

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

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

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ABN 23 763 253 031

STATEMENT BY BOARD OF MANAGEMENT
FOR YEAR ENDED 30 JUNE 2014

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 2014 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 2014 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 \$757,608 (2013: \$620,810), sponsorship receipts of \$242,474 (2013: \$236,736), fundraising of \$74,961 (2013: \$56,802), bequests of \$180,569 (2013: \$260,000) and volunteer programmes of \$42,697 (2013: \$43,924) 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 2014 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 2014

	2014	2013
	\$	\$
SALES		
Sales	110,795	121,529
LESS COST OF GOODS SOLD		
Opening stock	59,429	63,563
Purchases	47,220	60,656
	<hr/> 106,649	<hr/> 124,219
Closing Stock	(57,706)	(59,429)
TOTAL COST OF GOODS SOLD	<hr/> 48,942	<hr/> 64,790
GROSS PROFIT FROM TRADING	<hr/> 61,853	<hr/> 56,739

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 2014

	2014	2013
	\$	\$
EXPENDITURE		
Advertising	1,159	550
Audit fees	-	-
Bank charges	7,389	6,693
Computer costs	827	431
Depreciation	996	1,246
Expo space hire	2,391	3,559
Freight and couriers	62	440
Fundraising costs	31,038	23,901
Office and general expenses	4,687	4,509
Insurance	3,771	3,382
Intrepid foundation donations	5,000	-
Internet web expense	4,791	1,234
Medical expense claim	-	616
Overseas Sanctuary Expenditure		
- Cambodia (incl Kouprey Express)	452,166	472,807
- India	358,920	440,000
- Laos	112,326	186,709
- Thailand	6,000	-
- Vietnam	1,700	-
- Other (incl Borneo)	<u>7,012</u>	<u>1,964</u>
Sub-Total	938,124	1,101,480
Paypal expenses	4,712	3,938
Repairs and maintenance	1,787	-
Superannuation contributions	5,734	6,152
Telephone, stationery, postage and photocopying	57,971	62,504
Travelling expenses	21,338	1,310
Other	9,701	17,555
Salaries	83,384	70,019
TOTAL EXPENDITURE	1,184,862	1,309,519
OTHER INCOME		
Donations	757,608	620,810
Sponsorship	242,474	236,736
Fund raising	74,961	56,802
Bequests	180,569	260,000
Members' subscriptions	31,342	34,297
Interest received	3,740	7,153
Volunteer programmes	42,697	43,924
Other	7,393	5,468
Grants	2,000	26,000
TOTAL OTHER INCOME	1,342,784	1,291,190
Surplus for the year	219,775	38,410
Accumulated surplus at the beginning of the year	305,195	266,785
Accumulated surplus at the end of the year	524,970	305,195

The accompanying notes form part of these financial statements

FREE THE BEARS FUND (INC)
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BALANCE SHEET
AS AT 30 JUNE 2014

	Notes	2014	2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	2	554,852	253,003
Trade and other receivables	3	1,445	4,925
Inventories	4	57,707	59,455
TOTAL CURRENT ASSETS		614,004	317,383
NON-CURRENT ASSETS			
Plant and equipment	5	3,989	4,985
TOTAL NON-CURRENT ASSETS		3,989	4,985
TOTAL ASSETS		617,993	322,368
CURRENT LIABILITIES			
Trade and other payables	6	85,871	17,173
Provisions	7	7,152	
TOTAL CURRENT LIABILITIES		93,023	17,173
TOTAL LIABILITIES		93,023	17,173
NET ASSETS		524,970	305,195
MEMBERS' FUNDS			
Accumulated surplus		524,970	305,195
TOTAL MEMBERS' FUNDS		524,970	305,195

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

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.

FREE THE BEARS FUND (INC)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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.

	2014	2013
	\$	\$
2. CASH AND CASH EQUIVALENTS		
Undeposited funds	33,720	11,553
Cash at bank – CBA	10,854	6,127
Cash at bank – CBA Public Fund	184,823	77,887
Cash at bank – CBA Term Deposit	103,266	99,908
Cash on hand	117	-
Designated Funds Deposit	222,072	57,528
	<u>554,852</u>	<u>253,003</u>
3. TRADE AND OTHER RECEIVABLES		
Trade debtors	-	4,925
GST receivable	1,445	-
	<u>1,445</u>	<u>4,925</u>

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

	2014	2013
	\$	\$
4. INVENTORIES		
Stock on hand	57,707	59,455
	57,707	59,455
5. PLANT AND EQUIPMENT		
Plant and equipment - at cost	32,562	32,562
Accumulated depreciation	(28,573)	(27,577)
	3,989	4,985
	3,989	4,985
6. TRADE AND OTHER PAYABLES		
Trade creditors	3,686	12,148
GST payable	-	1,859
Superannuation payable	554	1,231
PAYG withholding	1,902	1,935
Accruals	77,488	-
Other payables	2,241	-
	85,871	17,173
	85,871	17,173
7. PROVISIONS		
CURRENT		
Provision for annual leave	7,152	-
TOTAL PROVISIONS	7,152	-
	7,152	-