

Example Not-For-Profit Incorporated
ABN 12 345 678 901

Financial Statements - 30 June 2007

Example Not-For-Profit Incorporated
Income statement
For the year ended 30 June 2007

	2007	2006
	\$	\$
Add: Income		
Bequests	15,000	40,000
Donations	439,837	420,476
Events	15,832	14,904
Fundraising	49,782	34,820
Grants	78,000	60,000
Raffles	38,273	56,871
Sponsorships	41,200	22,500
Interest received	1,242	763
Other revenue	102	88
	<u>679,268</u>	<u>650,422</u>
Less: Expenses		
Accounting fees	648	600
Advertising and promotion	12,983	15,702
Auditors fees	1,200	1,050
Bank charges - general	192	184
Bank charges - merchant fees	9,820	9,561
Cleaning	2,140	2,030
Community programs	197,673	165,323
Computer expenses	978	568
Depreciation	36,335	33,522
Education	103,749	109,664
Electricity	3,652	3,560
Events expenses	12,583	11,927
Fundraising expenses	6,352	5,377
General expenses	1,287	1,476
Insurance	2,565	2,409
Legal costs	920	1,450
Market research	12,905	7,300
Meeting costs	4,531	4,983
Motor vehicle expenses	5,645	912
Newsletters	56,351	51,237
Pest control	290	275
Postage	16,029	14,849
Printing and stationary	4,578	7,605
Raffle expenses	17,352	25,372
Rates	4,621	4,416
Repairs and maintenance	2,736	3,011
Salaries and wages	132,847	128,795
Security	574	540
Staff amenities	6,463	6,094
Superannuation	11,956	11,592
Telephone	1,549	1,465
Website costs	1,838	1,771
Workers compensation insurance	1,898	1,672
	<u>675,240</u>	<u>636,292</u>
Net surplus	<u>4,028</u>	<u>14,130</u>

Example Not-For-Profit Incorporated
Balance sheet
As at 30 June 2007

	Note	2007 \$	2006 \$
Current assets			
Cash and cash equivalents	2	57,425	30,847
Trade and other receivables	3	10,590	5,914
Other	4	10,543	16,992
Total current assets		<u>78,558</u>	<u>53,753</u>
Non-current assets			
Property, plant and equipment	5	396,754	424,148
Intangibles	6	4,530	4,530
Total non-current assets		<u>401,284</u>	<u>428,678</u>
Total assets		<u>479,842</u>	<u>482,431</u>
Current liabilities			
Trade and other payables	7	19,055	32,772
Provisions	8	19,414	16,609
Other	9	20,651	16,356
Total current liabilities		<u>59,120</u>	<u>65,737</u>
Total liabilities		<u>59,120</u>	<u>65,737</u>
Net assets		<u>420,722</u>	<u>416,694</u>
Equity			
Reserves	10	38,743	38,743
Retained surpluses	11	381,979	377,951
Total equity		<u>420,722</u>	<u>416,694</u>

Example Not-For-Profit Incorporated
Notes to the financial statements
30 June 2007

Note 1. Significant accounting policies

Basis of accounting

In the Officers' opinion, the Incorporated Association is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the purposes of complying with the New South Wales legislation Associations Incorporation Act 1984, the Charitable Fundraising Act 1991 and associated regulations. The Officers have determined that the accounting policies adopted are appropriate to meet the needs of the users.

The financial report has been prepared in accordance with applicable Accounting Standards and Urgent Issues Group Consensus Views with the exception of the disclosure requirements in the following:

AASB 7	Financial Instruments: Disclosures
AASB 107	Cash Flow Statements
AASB 110	Events after the Balance Sheet Date
AASB 114	Segment Reporting
AASB 117	Leases
AASB 119	Employee Benefits
AASB 124	Related Party Disclosures
AASB 132	Financial Instruments: Presentation
AASB 139	Financial Instruments: Recognition and Measurement

In the opinion of the Officers, compliance with these standards would have placed unreasonable burden upon the Incorporated Association for a comparably minor benefit.

The financial report is prepared in accordance with the historical cost convention and do not take into account changing monetary values. The accrual and going concern basis have been adopted. Comparative information is reclassified where appropriate to enhance comparability.

The following is a summary of the significant accounting policies adopted in the preparation of these financial statements. Unless otherwise stated, these accounting policies are consistent with those of the previous year.

Income tax

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

Acquisition of assets

The cost method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Revenue recognition

Donations are recognised at the time the pledge is made.

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

Grants and subsidies are recognised as income over the period to which they relate.

Depreciation of property, plant and equipment

Depreciation is calculated on a straight line and diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Example Not-For-Profit Incorporated
Notes to the financial statements
30 June 2007

Intangible assets

Formation costs

Costs in relation to the formation of the entity are capitalised as an asset. These costs are not subsequently amortised.

Trade and 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.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in BAS receivable or BAS payable.

Rounding of amounts

Amounts in the financial report have been rounded off to the nearest dollar.

Note 2. Current assets - cash and cash equivalents

	2007	2006
	\$	\$
Cash on hand	2,000	1,500
Cash at bank	5,425	9,347
Cash on deposit	50,000	20,000
	<u>57,425</u>	<u>30,847</u>

Note 3. Current assets - trade and other receivables

	2007	2006
	\$	\$
Other receivables	6,763	5,914
BAS receivable	3,827	-
	<u>10,590</u>	<u>5,914</u>

Note 4. Current assets - other

	2007	2006
	\$	\$
Accrued income	7,376	12,098
Prepayments - insurance	634	602
Deferred expenses	2,083	3,842
Security deposits	450	450
	<u>10,543</u>	<u>16,992</u>

Example Not-For-Profit Incorporated
Notes to the financial statements
30 June 2007

Note 5. Non-current assets - property, plant and equipment

	2007	2006
	\$	\$
Land and buildings - at cost	293,215	293,215
Less: Accumulated depreciation	<u>(13,553)</u>	<u>(12,038)</u>
	<u>279,662</u>	<u>281,177</u>
Freehold improvements - at cost	32,934	32,934
Less: Accumulated depreciation	<u>(20,283)</u>	<u>(18,263)</u>
	<u>12,651</u>	<u>14,671</u>
Plant and equipment - at cost	116,628	112,378
Less: Accumulated depreciation	<u>(57,472)</u>	<u>(35,833)</u>
	<u>59,156</u>	<u>76,545</u>
Motor vehicles - at cost	38,720	38,720
Less: Accumulated depreciation	<u>(6,723)</u>	<u>(1,293)</u>
	<u>31,997</u>	<u>37,427</u>
Office equipment - at cost	23,894	19,203
Less: Accumulated depreciation	<u>(10,606)</u>	<u>(4,875)</u>
	<u>13,288</u>	<u>14,328</u>
	<u>396,754</u>	<u>424,148</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	424,148	417,410
Additions	8,941	40,260
Depreciation expense	<u>(36,335)</u>	<u>(33,522)</u>
Closing fair value	<u>396,754</u>	<u>424,148</u>

Note 6. Non-current assets - intangibles

	2007	2006
	\$	\$
Formation costs	<u>4,530</u>	<u>4,530</u>
	<u>4,530</u>	<u>4,530</u>

Example Not-For-Profit Incorporated
Notes to the financial statements
30 June 2007

Note 7. Current liabilities - trade and other payables

	2007	2006
	\$	\$
Trade payables	18,663	23,784
BAS payable	-	8,392
Other payables	392	596
	<u>19,055</u>	<u>32,772</u>

Note 8. Current liabilities - provisions

	2007	2006
	\$	\$
Provisions - annual leave	6,352	5,794
Provisions - repairs and maintenance	12,060	9,720
Provisions - superannuation	920	892
Provisions - workers compensation	82	203
	<u>19,414</u>	<u>16,609</u>

Note 9. Current liabilities - other

	2007	2006
	\$	\$
Accrued expenses	5,651	7,356
Subsidies and grants received in advance	15,000	9,000
	<u>20,651</u>	<u>16,356</u>

Note 10. Equity - reserves

	2007	2006
	\$	\$
Other reserves	<u>38,743</u>	<u>38,743</u>

Note 11. Equity - retained surpluses

	2007	2006
	\$	\$
Retained surpluses at the beginning of the financial year	377,951	363,821
Net surplus	<u>4,028</u>	<u>14,130</u>
Retained surpluses at the end of the financial year	<u>381,979</u>	<u>377,951</u>

Example Not-For-Profit Incorporated

Independent auditor's report to the members of Example Not-For-Profit Incorporated

Report on the financial report

We have audited the accompanying special purpose financial report of Example Not-For-Profit Incorporated (the Incorporated Association), which comprises the balance sheet as at 30 June 2007 and the income statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Officers' declaration.

Officers' responsibility for the financial report

The Officers of the Incorporated Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). 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 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 Officers, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Officers or management.

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

