

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

**SPECIAL PURPOSE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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

**STATEMENT BY BOARD OF MANAGEMENT**  
**FOR YEAR ENDED 30 JUNE 2016**

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 2016 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:



31/10/2016

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Mary Hutton (Chairperson)

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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) ("Association"), which comprises the balance sheet as at 30 June 2016, the income statement, statement of changes in equity and cash flow 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 to the financial statements, is appropriate to meet the requirements of the Charitable Collections Act 1946 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, 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.

### *Qualified Opinion*

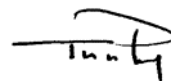
In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2016 and its financial performance for the year then ended in accordance 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 the *Charitable Collections Act 1946*. As a result, the financial report may not be suitable for another purpose.

A handwritten signature of 'RSM' in black ink.

RSM AUSTRALIA PTY LTD

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG  
Director

Perth, WA  
Dated: 31 October 2016

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

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>SALES</b>		
Sales	53,495	80,343
<b>LESS COST OF GOODS SOLD</b>		
Opening stock	48,138	57,707
Purchases	34,799	28,228
	<hr/> 82,937	<hr/> 85,935
Closing Stock	(52,141)	(48,138)
<b>TOTAL COST OF GOODS SOLD</b>	<hr/> 30,796	<hr/> 37,797
<b>GROSS PROFIT FROM TRADING</b>	<hr/> <hr/> 22,699	<hr/> <hr/> 42,546

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 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>EXPENDITURE</b>		
Advertising	4,685	6,649
Bank charges	5,536	6,519
Computer costs	5,029	4,050
Depreciation	9,618	813
Expo space hire	3,906	10,332
Fundraising costs	51,715	68,045
Office and general expenses	15,620	12,833
Insurance	7,250	2,511
Intrepid foundation donations	1	-
Internet web expense	2,057	7,811
Overseas Sanctuary Expenditure		
- Cambodia (incl Kouprey Express)	753,064	532,714
- India	325,015	390,000
- Laos	96,420	58,069
- Thailand	13,787	11,688
- Vietnam	120,539	-
- Indonesia	11,485	7,131
- Vet Care Programme	31,301	-
- Veterinary Supplies	725	1,146
Sub-Total	1,352,336	1,000,748
Paypal expenses	3,345	2,144
Repairs and maintenance	41,404	506
Superannuation contributions	12,718	10,187
Telephone, stationery, postage and photocopying	42,907	38,085
Travelling expenses	5,000	3,718
Other	-	-
Salaries	133,101	104,420
<b>TOTAL EXPENDITURE</b>	1,696,229	1,279,371
<b>OTHER INCOME</b>		
Donations	487,055	450,869
Bequests	377,676	215,319
Sponsorship	180,943	211,728
Fund raising	132,623	108,716
Grants	58,435	94,950
Volunteer programmes	46,881	47,775
Members' subscriptions	22,528	27,643
Interest received	3,809	3,952
Other	3,710	4,525
<b>TOTAL OTHER INCOME</b>	1,313,660	1,165,477
<b>(Deficit) for the year</b>	(359,870)	(71,348)
<b>Accumulated surplus at the beginning of the year</b>	453,622	524,970
<b>Accumulated surplus at the end of the year</b>	93,752	453,622

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 2016**

	Notes	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	305,844	518,197
Trade and other receivables	3	7,595	313
Inventories	4	52,141	48,138
Prepayments	5	-	1,397
<b>TOTAL CURRENT ASSETS</b>		365,580	568,045
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6	38,471	26,089
<b>TOTAL NON-CURRENT ASSETS</b>		38,471	26,089
<b>TOTAL ASSETS</b>		404,051	594,134
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	301,947	133,217
Provisions	8	8,352	7,295
<b>TOTAL CURRENT LIABILITIES</b>		310,299	140,512
<b>TOTAL LIABILITIES</b>		310,299	140,512
<b>NET ASSETS</b>		93,752	453,622
<b>MEMBERS' FUNDS</b>			
Accumulated surplus		93,752	453,622
<b>TOTAL MEMBERS' FUNDS</b>		93,752	453,622

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 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Accumulated surplus at beginning of year	453,622	524,970
Net (deficit) for the year	<u>(359,870)</u>	<u>(71,348)</u>
Accumulated surplus at end of year	<u>93,752</u>	<u>453,622</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 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,359,885	1,290,527
Overseas sanctuary expenditure		(1,202,492)	(1,000,748)
Payments to suppliers		(312,753)	(279,245)
Cost of goods sold		(38,802)	(28,228)
Interest received		3,809	3,952
		<hr/>	<hr/>
<b>Net cash provided by/(used in) operating activities</b>	9(b)	(190,353)	(13,742)
<b>Cash flows from financing activities</b>			
Payment for plant and equipment		(22,000)	(22,913)
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		(22,000)	(22,913)
<b>Net increase/(decrease) in cash held</b>		(212,353)	(36,655)
Cash at the beginning of the financial year		<hr/>	<hr/>
		518,197	554,852
Cash at the end of the financial year	9(a)	<hr/>	<hr/>
		305,844	518,197

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 2016**

**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 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 2016**

**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.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>2. CASH AND CASH EQUIVALENTS</b>		
Undeposited Funds	46,584	18,059
Cash at bank – CBA	7,982	9,532
Cash at bank – CBA Public Fund	112,585	150,890
Cash at bank – CBA Term Deposit	135,199	132,018
Cash on hand	516	275
Designated Funds Deposit	2,978	207,423
	<u>305,844</u>	<u>518,197</u>
<b>3. TRADE AND OTHER RECEIVABLES</b>		
Trade debtors	3,500	38
GST receivable	4,095	275
	<u>7,595</u>	<u>313</u>

**FREE THE BEARS FUND (INC)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>4. INVENTORIES</b>		
Stock on hand	52,141	48,138
<b>5. PREPAYMENTS</b>		
Prepayments	-	1,397
<b>6. PLANT AND EQUIPMENT</b>		
Plant and equipment - at cost	77,475	55,475
Accumulated depreciation	(39,004)	(29,386)
	38,471	26,089
<b>7. TRADE AND OTHER PAYABLES</b>		
Trade Creditors	28,443	10,298
Superannuation Payable	4,338	2,158
PAYG Withholding	284	1,868
Accruals	267,976	118,131
Other Payables	906	762
	301,947	133,217
<b>8. PROVISIONS</b>		
Provision for annual Leave	8,352	7,295
<b>TOTAL PROVISIONS</b>	8,352	7,295

**FREE THE BEARS FUND (INC)**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>9. CASH FLOWS INFORMATION</b>		
(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	305,328	517,922
Cash on hand	516	275
	305,844	518,197
	305,844	518,197
(b) Reconciliation of net cash provided by operating activities to net deficit after income tax		
Net (deficit) after income tax	(359,870)	(71,348)
Depreciation	9,618	813
Movement in assets and liabilities		
Creditors and accruals	168,730	47,346
Inventories	(4,003)	9,569
GST receivable	(3,820)	1,170
Provisions	1,057	143
Prepayments	1,397	(1,397)
Debtors	(3,462)	(38)
	(190,353)	(13,742)
Net cash provided by/(used in)operating activities	(190,353)	(13,742)