

Courthouse Youth Arts Centre Inc

Financial Report for the Year Ended 31 December 2010

COMMITTEE'S REPORT

Your committee members submit the financial report of Courthouse Youth Arts Centre Inc for the financial year ended 31 December 2010.

Committee Members

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

Lisa Kingman (Chairperson)	Leon Czarnuch (Treasurer)
Monica Butler	Bec Edgecumbe
Duncan Esler	Cr. Jan Farrell
Peter Garlick	Tessa King
Una McAlinden	Stuart Monotti
Glen Sillet (Resigned)	Denzil Stephenson (Resigned)
Peter Temple (Resigned)	

Principal Activities

The principal activities of the association during the financial year were to provide the facilities for development of youth arts and culture in the Geelong community.

Significant Changes

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

Operating Result

The loss after providing for income tax amounted to \$6,215.

Signed in accordance with a resolution of the members of the committee.

.....
Lisa Kingman (Chairperson)

.....
Leon Czarnuch (Treasurer)

Dated this day of 2011

Courthouse Youth Arts Centre Inc

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010	2009
		\$	\$
INCOME			
Committed Income Brought Forward		0	85,207
Recurrent Funding	2	359,199	266,418
Earned Income	3	51,531	42,212
Subtenants		31,680	44,034
Venue Hire Received	4	22,655	44,867
Recovery Items	5	8,373	2,612
Subscriptions – Members/Friends		2,635	2,730
Interest Received		2,345	2,268
Other Revenue		3,300	259
		481,718	490,607
EXPENDITURE			
Administration	6	24,569	37,619
Financial Management	7	15,205	9,893
Marketing	8	8,168	9,737
Personnel	9	324,780	323,620
Production	10	47,598	43,102
Risk Management	11	17,361	21,206
Venue	12	43,852	52,025
Depreciation		6,400	7,282
Committed Expenditure		0	0
		487,933	504,484
Profit before income tax		(6,215)	(13,877)
Income tax expense	1a	0	0
Profit after income tax		(6,215)	(13,877)
Other comprehensive income after income tax:			
Net (loss)/gain on revaluation of financial assets		0	0
Other comprehensive income for the year, net of tax		0	0
Total comprehensive income for the year		(6,215)	(13,877)

The accompanying notes form part of these financial statements.

Courthouse Youth Arts Centre Inc

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Note	2010	2009
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	13	87,007	116,346
Trade and other receivables	14	76,888	23,692
Prepayments		13,287	13,686
TOTAL CURRENT ASSETS		177,182	153,724
NON-CURRENT ASSETS			
Other Debtors		0	0
Property, plant and equipment	15	54,563	60,963
TOTAL NON-CURRENT ASSETS		54,563	60,963
TOTAL ASSETS		231,745	214,687
CURRENT LIABILITIES			
Trade and other payables	16	21,619	8,580
Other provisions	17	26,316	16,082
Other Financial Liabilities		0	0
TOTAL CURRENT LIABILITIES		47,935	24,662
TOTAL LIABILITIES		47,935	24,662
NET ASSETS		183,810	190,025
MEMBERS' FUNDS			
Retained profits	18	183,810	190,025
TOTAL MEMBERS' FUNDS		183,810	190,025

The accompanying notes form part of these financial statements.

Courthouse Youth Arts Centre Inc

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	Retained Earnings	General Reserves	Total
	\$	\$	\$
Balance at 1 January 2009	203,902	0	203,902
Profit attributable to members	(13,877)	0	(13,877)
Balance at 31 December 2009	190,025	0	190,025
Profit attributable to members	(6,215)	0	(6,215)
Total other comprehensive income for the year	0	0	0
Balance at 31 December 2010	183,810	0	183,810

The accompanying notes form part of these financial statements.

Courthouse Youth Arts Centre Inc

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010	2009
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants Received		295,928	307,547
Receipts from Customers		137,030	135,692
Interest Received		2,345	2,268
Donations Received		2,250	0
Payments to Suppliers & Employees		(466,892)	(507,628)
Dividends Received		0	0
Income tax paid		0	0
Net cash provided by/(used in) investing activities		(29,339)	(62,121)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		0	0
Purchase of property, plant and equipment		0	0
Net cash provided by/(used in) investing activities		0	0
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of borrowings		0	0
Proceeds from borrowings		0	0
Net cash provided by/(used in) financing activities		0	0
Net increase/(decrease) in cash held		(29,339)	(62,121)
Cash and cash equivalents at beginning of financial year		116,346	178,467
Cash and cash equivalents at end of financial year		87,007	116,346

The accompanying notes form part of these financial statements.

Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Victoria. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does 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 this financial report.

a. **Income Tax**

Association is exempted from income tax under the provisions of Income Tax Assessment Act – 1936 (Section).

b. **Property, Plant and Equipment (PPE)**

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

c. **Impairment of Assets**

At the end of each reporting period, the entity 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 income statement.

d. **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 have been measured at the amounts expected to be paid when the liability is settled.

e. **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. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f. **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

g. 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. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

h. Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, 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 that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

i. 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 assets and liabilities statement are shown inclusive of GST.

j. Investments

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

NOTE 2: RECURRENT FUNDING

	2010	2009
	\$	\$
City of Greater Geelong	209,913	150,135
Arts Victoria	64,236	62,792
Australian Council for the Arts	60,750	31,501
Courthouse Trust	0	1,564
Office for Youth (FReeZa)	24,300	19,426
Other	0	1,000
	359,199	266,418

Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 3: PROJECT INCOME	2010	2009
	\$	\$
Performance Fees	16,454	6,309
Box Office	19,577	19,265
Workshop Fees	3,591	5,377
Tutor Fees	0	10,876
Food and Drink Sales	640	335
Merchandise Sales	6,940	0
Fundraising	1,317	0
Other	3,012	50
	<u>51,531</u>	<u>42,212</u>

NOTE 4: VENUE HIRE	2010	2009
	\$	\$
Art Studio	224	1,992
Magistrates Court	2,317	11,562
Multi-Media Room	3,273	7,201
Second Court	5,169	12,133
Stott Theatre	3,792	4,933
Equipment Hire	633	3,625
Staffing	557	2,812
Other	6,690	609
	<u>22,655</u>	<u>44,867</u>

NOTE 5: RECOVERY ITEMS	2010	2009
	\$	\$
Photocopying	1,181	1,732
Reimbursements	575	370
Moving Costs	6,494	0
Other	123	510
	<u>8,373</u>	<u>2,612</u>

Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 6: ADMINISTRATION EXPENSES	2010	2009
	\$	\$
Computers & IT	718	8,942
Contract Staffing	0	2,135
Legal Fees	251	233
Memberships & Subscriptions	2,920	1,922
Photocopier	8,536	10,713
Postage	2,150	1,385
Software	916	1,722
Stationary	794	817
Telephone & Fax	2,598	2,639
Travel & Accommodation	2,777	5,745
Vehicle Hire	2,074	0
Other	835	1,366
	<u>24,569</u>	<u>37,619</u>

NOTE 7: FINANCIAL MANAGEMENT EXPENSES	2010	2009
	\$	\$
Accounting	5,500	5,400
Audit	700	650
Bank Charges	832	693
Bookkeeping	8,173	3,150
	<u>15,205</u>	<u>9,893</u>

NOTE 8: MARKETING EXPENSES	2010	2009
	\$	\$
Advertising	5,333	4,011
Design & Printing	1,750	4,682
Sponsorship	1,085	1,044
	<u>8,168</u>	<u>9,737</u>

Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 9: PERSONNEL EXPENSES	2010	2009
	\$	\$
Creative Personnel	55,231	57,121
Management & Administration Personnel	97,880	110,903
Marketing & Promotion Personnel	4,738	2,554
Performers, Artists & Art Workers	32,015	33,281
Production & Technical Personnel	89,348	78,181
Oncosts	27,272	35,484
Allowances	4,568	0
Professional Development	800	559
Staff Amenities	1,967	784
Staff Reimbursements	727	728
Staff Training	0	1,189
Annual Leave Accrual	5,420	(7,215)
Long Service Leave Accrual	4,813	10,051
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	324,780	323,620
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NOTE 10: PRODUCTION EXPENSES	2010	2009
	\$	\$
Accommodation	6,684	8,578
Box Office	114	2,980
Catering	1,089	1,202
Equipment – Lighting, Sound & Audio Visual	314	92
Equipment Hire	8,632	5,988
Event Crew	1,749	4,864
Licence Fees	1,067	155
Other	2,136	1,376
Scenic, Staging & Materials	12,279	10,947
Transport & Freight	3,852	1,771
Travel	2,895	4,149
Curator	1,000	0
Photography	1,536	0
Venue	4,251	1,000
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	47,598	43,102
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Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 11: RISK MANAGEMENT EXPENSES

	2010	2009
	\$	\$
Criminal Records Screening	0	160
First Aid	1,471	0
Health & Safety Planning & Training	182	0
Insurance	11,916	17,739
Security	3,792	3,307
	17,361	21,206
	17,361	21,206

NOTE 12: VENUE MANAGEMENT EXPENSES

	2010	2009
	\$	\$
Catering	782	555
Cleaning & Gardening	14,051	14,560
Disposables	131	2,129
Electricity, Gas & Water	0	0
Equipment < \$1,000	3,164	3,422
Other	500	573
Rent	25,030	30,718
Repairs & Maintenance	194	68
	43,852	52,025
	43,852	52,025

NOTE 13: CASH & CASH EQUIVELANTS

	2010	2009
	\$	\$
Operating Account	13,992	33,122
Programming Account	20,794	83,160
Petty Cash Imprest	1,540	64
Term Deposit	50,681	0
	87,007	116,346
	87,007	116,346

Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 14: TRADE AND OTHER RECEIVABLES	2010	2009
	\$	\$
Accounts Receivable	76,888	23,692
	<u>76,888</u>	<u>23,692</u>

NOTE 15: PROPERTY, PLANT AND EQUIPMENT	2010	2009
	\$	\$
Furniture & Fittings – at cost	45,548	45,548
Less accumulated amortisation	(41,880)	(41,472)
	<u>3,668</u>	<u>4,076</u>
Office Equipment	39,028	39,028
Less accumulated depreciation	(38,605)	(38,350)
	<u>423</u>	<u>678</u>
Plant & Equipment	161,068	161,068
Less accumulated depreciation	(110,596)	(104,859)
	<u>50,472</u>	<u>56,209</u>
	<u>54,563</u>	<u>60,963</u>

NOTE 16: PAYABLES	2010	2009
	\$	\$
Accounts Payable	3,064	1,160
Credit Card	431	0
Other Creditor	2,100	0
PAYG Withholdings	4,894	5,036
Superannuation Liability	2,210	2,120
Tax Payable	8920	144
GST Adjustment	0	120
	<u>21,619</u>	<u>8,580</u>

Courthouse Youth Arts Centre Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 17: OTHER PROVISIONS	2010	2009
	\$	\$
Provision for Annual Leave	11,452	6,031
Provision for Long Service Leave	14,864	10,051
	<u>26,316</u>	<u>18,082</u>

NOTE 18: RETAINED EARNINGS	2010	2009
	\$	\$
Retained Earnings at the beginning of the period	190,025	203,902
Net Deficit from Ordinary Activities	(6,215)	(13,877)
	<u>183,810</u>	<u>190,025</u>

Courthouse Youth Arts Centre Inc

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 13:

1. Presents a true and fair view of the financial position of Courthouse Youth Arts Centre Inc as at 31 December 2010 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Courthouse Youth 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:

President

Lisa Kingman (Chairperson)

Treasurer

Leon Czarnuch (Treasurer)

Dated this day of 2011

Courthouse Youth Arts Centre Inc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COURTHOUSE YOUTH ARTS CENTRE INC

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Courthouse Youth Arts Centre Inc (the association), which comprises the assets and liabilities statement as at 31 December 2010 for the year then ended, the income and expenditure statement, 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 and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporation Act (Victoria) 1981 and are appropriate to meet the needs of the members. The committee's responsibilities also include 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 judgment, 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the Associations Incorporation Act (Victoria) 1981. We disclaim any assumption of responsibility for any 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.

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.

Auditor's Opinion

In our opinion, the financial report of Courthouse Youth Arts Centre Inc presents fairly, in all material respects the financial position of Courthouse Youth Arts Centre (Non-reporting) Inc as at 31 December 2010 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Act (Victoria) 1981.

Name of firm: LBW Chartered Accountants

Name of partner: Sripathy Sarma

Address: 35 – 37 Gordon Avenue, Geelong West, 3218

Dated this day of 2011

Courthouse Youth Arts Centre Inc

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Lisa Kingman of Geelong and Leon Czarnuch of Geelong certify that:

- a. We are members of the committee of Courthouse Youth Arts Centre Inc.
- b. We attended the annual general meeting of the association held on _____ 2011.
- c. We are authorised by the attached resolution of the committee to sign this certificate.
- d. This annual statement was submitted to the members of the association at its annual general meeting.

Dated this _____ day of _____ 2011

.....
Lisa Kingman (Committee Member)

.....
Leon Czarnuch (Committee Member)