

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

Financial Report

For the year ended 31 December 2012

C O N T E N T S

Statement by the Board of Management

Independent Auditor's Report

Income Statement

Balance Sheet

Notes to the Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

We have audited the accompanying financial report, being a special purpose financial report, of The Western Australian Naturalists' Club (Inc.) (the Club), which comprises the balance sheet as at 31 December 2012, 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.

Board of Management's Responsibility for the Financial Report

The Board of Management is responsible for the preparation of the financial report, and has 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 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 and fundraising revenue of \$ 45,161 (2011 \$65,077) are a significant source of revenue for the Club . The Club has determined that it is impracticable to establish control over the collection of donations and fundraising revenue 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 donations and fundraising revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the donations and fundraising revenue of the Association are complete.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of the Club as at 31 December 2012 and its financial performance for the year ended in accordance with the accounting policies described in Note 1.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Western Australian Naturalists' Club (Inc.) to meet the requirements of the Clubs Constitution. As a result, the financial report may not be suitable for another purpose



RSM BIRD CAMERON



S C CUBITT
Director

Perth, WA
Dated: 9 May 2013

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

STATEMENT BY THE BOARD OF MANAGEMENT

In the opinion of the Board of Management of The Western Australian Naturalists' Club (Inc) ("the Club"):

- (i) The Club is not a reporting entity and therefore, there is no requirement to apply Accounting Standards and other mandatory professional reporting requirements in the preparation of this financial report.

The Board of Management has determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1;

- (ii) The accompanying financial report for the year ended 31 December 2012 presents a true and fair view of the financial position of the Club at 31 December 2012 and the results of its operations for the year then ended; and
- (iii) At the date of this statement there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board of Management by:


.....
Board member

Dated this 9th day of May 2013

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

INCOME STATEMENT

For the year ended 31 December 2012

	2012	2011
	\$	\$
Donations and fundraising	45,161	65,007
Membership subscriptions	19,055	18,212
Interest	30,644	8,036
Grant income- GVEHO program	1,500	-
Depreciation expense	(2,818)	(2,818)
Other expenses	<u>(91,075)</u>	<u>(97,168)</u>
Profit (loss)	2,467	(8,731)
Total changes in equity	<u>2,467</u>	<u>(8,731)</u>

The accompanying notes form part of this financial report

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

BALANCE SHEET

As at 31 December 2012

	NOTE	2012	2011
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	461,610	464,700
Trade and other receivables	4	<u>9,576</u>	<u>1,992</u>
TOTAL CURRENT ASSETS		<u>471,186</u>	<u>466,692</u>
NON CURRENT ASSETS			
Property, plant and equipment	5	<u>61,625</u>	<u>64,443</u>
TOTAL NON CURRENT ASSETS		<u>61,625</u>	<u>64,443</u>
TOTAL ASSETS		<u>532,811</u>	<u>531,135</u>
CURRENT LIABILITIES			
Trade and other payables	6	<u>6,855</u>	<u>7,646</u>
TOTAL CURRENT LIABILITIES		<u>6,855</u>	<u>7,646</u>
TOTAL LIABILITIES		<u>6,855</u>	<u>7,646</u>
NET ASSETS		<u>525,956</u>	<u>523,489</u>
MEMBERS' FUNDS			
Restricted funds	7	1,886	23,384
Unrestricted funds		494,311	473,687
General funds	9	<u>29,759</u>	<u>26,418</u>
	10	<u>525,956</u>	<u>523,489</u>

The accompanying notes form part of this financial report

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements are special purpose financial statements prepared to satisfy the requirements of the Constitution. The Board of Management have determined that the Club is not a reporting entity.

These special purpose financial statements have been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) which include Australian equivalents to International Financial Reporting Standards (AIFRS) except that some of the disclosure requirements under Australian Accounting Standards have not been included where the information that would be disclosed is not considered relevant or material.

Reporting basis and conventions

These financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

(a) Property, plant and equipment

The land is recognised at its acquisition value. This value is nil.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Club's Council to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets, is depreciated on a straight line basis over their useful lives to the Club commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

- (a) Property, plant and equipment (continued)

Class of Fixed Asset	Depreciation Rate
Buildings and Jetty	25 years
Handbooks	5 years

The Club's library is not depreciated, as its value is believed to increase over time.

- (b) Fund accounting

On occasions the Club may receive resources restricted for particular purposes. To facilitate observance of these limitations, the financial statements disclose separately those funds which are restricted or designated and those funds which are unrestricted.

- Restricted funds are those funds presently available for use, but expendable only for purposes specified by the donor. Furthermore, if the Board of Management specifies a purpose for the expenditure of funds, where none has been stated by the original donor, such funds are classified as designated funds.
- Unrestricted funds are those funds presently available for use by the Club at the discretion of the Board of Management.

- (c) Revenue

- (i) Membership subscriptions

Membership subscription fees are recognised as revenue in the period to which they relate.

- (ii) Donations and fundraising

Donations revenue is recognised when the Club receives the cash.

- (iii) Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

(c) Revenue (continued)

(iv) Grant income

Grant income and other contributions received are recognised when the Club obtains control of the grant or contribution and it is probable that the economic benefits will flow to the Club.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

2. INCOME TAX

The Club is a charitable institution and is exempt from income tax under the provisions of Section 50-B of the *Income Tax Assessment Act 1997*, as amended.

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

	2012	2011
		\$
3. CASH AND CASH EQUIVALENTS		
Interest bearing cash and cash at bank	412,360	414,093
Management accounts	24,772	32,362
Petty cash	344	1,202
Cash held by branches		
Interest bearing cash	15,862	11,541
Cash at bank	<u>8,272</u>	<u>5,502</u>
	<u>461,610</u>	<u>464,700</u>
4. TRADE AND OTHER RECEIVABLES		
GST receivable/(payable)	(121)	1,500
Debtors	492	492
Accrued Interest	<u>9,205</u>	<u>-</u>
	<u>9,576</u>	<u>1,992</u>

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

5.	PROPERTY, PLANT AND EQUIPMENT	2012	2011
	Strata titled land and building		
	Cost	44,000	44,000
	Library		
	Cost	8,500	8,500
	Hand Books		
	Cost	9,375	9,375
	Accumulated depreciation	(3,750)	(1,875)
		<u>5,625</u>	<u>7,500</u>
	Buildings and Jetty		
	Cost	23,564	23,564
	Accumulated depreciation	(20,064)	(19,121)
		<u>3,500</u>	<u>4,443</u>
		<u>61,625</u>	<u>64,443</u>
6.	TRADE AND OTHER PAYABLES		
	Subscriptions in advance	3,355	7,646
	Accrued Fees	<u>3,500</u>	<u>-</u>
		<u>6,855</u>	<u>7,646</u>

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

	NOTE	2012 \$	2011 \$
7. RESTRICTED FUNDS			
Yunderup Fund		(2,579)	(2,579)
Serventy Memorial	8	2,732	24,129
Fungal Studies Group		<u>1,733</u>	<u>1,834</u>
		<u>1,886</u>	<u>23,384</u>

Restricted funds are those accounted for in accordance with the accounting policy disclosed in Note 1 (b) and represent the funds received from donors expendable only for purposes specified by the donor.

8. SERVENTY MEMORIAL FUNDS		2012	2011
		\$	\$
Opening balance		24,129	25,928
Add: Income			
Donations		22,850	35,820
Interest and other		-	140
Total Income		<u>46,979</u>	<u>61,888</u>
Total Expenditure		<u>(44,247)</u>	<u>(37,759)</u>
Closing balance		<u>2,732</u>	<u>24,129</u>
		2012	2011
		\$	\$

9. GENERAL FUNDS			
Darling Range Branch		8,700	2,806
Kwinana Rockingham Mandurah Branch		17,713	20,916
Northern Suburbs Branch		<u>3,346</u>	<u>2,696</u>
		<u>29,759</u>	<u>26,418</u>

General Funds are those funds under the control of the three branches of the club.

THE WESTERN AUSTRALIAN NATURALISTS' CLUB (INC)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

	2012	2011
	\$	\$
10. RECONCILIATION OF MEMBERS' FUNDS		
Opening Members' Funds	523,489	532,221
Profit/Loss for the Year	<u>2,467</u>	<u>(8,732)</u>
Closing Members Funds	<u>525,956</u>	<u>523,489</u>

11. CONTINGENT ASSET

The Club has been advised by the legal representative of an Executor of an Estate, that it is a one fourth (1/4) residual beneficiary of the Estate, in which a life interest in the income of the Estate currently exists in favour of the widow of the deceased benefactor. The Club's share of the Estate, that has been advised to it by the legal representative, is approximately \$1,153,197, subject to any income tax considerations. At the date of this report expected timing for the receipt of funds is uncertain.

12. BOARD OF MANAGEMENT

Members of the Board of Management serve in a voluntary capacity and are not remunerated. There are no employees of the Club.

13. CLUB INFORMATION

The Club is an incorporated body under the provisions of the *Western Australian Associations Incorporations Act 1987*.

The principal place of business of the Club is:

Room 3, First Floor
82 Beaufort Street
Perth WA 6000