

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

**SPECIAL PURPOSE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**INDEX**

**Statement by Board of Management**  
**Independent Auditor's Report**  
**Income Statement**  
**Balance Sheet**  
**Notes to the Financial Statements**

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

**STATEMENT BY BOARD OF MANAGEMENT**  
**FOR YEAR ENDED 30 JUNE 2013**

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 2013 and its performance for the year then ended on that date;
2. the operations of the Association have been carried out in accordance with its Constitution; 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

\_\_\_\_\_  
André Brender-A-Brandis (Treasurer)

\_\_\_\_\_  
Date

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

We have audited the accompanying financial report, being a special purpose financial report, of Free the Bears Fund (Inc) (the Association), which comprises the balance sheet as at 30 June 2013 and the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the board of management.

*The Board of Management's Responsibility for the Financial Report*

The board of management of the Association is responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of its Constitution and is appropriate to meet the needs of the members. The board of management's responsibility also includes such internal control as the board of management determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*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 and plan and perform the audit to obtain reasonable assurance about 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 board of management, 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 qualified audit opinion.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### *Basis for Qualified Opinion*

Donations receipts of \$620,810 (2012: \$588,154), sponsorship receipts of \$236,736 (2012: \$263,923), fundraising of \$56,802 (2012: \$64,488), bequests of \$260,000 (2012: \$15,084) and volunteer programmes of \$43,924 (2012: \$54,913) are significant sources 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 these sources 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 obtained are complete.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2013 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

### *Basis of Accounting*

Without further modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of its Constitution. As a result, the financial report may not be suitable for another purpose.

RSM BIRD CAMERON

Perth, WA  
Dated:

TUTU PHONG  
Director

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

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

|                                  | <b>2013</b> | <b>2012</b> |
|----------------------------------|-------------|-------------|
|                                  | <b>\$</b>   | <b>\$</b>   |
| <b>SALES</b>                     |             |             |
| Sales                            | 121,529     | 100,044     |
| <b>LESS COST OF GOODS SOLD</b>   |             |             |
| Opening stock                    | 63,563      | 41,789      |
| Purchases                        | 60,656      | 71,804      |
|                                  | <hr/>       | <hr/>       |
|                                  | 124,219     | 113,593     |
| Closing Stock                    | (59,429)    | (63,563)    |
| <b>TOTAL COST OF GOODS SOLD</b>  | <hr/>       | <hr/>       |
|                                  | 64,790      | 50,030      |
| <b>GROSS PROFIT FROM TRADING</b> | <hr/>       | <hr/>       |
|                                  | 56,739      | 50,014      |

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 2013**

|   | <b>2013</b>           | <b>2012</b>           |
|---|-----------------------|-----------------------|
|   | <b>\$</b>             | <b>\$</b>             |
| <b>EXPENDITURE</b>                                      |                       |                       |
| Advertising   | 550                   | 191                   |
| Audit fees  | -                     | 3,818                 |
| Bank charges  | 6,693                 | 5,111                 |
| Computer costs  | 431                   | 249                   |
| Depreciation  | 1,246                 | 1,558                 |
| Expo space hire   | 3,559                 | 2,998                 |
| Freight and couriers                                    | 440                   | 341                   |
| Fundraising costs                                       | 23,901                | 71,543                |
| Office and general expenses                             | 4,509                 | 6,454                 |
| Insurance   | 3,382                 | 3,181                 |
| Intrepid foundation donations                           | -                     | 14,223                |
| Internet web expense                                    | 1,234                 | 1,563                 |
| Medical expense claim                                   | 616                   | 1,975                 |
| Overseas Sanctuary Expenditure                          |                       |                       |
| - Cambodia (incl Kouprey Express)                       | 472,807               | 391,942               |
| - India   | 440,000               | 470,185               |
| - Laos  | 186,709               | 101,568               |
| - Thailand  | -                     | 9,000                 |
| - Vietnam   | -                     | 6,473                 |
| - Other (incl Name a Bile Bear)                         | <u>1,964</u>          | <u>150</u>            |
| Sub-Total   | 1,101,480             | 979,318               |
| Paypal expenses   | 3,938                 | 2,675                 |
| Repairs and maintenance                                 | -                     | 80                    |
| Superannuation contributions                            | 6,152                 | 5,994                 |
| Telephone, stationery, postage and photocopying         | 62,504                | 35,698                |
| Travelling expenses                                     | 1,310                 | 4,684                 |
| Other   | 17,555                | -                     |
| Salaries  | 70,019                | 68,421                |
| <b>TOTAL EXPENDITURE</b>                                | <u>1,309,519</u>      | <u>1,210,075</u>      |
| <b>OTHER INCOME</b>                                     |                       |                       |
| Donations   | 620,810               | 588,154               |
| Sponsorship   | 236,736               | 263,923               |
| Bear rescue   | -                     | 3,000                 |
| Fund raising  | 56,802                | 64,488                |
| Bequests  | 260,000               | 15,084                |
| Members' subscriptions                                  | 34,297                | 30,232                |
| Interest received                                       | 7,153                 | 5,925                 |
| Volunteer programmes                                    | 43,924                | 54,913                |
| Other   | 5,468                 | 4,821                 |
| Grants  | 26,000                | 20,000                |
| <b>TOTAL OTHER INCOME</b>                               | <u>1,291,190</u>      | <u>1,050,540</u>      |
| <b>Surplus/(Deficit) for the year</b>                   | 38,410                | (109,521)             |
| <b>Accumulated surplus at the beginning of the year</b> | 266,785               | 376,306               |
| <b>Accumulated surplus at the end of the year</b>       | <u><u>305,195</u></u> | <u><u>266,785</u></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 2013**

|                                  | Note | <b>2013</b> | <b>2012</b> |
|----------------------------------|------|-------------|-------------|
|                                  |      | <b>\$</b>   | <b>\$</b>   |
| <b>CURRENT ASSETS</b>            |      |             |             |
| Cash and cash equivalents        | 2    | 253,003     | 240,227     |
| Trade and other receivables      | 3    | 4,925       | 10,894      |
| Inventories                      | 4    | 59,455      | 63,563      |
| <b>TOTAL CURRENT ASSETS</b>      |      | 317,383     | 314,684     |
| <b>NON-CURRENT ASSETS</b>        |      |             |             |
| Plant and equipment              | 5    | 4,985       | 6,231       |
| <b>TOTAL NON-CURRENT ASSETS</b>  |      | 4,985       | 6,231       |
| <b>TOTAL ASSETS</b>              |      | 322,368     | 320,915     |
| <b>CURRENT LIABILITIES</b>       |      |             |             |
| Trade and other payables         | 6    | 17,173      | 54,130      |
| <b>TOTAL CURRENT LIABILITIES</b> |      | 17,173      | 54,130      |
| <b>TOTAL LIABILITIES</b>         |      | 17,173      | 54,130      |
| <b>NET ASSETS</b>                |      | 305,195     | 266,785     |
| <b>MEMBERS' FUNDS</b>            |      |             |             |
| Accumulated surplus              |      | 305,195     | 266,785     |
| <b>TOTAL MEMBERS' FUNDS</b>      |      | 305,195     | 266,785     |

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 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 Association's Constitution. The board of management has determined that the Association is not a reporting entity and therefore, there is no requirement to apply Australian Accounting Standards in the preparation and presentation of this financial report.

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.

**Property, Plant and Equipment**

Depreciation is provided on plant and equipment on the diminishing value method and applying a depreciation 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.

**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.

**FREE THE BEARS FUND (INC)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**Employee entitlements**

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.

**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.

**2. CASH AND CASH EQUIVALENTS**

|                                 | <b>2013</b> | <b>2012</b> |
|---------------------------------|-------------|-------------|
|                                 | \$          | \$          |
| Cash on hand                    | 11,553      | 8,079       |
| Cash at bank – CBA              | 6,127       | 10,548      |
| Cash at bank – CBA Public Fund  | 77,887      | 134,799     |
| Cash at bank – CBA Term Deposit | 99,908      | 65,550      |
| Deposit – CBA at Call           | -           | 1,259       |
| Designated Funds Deposit        | 57,528      | 19,992      |
|                                 | 253,003     | 240,227     |

**3. TRADE AND OTHER RECEIVABLES**

|               |       |        |
|---------------|-------|--------|
| Trade debtors | 4,925 | 10,894 |
|---------------|-------|--------|

**4. INVENTORIES**

|               |        |        |
|---------------|--------|--------|
| Stock on hand | 59,455 | 63,563 |
|---------------|--------|--------|

**FREE THE BEARS FUND (INC)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

|                                    | <b>2013</b>   | <b>2012</b>   |
|------------------------------------|---------------|---------------|
|                                    | \$            | \$            |
| <b>5. PLANT AND EQUIPMENT</b>      |               |               |
| Plant and equipment - at cost      | 32,562        | 32,562        |
| Accumulated depreciation           | (27,577)      | (26,331)      |
|                                    | <u>4,985</u>  | <u>6,231</u>  |
| <b>6. TRADE AND OTHER PAYABLES</b> |               |               |
| Trade creditors                    | 12,148        | 48,389        |
| GST payable                        | 1,859         | 2,872         |
| Superannuation payable             | 1,231         | 951           |
| PAYG withholding                   | 1,935         | 1,918         |
|                                    | <u>17,173</u> | <u>54,130</u> |