

Hahndorf Academy Foundation Inc.

Special Purpose Financial Report

Year Ended 30 June, 2011

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Hahndorf Academy Foundation Inc

Financial Report

For the Year Ended 30 June, 2011

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HAHNDORF ACADEMY FOUNDATION INCORPORATED

ABN 89 212 262 166

Statement by Members of the Board

For the Year Ended 30th June 2011

The Board has determined that the association is not a reporting entity and that the statement of receipts and payments should be prepared on an accrual basis whereby items are brought to account as the organisation becomes either entitled to or liable for them, into the records of the association.

In the opinion of the Board:

- (a) The statement of income and expenditure presents fairly the statement of income and expenditure of the Hahndorf Academy Foundation Incorporated as at 30 June 2011 and its performance for the year ended on that date.
- (b) The accompanying balance sheet is drawn up so as to present fairly the state of affairs of the Hahndorf Academy Foundation Inc as at 30 June 2011;
- (c) At the date of this statement there are reasonable grounds to believe that the Hahndorf Academy Foundation Inc will be able to pay its debts as and when they fall due;

In accordance with Section 35 (5) of the Association Act, 1985, the Board of the Hahndorf Academy Foundation Inc hereby states that during the financial year ended 30 June, 2011:

- a)
 - (1) no officer of the Association;
 - (2) no firm of which an officer is a member; and
 - (3) no body corporate in which an officer has a substantial interest,

has received or become entitled to receive a benefit as a result of a contract between the Officer, firm or corporate body and the Association.

- b) no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value except for remuneration in the normal course of their duties during the year ended 30 June 2011.

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

.....
Chairman

.....
Board member

HAHNDORF ACADEMY FOUNDATION INC.

Independent Audit Report

**To The Members of
HAHNDORF ACADEMY FOUNDATION INCORPORATED**

Scope

Report on the financial report

I have audited the accompanying financial report, being a special purpose financial report, of Hahndorf Academy Foundation Incorporated (the Association) which statement of Income and Expenditure for the year ended 30 June 2011, Balance Sheet, Statement of Cash Flows and the statement by members of the Board.

Board's responsibility

The Board of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accrual basis of accounting be used which is consistent with the financial reporting requirements of the Association's constitution and is appropriate to meet the needs of its members. The Board's responsibilities also include establishing 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

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the basis of accounting used is appropriate to the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial audit is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about 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 in 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting requirements under the Associations Incorporation Act of South Australia 1985. As such, I disclaim any assumption of responsibility for reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Hahndorf Academy Foundation Incorporated
Balance Sheet
As at 30th June, 2011

	2011	2010
Accumulated Funds bought forward, 1 July	\$14,350	\$36,854
add: Surplus/(deficit) from operations	(5,031)	(22,504)
	\$9,319	\$14,350
Asset Revaluation Reserve	126,200	126,200
Total Funds	\$135,519	\$140,550
 CURRENT ASSETS		
Cash at Bank	\$9,736	\$10,972
Donations, Grants & Investments accounts	13,171	6,322
Sundry Debtors & Prepayments	5,562	1,260
Petty cash & Float	500	400
Inventory	11,106	7,958
Total Current Assets	\$40,075	\$26,912
 NON-CURRENT ASSETS		
Furniture, Equipment (at cost)	\$64,935	\$64,935
less: Accumulated depreciation	(44,000)	(40,380)
	\$20,935	\$24,555
Leasehold Building Improvements	46,252	46,252
less: Accumulated depreciation	(15,312)	(14,300)
	\$30,940	\$31,952
Works of Art	126,200	126,200
Total Non-current Assets	\$178,075	\$182,707
Total Assets	\$218,150	\$209,619
 CURRENT LIABILITIES		
Provisions & Accruals	3 \$14,349	\$10,632
Other liabilities	4 21,722	14,100
Sundry Creditors	12,062	9,836
Total Current Liabilities	\$48,130	\$34,568
 NON-CURRENT LIABILITIES		
Debenture	5 \$34,501	\$34,501
Total Non-Current Liabilities	\$34,501	\$34,501
Total Liabilities	\$82,631	\$69,069
 NET ASSETS	 \$135,519	 \$140,550

To be read in conjunction with the attached notes

Hahndorf Academy Foundation Incorporated
Income and Expenditure Statements
For the Year Ended 30th June, 2011

	Note	2011 \$	2010 \$
Academy Income			
Commission sales		154,700	143,260
Shop sales		67,160	51,299
Exhibition sales		38,029	20,592
Heysen exhibition/entries		245	15,781
Memberships		68	766
Gallery & room hire		6,036	7,952
Sundry		4,359	1,375
Total Academy Income		\$270,597	\$235,153
Cost of Sales			
Purchases		145,192	131,640
Exhibitions		23,426	36,268
Events		386	1,390
Sundry		-	118
Total cost of sales		\$169,004	\$169,416
Gross Surplus		\$101,593	\$65,737
Academy Expenditure			
Administration	6	\$29,272	\$29,199
Occupancy	7	21,629	16,723
Marketing	8	2,978	1,735
Employment costs	9	118,151	104,244
Public programs		30,341	164
Foundation costs		325	-
Total Academy Expenditure		\$202,696	\$152,065
Operating Surplus		(\$101,103)	(\$80,609)
Other Income			
Council grants	10	\$67,265	\$45,000
Heysen prize scholarship		1,870	-
Other grants		14,718	1,993
Donations		11,500	9,989
Interest		1,745	976
Total Other Income		\$97,098	\$77,278
Other Expenditure			
Grant & other expenses	11	1,026	\$6
Net Surplus/(Deficit)		(\$5,031)	(\$22,504)

To be read in conjunction with the attached notes

Hahndorf Academy Foundation Incorporated
Statements of Cash Flows
For the Year Ended 30th June, 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Net income		(\$5,031)	(\$22,504)
Prepaid insurance		(2,091)	-
Accounts receivable		(2,211)	130
Clearing		99	1,099
Inventory		(2,820)	(1,249)
Fixed assets – At cost		-	(689)
Fixed assets – Accumulated depreciation		4,632	3,297
Trade creditors		758	(7,178)
GST		(2,623)	899
Payroll accruals payable/ATO provisions		897	994
PAYG withholding payable		2,314	(400)
Funds in advance			-
Provisions for leave		1,944	1,702
Tax/workers compensation clearing			996
Grants not expended		7,622	14,100
Superannuation & workcover		2,086	(283)
Net cash provided by/(used) by operating activities		\$5,576	(\$9,086) 6348
Cash flows from investing activities		\$nil	\$nil
Net cash provided by/(used) by investing activities		\$nil	\$nil
Net increase/(decrease) in cash held		\$5,576	(\$9,086)
Cash at beginning of financial year	2	17,831	26,917
Cash at end of financial year	2	<u>\$23,407</u>	<u>\$17,831</u>

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This special purpose financial report has been prepared for distribution to the members to fulfil the Hahndorf Academy Foundation's financial reporting requirements under the entity's constitution. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements of the entity's constitution and with previous years, and are, in the opinion of the directors appropriate to meet the needs of members.

- (a) This special purpose financial report has been prepared on the accruals basis of accounting including the historical cost convention and the going concern assumption. It does not take into account the changing values of money.
- (b) The requirements of Australian Accounting Standards and Statements of Accounting Concepts promulgated by the Australian Society of Certified Practising Accountants and The Institute of Chartered Accountants in Australia do not have mandatory applicability to the Hahndorf Academy Foundation Inc. in relation to the year ended 30 June 2011 because the entity is not a "reporting entity" as defined therein. No accounting standards have necessarily been adopted in the preparation of this special purpose financial report.

(c) **Depreciation**

The carrying amounts of plant and equipment are reviewed annually. The depreciation expense in the Income and Expenditure Statement reflects the writing off of these assets over their considered useful life.

(d) **Comparatives**

When required by a change in presentation, comparative figures have been adjusted to conform to changes in presentation or the current financial year and are not always available.

HAHNDORF ACADEMY FOUNDATION INCORPORATED

Notes to and Forming Part of the Financial Statements

For the Year Ended 30th June 2011

Note 2. RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investment in money market investments, net of outstanding bank overdrafts. Cash at the end of the reporting year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2011	2010
Cash at Bank	\$9,736	\$10,972
Investments – Cash management	13,171	6,459
Other	500	400
	<u>\$23,407</u>	<u>\$17,831</u>

Note 3. PROVISIONS & ACCRUALS

PAYG Taxation payable	\$6,205	\$4,290
Provisions	897	2,054
Employee leave	1,944	2,832
Other	5,303	1,455
	<u>\$14,349</u>	<u>\$10,631</u>

Note 4. OTHER LIABILITIES

Grants not expended	<u>\$21,722</u>	<u>\$14,100</u>
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Note 5. NON-CURRENT PROVISIONS

Council debenture	<u>\$34,501</u>	<u>\$34,501</u>
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Note 6. ADMINISTRATION

Accounting	\$12,037	\$11,704
Bad debts	1	13
Bank charges	2,245	1,918
Collection management	-	164
Computer maintenance	2,436	1,834
Depreciation	4,632	4,632
Internet	463	927
Postage	2,284	2,304
Printing & stationery	1,790	1,707
Professional memberships	440	417
Telephone	2,944	3,324
Other	-	418
	<u>\$29,272</u>	<u>\$29,632</u>

HAHNDORF ACADEMY FOUNDATION INCORPORATED
Notes to and Forming Part of the Financial Statements
For the Year Ended 30th June 2011

	2011	2010
	\$	\$
Note 7. OCCUPANCY		
Cleaning	5,262	242
Decorations & shopfittings	340	277
Utilities	9,828	7,058
Insurance	1,700	3,730
Repairs & maintenance	1,286	1,837
Risk management	357	435
Security	2,856	3,145
	<u>\$21,629</u>	<u>\$16,724</u>
Note 8. MARKETING		
Advertising	\$876	\$1,691
Promotions	2,052	35
Research & development	-	9
Website	50	-
	<u>\$2,978</u>	<u>\$1,735</u>
Note 9. EMPLOYMENT COSTS		
Wages & salaries	\$103,809	\$90,185
Superannuation	9,100	8,050
Workcover	2,346	1,313
Other Employment expenses		1,702
	<u>\$118,151</u>	<u>\$101,250</u>
Note 10. OTHER INCOME		
Mt Barker Council Grant	\$50,000	\$45,000
Other Council grants	17,265	-
	<u>\$67,265</u>	<u>\$45,000</u>
Note 11. OTHER EXPENSES		
Sundry	\$1,026	\$6
	<u>\$1,026</u>	<u>\$6</u>

