

FREE THE BEARS FUND (INC)
ABN 23 763 253 031

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

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FREE THE BEARS FUND (INC)
ABN 23 763 253 031

STATEMENT BY THE BOARD OF MANAGEMENT
FOR YEAR ENDED 30 JUNE 2018

The board of management has determined that Free The Bears Fund (Inc) (“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 of management, the special purpose financial report:

1. Presents fairly the financial position of the Association as at 30 June 2018 and its performance for the year then ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. The operations of the Association have been carried out in accordance with its Constitution Australian Charities, the Not-for-profits Commission Act 2012, Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA); and
3. At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

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

Mary Hutton (Chairperson)

Date

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREE THE BEARS FUND (INC)

Qualified Opinion

We have audited the financial report of Free the Bears Fund ("the Association"), which comprises the balance sheet as at 30 June 2018, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the board of management.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section, the financial report of the Association has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

Donations, bequests, sponsorship, fundraising, grants and volunteer programmes are a significant source of revenue for the Association. The Association has determined that it is impracticable to establish control over the collection of revenue from these sources prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to revenue from these sources, had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether revenue from these sources the Association recorded are complete.

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 Association in accordance with 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 qualified opinion.

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and its Constitution. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards as described in Note 1, the *Australian Charities and Not-for-profits Commission Act 2012* and the Constitution of the Association and for such internal control as management 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, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the requirements of the Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA)

Opinion

We have audited the financial report of the Association as required by the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section:

- (a) The financial report of the Association has been properly prepared, and the associated records have been properly kept for the year ended 30 June 2018, in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*; and
- (b) The Association received as a result of fundraising activities conducted during the year ended 30 June 2018 have been properly accounted for and applied in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising activities pursuant to the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*;

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

A handwritten signature of 'RSM' in black ink, written in a cursive style.

RSM AUSTRALIA PTY LTD

Perth, WA
Dated: 29 September 2018

TUTU PHONG
Director

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
SALES		
Sales	81,564	50,593
LESS COST OF GOODS SOLD		
Opening stock	46,878	52,141
Purchases	16,873	13,887
	<hr/> 63,751	<hr/> 66,028
Closing stock	(38,678)	(46,878)
TOTAL COST OF GOODS SOLD	<hr/> 25,073	<hr/> 19,150
GROSS PROFIT FROM TRADING	<hr/> <hr/> 56,491	<hr/> <hr/> 31,443

The accompanying notes form part of these financial statements

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
EXPENDITURE		
Advertising	1,826	1,733
Bank charges	5,532	7,511
Computer costs	2,590	1,700
Depreciation	6,155	7,694
Expo space hire	2,225	2,992
Fundraising costs	59,021	24,533
Office and general expenses	43,052	11,113
Insurance	7,152	4,518
Internet web expense	1,520	2,521
Overseas Sanctuary Expenditure		
- Cambodia (including Kouprey Express)	153,722	577,117
- Regional Programme	131,638	-
- India	356,719	202,535
- Laos	215,562	346,715
- Vietnam	106,752	66,232
- Vet Care Programme	50,111	38,316
- Veterinary Supplies	8,732	686
Sub-Total	<u>1,023,236</u>	<u>1,231,601</u>
Repairs and maintenance	1,027	14,123
Superannuation contributions	8,020	10,327
Telephone, stationery, postage and photocopying	6,056	26,493
Travelling expenses	-	4,749
Salaries	94,172	106,818
TOTAL EXPENDITURE	<u>1,261,584</u>	<u>1,458,426</u>
OTHER INCOME		
Donations	436,456	498,706
Bequests	45,571	672,085
Sponsorship	166,434	155,541
Fund raising	104,700	87,949
Grants	-	58,432
Volunteer programmes	48,865	40,874
Members' subscriptions	11,190	13,710
Interest received	759	2,550
Other	2,049	4,011
TOTAL OTHER INCOME	<u>816,024</u>	<u>1,533,858</u>
(Deficit)/surplus for the year	(389,069)	106,875
Accumulated surplus at the beginning of the year	200,627	93,752
Accumulated (deficit)/surplus at the end of the year	<u>(188,442)</u>	<u>200,627</u>

The accompanying notes form part of these financial statements

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

BALANCE SHEET
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	2	109,148	331,288
Trade and other receivables	3	7,010	58
Inventories	4	38,678	46,878
TOTAL CURRENT ASSETS		154,836	378,224
NON-CURRENT ASSETS			
Plant and equipment	5	24,622	30,777
TOTAL NON-CURRENT ASSETS		24,622	30,777
TOTAL ASSETS		179,458	409,001
CURRENT LIABILITIES			
Trade and other payables	6	358,621	202,091
Provisions	7	9,279	6,283
TOTAL CURRENT LIABILITIES		367,900	208,374
TOTAL LIABILITIES		367,900	208,374
NET (LIABILITIES)/ASSETS		(188,442)	200,627
MEMBERS' FUNDS			
Accumulated (deficit)/surplus		(188,442)	200,627
TOTAL MEMBERS' FUNDS		(188,442)	200,627

The accompanying notes form part of these financial statements

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Accumulated surplus at beginning of year	200,627	93,752
Net (deficit)/surplus for the year	<u>(389,069)</u>	<u>106,875</u>
Accumulated (deficit)/surplus at end of year	<u>(188,442)</u>	<u>200,627</u>

The accompanying notes form part of these financial statements

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		889,877	1,586,837
Overseas sanctuary expenditure		(887,022)	(1,302,276)
Payments to suppliers		(208,882)	(247,780)
Cost of goods sold		(16,872)	(13,887)
Interest received		759	2,550
		<hr/>	<hr/>
Net cash (outflow)/from operating activities	8(b)	<hr/> (222,140)	<hr/> 25,444
Cash flows from financing activities			
Payments for plant and equipment		<hr/> -	<hr/> -
Net cash from financing activities		<hr/> -	<hr/> -
Net movement in cash held		(222,140)	25,444
Cash at the beginning of the financial year		<hr/> 331,288	<hr/> 305,844
Cash at the end of the financial year	8(a)	<hr/> 109,148	<hr/> 331,288

The accompanying notes form part of these financial statements

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The board of management of Free the Bears Fund Incorporated (“the Association”), have prepared the financial statements of the Association on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements.

This financial report is a special purpose financial report prepared in order to satisfy the requirements of the Association’s Constitution, the Australian Charities and Not-for-profits Commission Act 2012, the Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA).

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuation of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

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

Plant and Equipment

Depreciation is provided on plant and equipment at a rate of 20%.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Inventories

Inventories (where applicable) are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Income Tax

The Association is exempt from income tax under the provision of subsection 30-55(1) of the Income Tax Assessment Act 1997.

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

Fundraising income received, by its nature can only be recognised when it is recorded in the accounting records of the Association.

Grant and donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

	2018	2017
	\$	\$
2. CASH AND CASH EQUIVALENTS		
Cash at bank – CBA	13,203	6,022
Cash at bank – CBA Public Fund	56,871	235,116
Cash at bank – CBA Term Deposit	-	87,590
Cash on hand	166	160
Shopify	3,513	-
Paypal	21,737	-
Designated Funds Deposit	13,658	2,400
	109,148	331,288
	109,148	331,288
3. TRADE AND OTHER RECEIVABLES		
Trade debtors	5,815	(1,436)
GST receivable	1,195	1,494
	7,010	58
	7,010	58

FREE THE BEARS FUND (INC)
ABN: 23 763 253 031

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
4. INVENTORIES		
Stock on hand	38,678	46,878
	38,678	46,878
5. PLANT AND EQUIPMENT		
Plant and equipment - at cost	77,475	77,475
Accumulated depreciation	(52,853)	(46,698)
	24,622	30,777
6. TRADE AND OTHER PAYABLES		
Trade creditors	20,812	(204)
Superannuation payable	2,851	3,940
PAYG	1,382	1,042
Accruals	61,715	197,301
Loan from international animal rescue	271,800	-
Other payables	61	12
	358,621	202,091
7. PROVISIONS		
Annual leave	9,279	6,283
	9,279	6,283

FREE THE BEARS FUND (INC)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
8. CASH FLOWS INFORMATION		
(a) Reconciliation of cash		
For the purposes of the cash flow statement, cash is reconciled to the related items in the balance sheet as follows:		
Cash in bank	108,988	331,128
Cash on hand	160	160
	109,148	331,288
	109,148	331,288
(b) Reconciliation of net cash provided by operating activities to net deficit after income tax		
Net (deficit)/surplus after income tax	(389,069)	106,875
Depreciation	6,155	7,694
Movement in assets and liabilities		
Creditors and accruals	156,530	(99,856)
Inventories	8,200	5,263
GST receivable	299	2,601
Provisions	2,996	(2,069)
Prepayments	-	-
Debtors	(7,251)	4,936
	(7,251)	4,936
Net cash from operating activities	(222,140)	25,444