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Theatre Kimberley (Inc.)

Audited Financial Statements

For The Year Ended 31 December 2014

Theatre Kimberley (Inc.)
ABN 98 931 091 610

Special Purpose Financial Report
Year ended 31 December 2014

Theatre Kimberley (Inc.)

Statement of operations Year ended 31 December 2014

	Note	2014 \$	2013 \$
Operating revenue	2	151,092	92,689
Grant income	3	192,452	235,375
Other income	4	131,108	114,822
Production costs		(56,613)	(53,968)
Operating costs		(89,542)	(69,835)
Depreciation	7	(14,540)	(12,610)
Employee costs		(121,034)	(105,379)
Professional fees		(181,642)	(173,117)
Surplus from operations		11,280	27,977

To be read in conjunction with the accompanying notes.

Theatre Kimberley (Inc.)

Statement of financial position As at 31 December 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	5	46,535	118,420
Trade and other receivables	6	<u>34,427</u>	<u>28,688</u>
		<u>80,962</u>	<u>147,108</u>
Non-current assets			
Property, plant and equipment	7	<u>59,685</u>	<u>52,066</u>
Total assets		<u>140,647</u>	<u>199,174</u>
Current liabilities			
Trade and other payables	8	50,424	60,569
Provision for employee entitlements		6,750	4,459
Unexpended contributions		-	61,952
		<u>57,174</u>	<u>126,980</u>
Total liabilities		<u>57,174</u>	<u>126,980</u>
Net assets		<u>83,474</u>	<u>72,194</u>
Equity			
Accumulated surplus		<u>83,474</u>	<u>72,194</u>
Total equity		<u>83,474</u>	<u>72,194</u>

To be read in conjunction with the accompanying notes.

Theatre Kimberley (Inc.)

Statement of changes in equity Year ended 31 December 2014

	2014	2013
	\$	\$
Accumulated surplus		
Balance at 1 January	72,194	44,216
Operating surplus attributable to the entity	11,280	27,977
Balance at 31 December	<u>83,474</u>	<u>72,194</u>

To be read in conjunction with the accompanying notes.

Theatre Kimberley (Inc.)

Notes to the financial statements Year ended 31 December 2014

1 Statement of significant accounting policies

1.1 Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Western Australia). The Committee has determined that the Association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical cost and except where stated, do not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and amounts are rounded to the nearest dollar.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The continued viability of the Association is dependent upon continued grant funding, sponsorships or contributions by members.

1.3 Revenue recognition

Revenue is recognised when the substantial risks and rewards of ownership have passed to the association.

Interest

Interest revenue is recognised on an accrual basis, taking into account the effective yield on the financial asset, which for floating rate financial assets is the rate inherent in the instrument.

Grants, sponsorships and donations

Grants, sponsorships and donations are recognised as revenue when control over the assets comprising the contribution is obtained. Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged at the reporting date, the revenue will be deferred and the nature of and amounts pertaining to those undischarged conditions are disclosed as a liability - Unexpended contributions.

1.4 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Theatre Kimberley (Inc.)

Notes to the financial statements Year ended 31 December 2014

1.5 Taxation

The entity is not subject to income tax.

1.6 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in fair value and have a maturity of three months or less at the date of acquisition.

1.7 Trade and other receivables

Receivables are recognised at fair value less any provision for impairment and are generally receivable within 60 days. Collectability of receivables is assessed on an ongoing basis and a specific provision is made for any doubtful debts.

1.8 Property, plant and equipment

Property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Items of property, plant and equipment are depreciated on a diminishing value method over their estimated useful lives commencing from the time the asset is held ready for use.

	2014	2013
Depreciation rates used:	10% - 67%	10% - 67%

1.9 Impairment of Assets

At each reporting date, management reviews the carrying amounts of assets to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value-in-use, is compared to the assets carrying amount. Any impairment loss is recognised in profit or loss immediately. Where the asset does not generate cash flows that are independent from other assets, management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.10 Trade payables

Trade payables are recognised at the transaction price on the basis of normal credit terms and do not bear interest.

1.11 Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required .

Theatre Kimberley (Inc.)

Notes to the financial statements

Year ended 31 December 2014

	2014	2013
	\$	\$
2 Operating revenue		
Box office	37,794	21,369
Client fees	26,968	25,565
Class attendance fees	50,880	28,004
Fundraising income	35,450	17,751
	<u>151,092</u>	<u>92,689</u>
3 Government grants		
Department of Culture & the Arts - recurrent	61,952	49,000
Department of Culture & the Arts - Looking Forward	86,000	86,000
CANWA	11,500	15,000
Country Arts WA	33,000	10,000
Australia Council	-	30,375
Festival Australia	-	25,000
Regional Arts Fund	-	20,000
	<u>192,452</u>	<u>235,375</u>
4 Other income		
Interest received	2,383	2,585
Sponsorship	81,833	82,937
Philanthropy	25,000	25,000
Donations	20,753	3,787
Other income	1,139	513
	<u>131,108</u>	<u>114,822</u>
5 Cash and cash equivalents		
Cash at bank	46,535	118,420
	<u>46,535</u>	<u>118,420</u>
Funds subject to restrictions, which are shown as liabilities, represent grants received in the current and prior periods which were obtained on the condition that they be expended on specified purposes. Funds which as yet have not been expended in accordance with those conditions amount to:	<u>-</u>	<u>61,952</u>
6 Trade and other receivables		
Receivables	25,520	3,933
Other receivables	8,907	24,756
	<u>34,427</u>	<u>28,688</u>

Trade and other receivables are non interest bearing and are generally settled on terms of 30 days or payable on demand.

Theatre Kimberley (Inc.)

Notes to the financial statements Year ended 31 December 2014

	2014	2013
	\$	\$
7 Property plant and equipment		
Cost	99,655	77,496
Accumulated depreciation	<u>(39,970)</u>	<u>(25,430)</u>
	<u>59,685</u>	<u>52,066</u>
Reconciliation of the carrying amounts of property, plant and equipment:		
Carrying amount at beginning of year	52,066	26,332
Additions	22,159	38,344
Depreciation	<u>(14,540)</u>	<u>(12,610)</u>
Carrying amount at end of year	<u>59,685</u>	<u>52,066</u>
8 Trade and other payables		
Trade creditors	47,642	1,791
Other creditors and accruals	<u>2,783</u>	<u>58,778</u>
	<u>50,425</u>	<u>60,569</u>
9 Auditors' remuneration		
Audit services	<u>1,800</u>	<u>1,500</u>
	<u>1,800</u>	<u>1,500</u>

10 Events after the reporting period

No events subsequent to balance date have occurred that require disclosure in the financial statements.

11 Financial risk management

The Associations financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

Exposure and management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Association is exposed to minimal interest rate risk or rate fluctuation.

Credit risk

The maximum exposure to credit risk, is the carrying amount of financial assets, net of any provisions for impairment of those assets. At year end the Association does not have any material credit risk exposure to any single receivable.

Liquidity risk

The Association manages liquidity risk by monitoring forecast cash flows and by maintaining adequate reserves.

Theatre Kimberley (Inc.)

Board Members Declaration Year ended 31 December 2014

The members of the Board of Theatre Kimberley (Inc.) have 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 Board the accompanying financial statements and notes of the association for the year ended 31 December 2014

a) present fairly the financial position of the association as at 31 December 2014 and its performance for the year ended on that date and

b) at the date of this statement there are reasonable grounds to believe Theatre Kimberley (Inc.) will be able to meet its obligations as and when they become due.

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

Board member

Board member

Date:

Broome, Western Australia

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THEATRE KIMBERLEY (INC.)**

Scope

We have audited the attached financial statements for the year ended 31 December 2014. The Committee is responsible for the preparation and presentation of the financial statements and the information they contain and have determined that the basis of accounting used is appropriate to the needs of the members. We have conducted an independent audit of the financial statements in order to express an opinion to the members of the Association. No opinion is expressed as to whether the basis of accounting used is appropriate to their needs.

The financial statements have been prepared for the purpose of fulfilling the accountability requirements of the Association's own rules and regulations. We disclaim any assumption of responsibility for any reliance on this report or on the statements to which it relates, to any person other than the members or for any purpose other than that for which it was prepared.

Our examination has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the statements are presented fairly in accordance with the accounting policies described in note 1 to the financial statements.

The opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

1. the committee and the Association have complied with the obligations of the regulations and rules of the Association; and
2. the financial statements are based on proper accounts and records and are in agreement with those accounts and records.

BELL CHARTERED ACCOUNTANTS



SHANNON BELL
CHARTERED ACCOUNTANT

Dated this 27nd day of May 2015
Perth, Western Australia

