

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

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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

STATEMENT BY BOARD OF MANAGEMENT
FOR YEAR ENDED 30 JUNE 2017

The board of management has determined that Free The Bears Fund (Inc) ("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 2017 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 the *Charitable Collections Act 1946*; 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)

26/10/2017
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 (Inc) (the Association), which comprises the balance sheet as at 30 June 2017, the income statement, statement of changes in equity and cash flow statement for the year then ended, 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 presents fairly, in all material respects the financial position of Free The Bears Fund (Inc) as at 30 June 2017, and its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1.

Basis for Qualified Opinion

Donations, bequests, sponsorship, fundraising, grants and volunteer programmes 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.

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 auditor independence 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 *Charitable Collections Act 1946*. 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 and fair presentation of the financial report with the accounting policies described in Note 1 and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that 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 relating 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.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PTY LTD

A handwritten signature in blue ink that reads 'Tutu Phong'.

TUTU PHONG
Director

Perth, WA
Dated: 26 October 2017

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
SALES		
Sales	50,593	53,495
LESS COST OF GOODS SOLD		
Opening stock	52,141	48,138
Purchases	13,887	34,799
	<hr/> 66,028	<hr/> 82,937
Closing stock	(46,878)	(52,141)
TOTAL COST OF GOODS SOLD	<hr/> 19,150	<hr/> 30,796
GROSS PROFIT FROM TRADING	<hr/> <hr/> 31,443	<hr/> <hr/> 22,699

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 2017

	2017	2016
	\$	\$
EXPENDITURE		
Advertising	1,733	4,685
Bank charges	7,511	5,536
Computer costs	1,700	5,029
Depreciation	7,694	9,618
Expo space hire	2,992	3,906
Fundraising costs	24,533	51,715
Office and general expenses	11,113	15,620
Insurance	4,518	7,250
Internet web expense	2,521	2,057
Overseas Sanctuary Expenditure		
- Cambodia (incl Kouprey Express)	577,117	753,064
- India	202,535	325,015
- Laos	346,715	96,420
- Thailand	-	13,787
- Vietnam	66,232	120,539
- Indonesia	-	11,485
- Vet Care Programme	38,316	31,301
- Veterinary Supplies	<u>686</u>	<u>725</u>
Sub-Total	<u>1,231,601</u>	<u>1,352,336</u>
Paypal expenses	-	3,345
Repairs and maintenance	14,123	41,404
Superannuation contributions	10,327	12,718
Telephone, stationery, postage and photocopying	26,493	42,907
Travelling expenses	4,749	5,000
Salaries	106,818	133,101
TOTAL EXPENDITURE	<u>1,458,426</u>	<u>1,696,229</u>
OTHER INCOME		
Donations	498,706	487,055
Bequests	672,085	377,676
Sponsorship	155,541	180,943
Fund raising	87,949	132,623
Grants	58,432	58,435
Volunteer programmes	40,874	46,881
Members' subscriptions	13,710	22,528
Interest received	2,550	3,809
Other	4,011	3,710
TOTAL OTHER INCOME	<u>1,533,858</u>	<u>1,313,660</u>
Surplus/(deficit) for the year	106,875	(359,870)
Accumulated surplus at the beginning of the year	93,752	453,622
Accumulated surplus at the end of the year	<u>200,627</u>	<u>93,752</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 2017

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	2	331,288	305,844
Trade and other receivables	3	58	7,595
Inventories	4	46,878	52,141
TOTAL CURRENT ASSETS		378,224	365,580
NON-CURRENT ASSETS			
Plant and equipment	5	30,777	38,471
TOTAL NON-CURRENT ASSETS		30,777	38,471
TOTAL ASSETS		409,001	404,051
CURRENT LIABILITIES			
Trade and other payables	6	202,091	301,947
Provisions	7	6,283	8,352
TOTAL CURRENT LIABILITIES		208,374	310,299
TOTAL LIABILITIES		208,374	310,299
NET ASSETS		200,627	93,752
MEMBERS' FUNDS			
Accumulated surplus		200,627	93,752
TOTAL MEMBERS' FUNDS		200,627	93,752

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 2017

	2017	2016
	\$	\$
Accumulated surplus at beginning of year	93,752	453,622
Net surplus/(deficit) for the year	<u>106,875</u>	<u>(359,870)</u>
Accumulated surplus at end of year	<u>200,627</u>	<u>93,752</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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		1,586,837	1,359,885
Overseas sanctuary expenditure		(1,302,276)	(1,202,492)
Payments to suppliers		(247,780)	(312,753)
Cost of goods sold		(13,887)	(38,802)
Interest received		2,550	3,809
		<hr/>	<hr/>
Net cash from operating activities	8(b)	25,444	(190,353)
Cash flows from financing activities			
Payments for plant and equipment		-	(22,000)
		<hr/>	<hr/>
Net cash from financing activities		-	(22,000)
Net movement in cash held			
		25,444	(212,353)
Cash at the beginning of the financial year		<hr/>	<hr/>
		305,844	518,197
Cash at the end of the financial year	8(a)	<hr/>	<hr/>
		331,288	305,844

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 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for the purposes of complying with the *Charitable Collections Act 1946*. Reports prepared under the *Charitable Collections Act 1946* satisfy the financial statement lodgement requirements of the Australian Charities and Not-for-profits Commission. 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 board of management have determined that the accounting policies adopted are appropriate to meet the needs of the members of the Association's Constitution. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 2017

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.

	2017	2016
	\$	\$
2. CASH AND CASH EQUIVALENTS		
Undeposited Funds	-	46,584
Cash at bank – CBA	6,022	7,982
Cash at bank – CBA Public Fund	235,116	112,585
Cash at bank – CBA Term Deposit	87,590	135,199
Cash on hand	160	516
Designated Funds Deposit	2,400	2,978
	331,288	305,844
3. TRADE AND OTHER RECEIVABLES		
Trade debtors	(1,436)	3,500
GST receivable	1,494	4,095
	58	7,595

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
4. INVENTORIES		
Stock on hand	46,878	52,141
	<hr/>	<hr/>
5. PLANT AND EQUIPMENT		
Plant and equipment - at cost	77,475	77,475
Accumulated depreciation	(46,698)	(39,004)
	<hr/>	<hr/>
	30,777	38,471
	<hr/>	<hr/>
6. TRADE AND OTHER PAYABLES		
Trade creditors	(204)	28,443
Superannuation payable	3,940	4,338
PAYG	1,042	284
Accruals	197,301	267,976
Other payables	12	906
	<hr/>	<hr/>
	202,091	301,947
	<hr/>	<hr/>
7. PROVISIONS		
Annual leave	6,283	8,352
	<hr/>	<hr/>
	6,283	8,352
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
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	331,128	305,328
Cash on hand	160	516
	331,288	305,844
	331,288	305,844
(b) Reconciliation of net cash provided by operating activities to net deficit after income tax		
Net surplus/(deficit) after income tax	106,875	(359,870)
Depreciation	7,694	9,618
Movement in assets and liabilities		
Creditors and accruals	(99,856)	168,730
Inventories	5,263	(4,003)
GST receivable	2,601	(3,820)
Provisions	(2,069)	1,057
Prepayments	-	1,397
Debtors	4,936	(3,462)
	4,936	(3,462)
Net cash from operating activities	25,444	(190,353)
	25,444	(190,353)