

BELCONNEN ARTS CENTRE INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED**

30 JUNE 2010

Belconnen Arts Centre Inc

ABN 63 254 459 205

For the Year Ended 30 June 2010

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Belconnen Arts Centre Inc

ABN 63 254 459 205

Directors' Report

30 June 2010

Your committee members submit the financial report of the association for the financial year ended 30 June 2010.

1. General information

Committee Members

The names of committee members throughout the year and at the date of this report are:

Evol McLeod

Chair

Neil Roach

Treasurer

Graham Bauerle

Secretary

Anita McIntyre

Margie Rowe

Dianne Firth

Shirley Gourgaud

Principal Activities

The Belconnen Arts Centre Inc. provides a wide range of arts activities for community participation, development & enjoyment.

Significant Changes

No significant change in the nature of these activities occurred during the year.

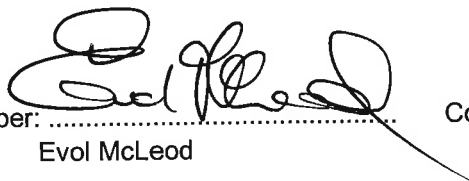
2. Operating Results and Review of Operations for the Year

Operating result

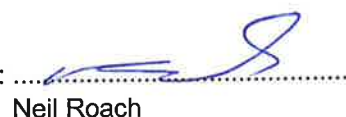
The profit of the association for the financial year after providing for income tax amounted to \$ 361,752.

Signed in accordance with a resolution of the Members of the Committee:

Committee Member:


Evol McLeod

Committee Member:


Neil Roach

Dated 23 October 2010

Belconnen Arts Centre Inc

ABN 63 254 459 205

Statement of Comprehensive Income

For the Year Ended 30 June 2010

	2010
	\$
Other income	832,551
Marketing expense	(5,122)
Administrative expense	(307,733)
Facilities expenses	(46,210)
Artists fees & materials	(10,697)
Catering	(4,619)
Kiosk expenses	(7,294)
Other expenses	(89,124)
Total comprehensive income for the period	<u>361,752</u>

The accompanying notes form part of these financial statements.

Belconnen Arts Centre Inc

ABN 63 254 459 205

Statement of Financial Position

As At 30 June 2010

	Note	2010 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2	103,931
Trade and other receivables	3	37,805
Other assets	5	2,547
TOTAL CURRENT ASSETS		<u>144,283</u>
NON-CURRENT ASSETS		
Property, plant and equipment	4	284,300
TOTAL NON-CURRENT ASSETS		<u>284,300</u>
TOTAL ASSETS		<u>428,583</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	6	39,492
Short-term provisions		16,067
Other financial liabilities	7	11,272
TOTAL CURRENT LIABILITIES		<u>66,831</u>
NON-CURRENT LIABILITIES		
TOTAL LIABILITIES		<u>66,831</u>
NET ASSETS		<u>361,752</u>
EQUITY		
Retained Earning/profit		<u>361,752</u>
TOTAL EQUITY		<u>361,752</u>

The accompanying notes form part of these financial statements.

Belconnen Arts Centre Inc

ABN 63 254 459 205

Statement of Changes in Equity

For the Year Ended 30 June 2010

2010

	Retained Earnings	Total
Note	\$	\$
Profit attributable to members of the entity	77,452	77,452
Profit attributable ACT Government capital contribution	284,300	284,300
Balance at 30 June 2010	361,752	361,752

The accompanying notes form part of these financial statements.

Belconnen Arts Centre Inc

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Statement of Cash Flows

For the Year Ended 30 June 2010

	2010
Note	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Grant receipts	729,165
Receipts from customers	122,531
Payments to suppliers and employees	(391,158)
Interest received	2,832
Net cash provided by (used in) operating activities	<u>463,370</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property, plant and equipment	<u>(359,439)</u>
Net cash provided by (used in) investing activities	<u>(359,439)</u>
Net increase (decrease) in cash held	<u>103,931</u>
Cash and cash equivalents at end of financial year	<u><u>103,931</u></u>

The accompanying notes form part of these financial statements.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

The financial statements cover Belconnen Arts Centre Inc as an individual entity. Belconnen Arts Centre Inc is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991*.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act 1991*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Figures

The association was incorporated on 16 July 2010. Accordingly, the figures for 2010 are for the period starting on this date. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the association applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by committee members 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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(c) Property, Plant and Equipment continued

Depreciation

The depreciable amount of all fixed assets excluding buildings and capitalised leased assets, is depreciated on a diminishing value basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Plant and Equipment	10% - 30%
Furniture, Fixtures and Fittings	10% - 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(d) Financial Instruments continued

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The association does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(d) Financial Instruments continued

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months at the end of the reporting period. (All other investments are classified as current assets.)

If during the period the association sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(e) Impairment of Assets

At the end of each reporting period, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(g) Employee Benefits

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 that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(h) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Trade and other payables

Trade 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 which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(k) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(l) 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 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Unexpended Grants

The association receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the association to treat grant monies as unexpended grants in the balance sheet where the association is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

(n) Critical Accounting Estimates and Judgments

Key estimates - Impairment

The association assesses impairment at the end of each reporting period by evaluating conditions specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(o) Adoption of New and Revised Accounting Standards

During the current year the association adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Belconnen Arts Centre Inc.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the association's financial statements.

Disclosure impact

Terminology changes - The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity - The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income - The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The association's financial statements now contain a statement of comprehensive income.

Other comprehensive income - The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Summary of Significant Accounting Policies continued

(p) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The association has decided against early adoption of these standards. A discussion of those future requirements and their impact on the association is as follows:

- AASB 9: Financial instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The association has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- removing the tainting rules associated with held-to-maturity assets; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - (a) the objective of the entity's business model for managing the financial assets; and
 - (b) the characteristics of the contractual cash flows.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the association.

The association does not anticipate early adoption of any of the above accounting standards.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

2 Cash and Cash Equivalents

	2010
	Note
	\$
Cash on hand	451
Cash at bank	103,480
	<u>103,931</u>

3 Trade and Other Receivables

	2010
	Note
	\$
CURRENT	
Trade receivables	<u>37,805</u>
Total current trade and other receivables	<u>37,805</u>

4 Property, Plant and Equipment

	2010
	\$
PLANT AND EQUIPMENT	
Plant and equipment	
At cost	189,696
Accumulated depreciation	<u>(58,909)</u>
Total plant and equipment	<u>130,787</u>
Furniture, fixture and fittings	
At cost	169,742
Accumulated depreciation	<u>(16,230)</u>
Total furniture, fixture and fittings	<u>153,512</u>
Total property, plant and equipment	<u>284,299</u>

5 Other Assets

	2010
	\$
CURRENT	
Prepayments	<u>2,547</u>
	<u>2,547</u>

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

6 Trade and Other Payables

	2010
	\$
CURRENT	
Trade payables	1,310
Other payables	31,670
Sundry payables and accrued expenses	6,512
	<u>39,492</u>

7 Other Financial Liabilities

	2010
	\$
CURRENT	
Unexpended government grants	8,115
Commissions	3,157
Total	<u>11,272</u>

8 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2010
Note	\$
Financial Assets	
Cash and cash equivalents	103,931
Loans and receivables	37,805
Total Financial Assets	<u>141,736</u>
Financial Liabilities	
Financial liabilities at amortised cost	
- Trade and other payables	39,492
Total Financial Liabilities	<u>39,492</u>

Financial Risk Management Policies

The committee members' risk management strategy seeks to assist the association in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee members on a regular basis. These include credit risk policies and future cash flow requirements.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

8 Financial Risk Management continued

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing trade and other receivables.

The association has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

8 Financial Risk Management continued

(b) Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year	1 to 5 Years	Over 5 Years	Total Contractual Cash Flow
	2010	2010	2010	2010
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	39,492	-	-	39,492
Total contractual outflows	39,492	-	-	39,492
Total expected outflows	39,492	-	-	39,492
Financial assets - cash flows realisable				
Cash and cash equivalents	103,931	-	-	103,931
Trade, term and loans receivables	37,805	-	-	37,805
Total anticipated inflows	141,736	-	-	141,736
Net (outflow)/inflow on financial instruments	102,244	-	-	102,244

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

8 Financial Risk Management continued

(c) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Sensitivity Analysis

The following table illustrates sensitivities to the association's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonable possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year Ended 30 June 2010		
+/- 2% interest rates	2,000	2,000

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair values of financial assets and financial liabilities as disclosed in the statement of financial position and in the notes to the financial statements have been determined based on the following methodologies: Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying values is equivalent to fair value. Trade and other payables exclude amounts provided for relating to leave entitlements which are not considered to be financial instruments.

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

9 Revenue and Other Income

Revenue from Continuing Operations

	2010
	\$
Other revenue	
- ACT Government multi year core grant	300,000
- ACT Government community arts officer grant	24,385
- Other ACT Government grants	359,439
- Interest received	3,615
- interest received	2,832
- Commissions	3,327
- Kiosk revenue	11,791
- Hire/Rental	101,604
- Ticket & other sales	7,438
- Workshop fees	13,620
- Other income	4,500
Total Revenue	<u>832,551</u>

10 Profit for the Year

Significant Revenue and Expenses

	2010
	\$
The following significant revenue and expense items are relevant in explaining the financial performance:	
ACT Government capital contributions	359,439
Depreciation expense	<u>(75,139)</u>
	<u>284,300</u>

11 Interests of Key Management Personnel

The totals of remuneration paid to key management personnel of the association during the year are as follows:

	2010
	\$
Short-term employee benefits	<u>77,028</u>
	<u>77,028</u>

Belconnen Arts Centre Inc

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Notes to the Financial Statements

For the Year Ended 30 June 2010

12 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010
	\$
Profit for the year	361,752
Non-cash flows in profit	
- Depreciation	75,139
Changes in assets and liabilities	
- (Increase)/decrease in trade and term receivables	(35,958)
- (Increase)/decrease in prepayments	(2,547)
- (Increase)/decrease in income in advance	8,115
- Increase/(decrease) in trade payables and accruals	40,802
- Increase/(decrease) in employee benefits	16,067
	<u>463,370</u>

13 Association Details

The principal place of business is:
118 Emu Bank
BELCONNEN ACT 2617

Belconnen Arts Centre Inc

ABN 63 254 459 205

Directors' Declaration

In the opinion of the committee the financial report as set out on pages 3 to 20:

1. Presents a true and fair view of the financial position of Belconnen Arts Centre Inc as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Belconnen Arts Centre Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



Chair

Evol Mcleod

Treasurer



Neil Roach

Dated 28 October 2010

Belconnen Arts Centre Inc

ABN 63 254 459 205

Independent Auditor's Report to the members of Belconnen Arts Centre Inc

Report on the Financial Report

We have audited the accompanying financial report of Belconnen Arts Centre Inc (the association), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1991*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 committee, 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 Australian professional ethical pronouncements.

Belconnen Arts Centre Inc

ABN 63 254 459 205

Independent Auditor's Report to the members of Belconnen Arts Centre Inc

Auditor's Opinion

In our opinion the financial report of Belconnen Arts Centre Inc is in accordance with the *Associations Incorporation Act 1981*, including:

- (a) giving a true and fair view of the association's financial position as at 30 June 2010 and of its performance and its cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1991*.

Hardwicke's

Hardwicke's
Chartered Accountants



Robert Johnson FCA

Canberra

28 October 2010