Belconnen Arts Centre Inc
ABN: 63 254 459 205

FINANCIAL REPORT
FOR THE SIX MONTHS ENDED
31 DECEMBER 2014

Belconnen Arts Centre Inc

ABN 63 254 459 205

Contents

For the Six Months Ended 31 December 2014

Belconnen Arts Centre Inc
ABN 63 254 459 205

Statement of Profit or Loss and Other Comprehensive Income
For the Six Months Ended 31 December 2014

	Note	December 2014 $	Year Ended June 2014 $
Revenue and Other income	3	**488,492**	961,603
Administrative expenses		**(403,127)**	(731,975)
Artist fees & materials		**(13,113)**	(72,175)
Catering		**(5,769)**	(8,373)
Facilities expenses		**(40,223)**	(83,021)
Kiosk expenses		**(4,701)**	(8,012)
Marketing expenses		**(12,242)**	(20,812)
Other expenses		**(4,101)**	(13,485)
Profit for the period		**5,216**	23,750
Other comprehensive income for the period		**-**	-
Total comprehensive income for the period		**5,216**	23,750

The accompanying notes form part of these financial statements.

Belconnen Arts Centre Inc
ABN 63 254 459 205

Statement of Financial Position
As At 31 December 2014

	Note	December 2014 $	Year Ended June 2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**175,246**	224,359
Trade and other receivables	5	**341,416**	326,502
Other assets	7	**15,679**	3,908
TOTAL CURRENT ASSETS		**532,341**	554,769
NON-CURRENT ASSETS			
Plant and equipment	6	**7,133**	8,133
TOTAL NON-CURRENT ASSETS		**7,133**	8,133
TOTAL ASSETS		**539,474**	562,902
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	**49,092**	74,588
Employee benefits	10	**29,304**	23,643
Other financial liabilities	9	**345,092**	352,797
TOTAL CURRENT LIABILITIES		**423,488**	451,028
NON-CURRENT LIABILITIES			
Employee benefits	10	**13,073**	14,177
TOTAL NON-CURRENT LIABILITIES		**13,073**	14,177
TOTAL LIABILITIES		**436,561**	465,205
NET ASSETS		**102,913**	97,697
EQUITY			
Retained earnings		**102,913**	97,697
TOTAL EQUITY		**102,913**	97,697

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 Six Months Ended 31 December 2014

Six Months Ended December 2014

	Retained Earnings	Total
	$	$
Balance at 1 July 2014	97,697	97,697
Profit attributable to members of the entity	5,216	5,216
Balance at 31 December 2014	102,913	102,913

Year Ended June 2014

	Retained Earnings	Total
	$	$
Balance at 1 July 2013	73,947	73,947
Profit attributable to members of the entity	23,750	23,750
Balance at 30 June 2014	97,697	97,697

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Six Months Ended 31 December 2014

	Note	December 2014 $	Year Ended June 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**106,819**	249,362
Payments to suppliers and employees		**(503,215)**	(945,638)
Interest received		**4,727**	8,589
Receipt from grants		**342,555**	788,087
Net cash provided by (used in) operating activities	15	**(49,114)**	100,400
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		**-**	(7,578)
Net cash used by investing activities		**-**	(7,578)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in cash and cash equivalents held		**(49,114)**	92,822
Cash and cash equivalents at beginning of period		**224,360**	131,537
Cash and cash equivalents at end of financial period	4	**175,246**	224,359

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Six Months Ended 31 December 2014

The financial statements cover Belconnen Arts Centre Inc as an individual entity. Belconnen Arts Centre Inc is a not-for-profit association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991*.

The functional and presentation currency of Belconnen Arts Centre Inc is Australian dollars.

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparative Amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year

Income Tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Revenue and other income

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of Belconnen Art Centre's activities as discussed below.

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.

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

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

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. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including 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 asset are:

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 30%
Furniture, Fixtures and Fittings	10% - 30%

The assets' residual values, depreciation methods 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 profit or loss and other comprehensive income

Financial instruments

Initial recognition and measurement

Classification and subsequent measurement

Financial instruments are subsequently measured at either 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 in an arm's length transactions. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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 classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

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

Financial assets are classified at 'fair value through profit or loss' when they are 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.

(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 be realised within 12 months after the end of the reporting period, which will be 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.

Association did not hold any held-to-maturity investments in the current or comparative financial year.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fair value

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

Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of profit or loss and other 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.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position

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.

Trade and other payables

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.

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.

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 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.

New Accounting Standards and Interpretations

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. The following table summarises those future requirements, and their impact on the Association:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.

Notes to the Financial Statements
For the Six Months Ended 31 December 2014

5 Trade and other receivables

	December 2014	June 2014
	$	$
Trade receivables	**341,416**	326,502

6 Plant and equipment

	December 2014	June 2014
	$	$
Plant and equipment at cost	**11,109**	11,109
Accumulated depreciation	**(3,976)**	(2,976)
	7,133	8,133

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Total
	$	$
6 Months ended 31 December 2014		
Balance at the beginning of period	**8,133**	**8,133**
Depreciation expense	**(1,000)**	**(1,000)**
Balance at the end of the period	**7,133**	**7,133**

	Plant and Equipment	Total
	$	$
Year ended 31 June 2014		
Balance at the beginning of period	1,630	1,630
Additions	7,578	7,578
Depreciation expense	(1,075)	(1,075)
Balance at the end of the year	8,133	8,133

7 Other assets

	December 2014	Year Ended June 2014
	$	$
Prepayments	**15,679**	3,908

Notes to the Financial Statements
For the Six Months Ended 31 December 2014

8 Trade and other payables

	December 2014 $	Year Ended June 2014 $
Trade payables	**6,297**	17,871
Other payables	**42,795**	56,717
	49,092	74,588

9 Other Financial Liabilities

	December 2014 $	Year Ended June 2014 $
Government grants	**334,481**	343,685
Other income in advance	**10,611**	9,112
	345,092	352,797

10 Employee Benefits

	December 2014 $	Year Ended June 2014 $
Current liabilities		
Provision for employee benefits	**29,304**	23,643

	December 2014 $	Year Ended June 2014 $
Non-current liabilities		
Long service leave	**13,073**	14,177

11 Financial Risk Management

The main risks Belconnen Art Centre Inc. is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Association's financial instruments consist mainly of deposits with banks, short-term investments, and 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:

	Note	December 2014 $	June 2014 $
Financial Assets			
Cash and cash equivalents	4	**175,246**	224,359

Loans and receivables	5	**341,213**	326,502
Total financial assets		**516,459**	550,861
Financial Liabilities			
Financial Liabilities at amortised cost			
Trade and other payables	8	**49,092**	74,588
Total financial liabilities		**49,092**	74,588

Financial risk management policies

The Board has overall responsibility for the establishment of the Association's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

Belconnen Arts Centre Inc does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association and arises principally from the Association's receivables.

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

(b) Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and

Typically, Belconnen Arts Centre Inc ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

The available funds to the Association are discussed in note 11.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i. 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. The Association is also exposed to earnings volatility on floating rate instruments.

Management considers that this is not a significant or material risk to the Association.

ii. Price risk

The Association is not exposed to any material commodity price risk.

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.

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 are equivalent to fair value. Trade and other payables exclude amounts provided for leave entitlements which are not considered to be financial instruments.

12 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the period is shown below:

	December 2014	Year Ended June 2014
	$	$
Short-term employee benefits	**147,325**	252,175
Long-term benefits	**6,141**	7,458
	153,466	259,633

Notes to the Financial Statements
For the Six Months Ended 31 December 2014

13 Remuneration of Auditors

	December 2014	Year Ended June 2014
	$	$
Remuneration of the auditor of the Association, Hardwickes Chartered Accountants, for:		
- auditing the financial report	**2,136**	5,500
- other services	**-**	1,100
	2,136	6,600

14 Contingencies

In the opinion of the Board, the Association did not have any contingencies at 31 December 2014 (30 June 2014: None).

15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	December 2014	Year Ended June 2014
	$	$
Profit for the year	**5,216**	23,750
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**1,000**	1,075
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**(14,915)**	11,682
- (increase)/decrease in prepayments	**(11,771)**	(351)
- increase/(decrease) in income in advance	**(7,705)**	51,438
- increase/(decrease) in trade and other payables	**(7,017)**	16,824
- increase/(decrease) in employee benefits	**(13,922)**	(4,018)
Cashflow from operations	**(49,114)**	100,400

16 Events Occurring After the Reporting Date

The financial report was authorised for issue on 16 April 2015 by the Board.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Notes to the Financial Statements
For the Six Months Ended 31 December 2014

17 Association Details

The registered office of the Association is:
Belconnen Arts Centre Inc
118 Emu Bank
Belconnen ACT 2616

The principal places of business is the same as the registered office.

Belconnen Arts Centre Inc
ABN 63 254 459 205

Statement by Members of the Board

In the opinion of the board the financial report as set out on pages 2 to 17:

1. Present fairly the financial position of Belconnen Arts Centre Inc as at 31 December 2014 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 board and is signed for and on behalf of the board by:

President ....

Treasurer..

Dated 16 April 2015

Hardwickes
more than accounting

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Belconnen Arts Centre Inc
ABN 63 254 459 205

Independent Audit 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, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management's assertion statement.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Associations Incorporation Act (ACT) 1991*, and for such internal control as the management determines is necessary to enable the preparation and fair presentation of the 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements 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 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.

Chartered Accountants

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Belconnen Arts Centre Inc
ABN 63 254 459 205

Independent Audit Report to the members of Belconnen Arts Centre Inc

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Belconnen Arts Centre Inc as at 31 December 2014 and its financial performance and cash flows for the period then ended in accordance with Australian Accounting Standards and *Associations Incorporations Act (ACT) 1991*.

Hardwickes

Hardwickes
Chartered Accountants

O'Reilly

Amanda O'Reilly
Partner

Canberra
Date: 16 April 2015