.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	\$	\$
3. REVENUES FROM ORDINARY ACTIVITIES		
Fees Received from Residents	436,824	564,963
Fundraising Income	411,830	304,295
Grants Received	2,757,105	2,807,371
Interest Received	34,655	40,053
Other Income	50,910	89,427
Profit on Sale of Non-Current Assets	129,689	-
Rent Received	23,806	35,831
	-----	-----
	3,844,819	3,841,940
	-----	-----
4. EXPENSES FROM ORDINARY ACTIVITIES		
Auditors' Remuneration		
- Audit of Financial Statements	17,365	18,000
Clinical Consultants	8,585	27,149
Depreciation Expenses	145,173	155,689
Employee Benefits Expenses	2,736,401	2,613,312
Food Supplies	116,715	121,390
Finance Costs Expenses	7,664	1,325
Insurance Expenses	113,326	93,213
Motor Vehicle Expenses	49,141	60,041
Other Expenses	420,905	364,503
Rent Payments Expenses	84,203	82,962
Repairs & Maintenance Expenses	96,725	90,320
	-----	-----
	3,796,203	3,627,904
	-----	-----
5. CASH & CASH EQUIVALENTS		
Cash on Hand	1,000	1,000
Cash at Bank	2,751,336	1,855,326
	2,752,336	1,856,326
	=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2016 \$	2015 \$
6. TRADE & OTHER RECEIVABLES		
Trade Debtors	15,240	900
	-----	-----
	15,240	900
	=====	=====
7. OTHER ASSETS		
Current		
Prepayments	11,954	11,894
	-----	-----
	11,954	11,894
	=====	=====
8. PROPERTY, PLANT & EQUIPMENT		
Land at Valuation	300,000	811,000
Buildings at Valuation	1,100,000	1,100,000
Additions at Cost	199,521	199,521
Accumulated Depreciation	(234,038)	(184,960)
	-----	-----
	1,365,483	1,925,561
	-----	-----
Leasehold Improvements	36,733	36,733
Accumulated Depreciation	(17,048)	(12,554)
	-----	-----
	19,685	24,179
	-----	-----
Plant & Equipment at Cost	411,450	411,450
Accumulated Depreciation	(348,912)	(318,244)
	-----	-----
	62,538	93,206
	-----	-----
Motor Vehicles at Cost	378,356	378,356
Accumulated Depreciation	(344,677)	(283,745)
	-----	-----
	33,679	94,611
	-----	-----
WIP - Help Build a Better BATTERY	-	280,412
	-----	-----
	1,481,384	2,417,969
	=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

a) Movement in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

	Land, Buildings & Leasehold Improvements \$	Plant & Equipment \$	Motor Vehicles \$	Work In Progress \$	Total \$
Balance at beginning of year	1,949,740	93,206	94,611	280,412	2,417,969
Additions	-	-	-	-	-
Disposals	(511,000)	-	-	(280,412)	(791,412)
Revaluations	(53,573)	(30,668)	(60,933)	-	(145,173)
Depreciation					
Carrying Amount at the end of the year	1,385,168	62,538	33,678	-	1,481,384

An independent valuation of The Buttery site was performed by Taylor Byrne Valuers and Property Consultants on 23 February 2011 and a value of \$1,400,000 was adopted based on a depreciated replacement cost basis. The Dudgeons Lane property value is based on the latest Valuer General valuation at 30 June 2010 for \$511,000. The Dudgeons Lane property was sold in December 2015.

	2016 \$	2015 \$
9. TRADE & OTHER PAYABLES		
Unsecured Liabilities		
Accrued Expenses	131,051	147,800
GST Payable	26,679	26,547
Residents Fundraising	125	974
	-----	-----
	157,855	175,321
	=====	=====
10. PROVISIONS		
Current		
Provision for Annual Leave	154,438	134,604
Provision for Long Service Leave	45,435	45,941
Provision for Unloaded Leave	76,761	75,252
	-----	-----
	276,634	255,797
Non-Current		
Provision for Long Service Leave	100,913	91,400
	-----	-----
	377,547	347,197
	=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	\$	\$
The movement in Provision for Employee Benefits during the year was as follows:		
Opening Balance	347,197	397,068
For Amounts Provided	279,888	46,222
Less Leave Paid Out	(249,539)	(96,093)
	-----	-----
Closing Balance	377,547	347,197
	=====	=====

11. FINANCIAL LIABILITIES

Secured Liabilities

Current

Credit Cards – NAB	4,962	5,622
Chattel Mortgage – NAB	-	10,836
	-----	-----
	4,962	16,458
	=====	=====

12. OTHER LIABILITIES

Money Owed to Residents	19,681	12,401
Grants Received in Advance	-	83,459
	-----	-----
	19,681	95,860
	=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	\$	\$
13. RETAINED PROFITS		
Retained Profits at the beginning of the financial year	3,616,762	3,402,726
Net Profit/(Loss)	48,616	214,036
	-----	-----
Retained Profits at the end of the financial year	3 665 378	3 616 762
	=====	=====
14. ASSET REVALUATION RESERVE		
Reserve at the beginning of the financial year	35,491	35,491
Net Gain for the year	-	-
	-----	-----
Reserve at the end of the financial year	35,491	35,491
	=====	=====

15. COMPANY DETAILS

The principal place of business of the company is Binna Burra.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

Directors

Dr Robert Weatherby

Joan Davies

Tim Limbert

Tracey Horden

Ian McKay

John Mundy

Ian Murray

Fr Matthew Smedley

Kara Susan Goodsell

Andrew Alexander Lockhart

Rosemary Warnock

Paul Heylon

(appointed 18 September 2015)

(appointed 18 September 2015)

(appointed 2 November 2015)

(resigned 20 August 2015)

Company Secretary

Margaret Weatherby

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	\$	\$
Other Key Management Personnel		
Zac Dawkins (Finance Officer)		
Key Management Personnel Compensation		
Short Term Benefits	209,809	195,184
Post Employment Benefits	19,667	18,373
Termination Benefits	-	138,252

Other Related Party Transactions

From time to time board members of the company, or board member-related entities, may purchase/supply goods or services from/to the company. These purchases/supplies are on the same terms and conditions as those entered into by other company employees, customers or suppliers.

17. NOTES TO THE CASH FLOW STATEMENT

(i) RECONCILIATION OF CASH

For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

		2016	2015
		\$	\$
Cash on Hand	(5)	1,000	1,000
Cash at Bank	(5)	2,751,336	1,855,326
		-----	-----
		2,752,336	1,856,326
		=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	\$	\$
(ii) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING PROFIT/(LOSS) AFTER INCOME TAX		
Operating Profit/(Loss) after income tax	48,616	214,036
Add/(Less) Non-Cash Items:		
Amounts set aside to Provisions	30,350	46,222
Depreciation	145,173	155,689
(Profit)/Loss on Sale of Non-Current Assets	(129,689)	-
	-----	-----
Net Cash provided by Operating Activities before changes in Assets and Liabilities	94,450	415,947
Changes in Assets & Liabilities:		
(Increase)/Decrease in Other Assets	(59)	(429)
(Increase)/Decrease in Receivables	(14,340)	12,517
(Decrease)/Increase in Payables	(17,466)	28,975
(Decrease)/Increase in Other Liabilities	(76,839)	37,874
Provisions paid out	-	(96,093)
	-----	-----
Net Cash Provided by Operating Activities	(14,254)	398,791
	=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

18. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The company has exposure to the following risks from its use of financial instruments:

(i) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

Trade & Other Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company has a diverse range of customers and therefore there is no significant concentration of credit risk, either by nature of industry or geography.

(ii) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

The company has liquidity risk management policies, which assist in monitoring cash flow requirements. Typically the company ensures it has sufficient cash on demand to meet expected operational expenses and commitments for a period of 3 months. Cash on demand is defined as cash held or unutilised borrowing facilities.

(iii) Market Risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect the company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rate.

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(b) Credit Risk

Exposure to Credit Risk

The carrying amount of the company's financial assets represents the maximum credit exposure. The company's maximum exposure to credit risk at the reporting date was:

	2016	2015
	\$	\$
Cash at Bank	2,751,336	1,855,326
Trade Debtors	15,240	900
	-----	-----
	2,766,576	1,856,226
	=====	=====

(c) Liquidity Risk

The following are the contractual maturities of financial liabilities:

	2016	2015
	\$	\$
Trade Creditors	157,855	175,321
Credit Cards - NAB	4,962	5,622
Chattel Mortgage - NAB	-	10,836
	-----	-----
	162,817	191,779
	=====	=====
Trade Creditors		
- payable 0 to 30 days	157,855	175,321
Credit Cards - NAB		
- payable 0 to 30 days	4,962	5,622
Hire Purchase Liability		
- payable 0 to 1 year	-	10,836
- payable 1 to 2 years	-	-
- payable 2 to 3 years	-	-

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2016	2015
	\$	\$

(d) Interest Rate Risk

At 30 June 2016 if interest rates had been 1% higher, profit and equity would have been \$27,463 higher (2015 - \$18,609 higher). At 30 June 2016 if interest rates had been 1% lower, profit and equity would have been \$27,463 lower (2015 - \$18,609 lower).

19. LOAN FACILITIES

The company has an asset finance lease agreement with NAB of \$100,000.

Asset Finance Lease Agreement	100,000	100,000
Leases	-	(10,837)
	-----	-----
Unused Credit Facility Limit	100,000	89,163
	=====	=====

The company has an overdraft facility with NAB of \$60,000.

Overdraft Limit	60,000	60,000
Bank Overdraft	(30,313)	(14,523)
	-----	-----
Unused Credit Facility Limit	29,687	45,477
	=====	=====

The company has a business lending facility with NAB of \$10,000.

Business Cards Limited	10,000	10,000
Credit Cards	(4,962)	(5,622)
	-----	-----
Unused Credit Facility Limit	5,038	4,378
	=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

20. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no events that have occurred after the balance sheet date which require adjustment or disclosure in the financial statements.

The Board of Directors of the company have authorised the issue of this financial report on 19 September 2016.

21. COMMITMENTS FOR EXPENDITURE

	2016	2015
	\$	\$
a) Operating Lease Commitments - Office Lease		
payable - 0 to1 year	60,809	34,719
payable - 1 to 5 years	26,362	39,520
	-----	-----
	87,171	74,239
	=====	=====
b) Finance Lease Commitments		
payable - 0 to1 year	-	11,064
payable - 1 to 5 years	-	-
	-----	-----
Minimum Lease Payments	-	11,064
Less Future Finance Charges	-	(228)
	-----	-----
		10,836
	=====	=====

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

22. APPLICATION OF FUNDS FOR CHARITABLE PURPOSES

(i) Details of net fundraising income

During the year ended 30 June 2016 the company made a profit from fundraising of \$316,464.

Forms of Fundraising

Fundraising appeals conducted during the financial year consisted of:

- Help Build a Better Buttery
- Raffles & Other Fundraising Events

	2016	2015
	\$	\$
INCOME		
Fundraising Income	410,630	303,103
	<u>410,630</u>	<u>303,103</u>
EXPENSES		
Fundraising Expenses	94,166	109,122
	<u>94,166</u>	<u>109,122</u>
NET SURPLUS/(DEFICIT)	316,464	193,981
	<u><u>316,464</u></u>	<u><u>193,981</u></u>

THE BUTTERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(ii) Comparison of Figures


Comparison by monetary figures and percentages

	2016	2016	2015	2015
	\$	%	\$	%
Total cost of fundraising/ Gross income from fundraising	94,166/410,630	22.93	109,122/303,103	36.00
Net surplus from fundraising/ Gross income from fundraising	316,464/410,630	77.07	193,981/303,103	63.99
Total cost of services/ Total expenditure	94,166/3,796,203	2.48	109,122/3,627,904	3.01
Total cost of services/ Total income received	94,166/3,844,819	2.45	109,122/3,841,940	2.84

DECLARATION BY CHAIRPERSON IN RESPECT OF FUNDRAISING APPEALS

I, Dr R Weatherby, Chairperson of The Buttery Limited, declare that in my opinion:

- a) the accounts give a true and fair view of all income and expenditure of The Buttery Limited with respect to fundraising appeals;
- b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals;
- c) the provisions of the Charitable Fundraising Act and the regulations under that Act and the conditions attached to the authority have been complied with; and
- d) the internal controls exercised by The Buttery Limited are appropriate and effective in accounting for all income received.



Dr R Weatherby (Chairperson)

Dated at Bangalow -19 September 2016

THE BUTTERY LIMITED
A.C.N. 130 812 994
DIRECTORS DECLARATION


In the opinion of the Directors of the company:-

- a) the financial statements and notes for the financial year ended 30 June 2016 comply with the accounting standards; and
- b) the financial statements and notes for the financial year ended 30 June 2016 give a true and fair view of the financial position and performance of the company; and
- c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- d) the financial statements and notes for the financial year ended 30 June 2016 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



DR R WEATHERBY - Chairperson



T LIMBERT - Treasurer

Dated at Bangalow - 19 September 2016

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE BUTTERY LIMITED
A.C.N. 130 812 994

**REGISTERED
COMPANY
AUDITORS**

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA, Dp FP

SI Trustum
BBus, CA, Dp, FP

TL Kirkland
BBus, CA

**SMSF
AUDITORS**

GJSmith
BBus, LLB, CA, Dp FP

SI Trustum
BBus, CA Dip. FP

T Bazzana
BBus, CA Dip. FP

Report on the Financial Report

We have audited the accompanying financial report of The Buttery Limited, which comprises the balance sheet at 30 June 2016, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These 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 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 entity's preparation and fair presentation of the financial report in order to design 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 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.

Lismore Office
158 Molesworth St
PO Box 198
Lismore NSW 2480
† 02 6621 2551

Ballina Office
2/37-41 Cherry St
Ballina NSW 2418
† 02 6686 5655

† 02 6621 9740

e admin@wca.com.au

w www.wca.com.au

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
THE BUTTERY LIMITED
A.C.N. 130 812 994

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Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's Opinion

In our opinion, the financial report of The Buttery Limited is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- giving a true and fair view of The Buttery Limited's financial position as at 30 June 2016 and of its performance for the year ended on that date, and
- complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013.

Report on Requirements of Charitable Fundraising Act

The requirements of the Charitable Fundraising Act and the regulations regarding the proper keeping of accounts and associated records and the accounting for an application of money received as a result of fundraising appeals conducted during the year have been complied with.

WCA audit & assurance services Pty Ltd
Authorised Audit Company



Tania L Kirkland
Director

DATE: 19 September 2016

Lismore Office
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