

RAINBOW CLUB AUSTRALIA INCORPORATED
ABN: 96 753 434 862

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014

AUDITOR'S INDEPENDENCE DECLARATION

To: the Committee of Rainbow Club Australia Inc

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2014, there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



Greg Thompson
THOMPSONS AUDIT

Date: 18 September 2014

RAINBOW CLUB AUSTRALIA INCORPORATED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Revenue	349,328	376,379
Administration expense	(113,773)	(93,982)
Advertising and promotion expenses	(1,650)	(940)
Service provision expenses	(160,619)	(188,439)
Current year surplus before income tax	73,286	93,018
Income tax expense	-	-
Net current year surplus	73,286	93,018
Other comprehensive income	73,286	93,018
Items that will not be reclassified subsequently to profit or loss	-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met	-	-
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	73,286	93,018
Total comprehensive income attributable to members of the entity	73,286	93,018

RAINBOW CLUB AUSTRALIA INCORPORATED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	10	191,176	237,696
Accounts receivable and other debtors	3	11,865	8,774
Other current assets	4	258,563	250,000
TOTAL CURRENT ASSETS		<u>461,604</u>	<u>496,470</u>
NON-CURRENT ASSETS			
Plant and equipment	5	1,741	3,142
Intangibles	6	11,600	14,500
TOTAL NON-CURRENT ASSETS		<u>13,341</u>	<u>17,642</u>
TOTAL ASSETS		<u>474,945</u>	<u>514,112</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	17,095	64,282
Employee provisions	8	2,486	1,373
Income in advance	9	12,480	14,640
Grants received in advance	9	83,333	83,333
Other current liabilities	9	19,115	-
TOTAL CURRENT LIABILITIES		<u>134,509</u>	<u>163,628</u>
NON-CURRENT LIABILITIES			
Grants received in advance	9	-	83,334
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>83,334</u>
TOTAL LIABILITIES		<u>134,509</u>	<u>246,962</u>
NET ASSETS		<u>340,436</u>	<u>267,150</u>
EQUITY			
Retained surplus		340,436	267,150
TOTAL EQUITY		<u>340,436</u>	<u>267,150</u>

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STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2014

	Retained Surplus \$
Balance at 1 July 2012	<u>174,132</u>
Comprehensive Income	
Surplus for the year attributable to members of the entity	93,018
Other comprehensive income for the year	<u>-</u>
Total comprehensive income attributable to member of the entity	<u>93,018</u>
 Balance at 1 July 2013	 <u>267,150</u>
Comprehensive Income	
Surplus for the year attributable to members of the entity	73,286
Other comprehensive income for the year	<u>-</u>
Total comprehensive income attributable to member of the entity	<u>73,286</u>
Balance at 30 June 2014	<u><u>340,436</u></u>

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STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2014

	Note	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from donations, bequests and raffles		200,592
Receipts from grants		73,714
Payments to suppliers and employees		(333,652)
Interest received		12,826
Net cash (used in)/generated from operating activities	11	<u>(46,520)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment		-
Payment for intangibles		-
Net cash used in investing activities		<u>-</u>
Net decrease in cash held		(46,520)
Cash on hand at the beginning of the financial year		237,696
Cash on hand at the end of the financial year	10	<u><u>191,176</u></u>

RAINBOW CLUB AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1 Summary of Significant Accounting Policies

The financial statements are special purpose statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (NSW). The committee has determined that the association is not a reporting entity.

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

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

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.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the association. Depreciation commences 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 method and useful life of assets is reviewed annually to ensure they are still appropriate.

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

Employee Provisions

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

Cash on Hand

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

Accounts Receivable and Other Receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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 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.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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FOR THE YEAR ENDED 30 JUNE 2014

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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Financial Assets

Investments in financial assets are initially recognised at cost, which includes transactions costs, and 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.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the association that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2 Auditors' Fees

Remuneration of the auditor of the association for

- Auditing or reviewing the financial report	2,100	1,909
	<u>2,100</u>	<u>1,909</u>

3 Accounts Receivable and Other Debtors

Current

Sundry Debtors	-	614
Trade Debtors	11,320	8,160
Undeposited Funds	545	-
	<u>11,865</u>	<u>8,774</u>

4 Financial Assets

Current

Term Deposits	<u>258,563</u>	<u>250,000</u>
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5 Property, Plant and Equipment

Land and Buildings

Minor Assets	3,746	3,746
Less: Accumulated Depreciation	<u>(3,672)</u>	<u>(3,626)</u>
	74	120
Total Land and Buildings	<u>74</u>	<u>120</u>

Office Furniture & Equipment	8,165	8,165
Less: Accumulated Depreciation	<u>(6,498)</u>	<u>(5,143)</u>
	1,667	3,022
Total Plant and Equipment	<u>1,667</u>	<u>3,022</u>
Total Property, Plant and Equipment	<u>1,741</u>	<u>3,142</u>

6 Intangible Assets

Website Development	14,500	14,500
Less Accumulated Amortisation	<u>(2,900)</u>	<u>-</u>
Total	<u>11,600</u>	<u>14,500</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

7 Accounts Payable and Other Payables

Current

MasterCard CBA Business Card	1,796	
Sundry Creditors	7,480	28,605
PAYG Withholding Payable	2,567	4,634
Superannuation Payable	2,460	9,559
Input Tax Credits	2,792	21,484
	<u>17,095</u>	<u>64,282</u>

8 Employee Provisions

Provision for Annual Leave	2,486	1,373
	<u>2,486</u>	<u>1,373</u>

9 Other Liabilities

Current

Income in Advance	12,480	14,640
Grants Received in Advance	83,333	83,333
Donations in Advance	18,206	-
Sponsorships in Advance	909	-
	<u>114,928</u>	<u>97,973</u>

Non-Current

Grants Received in Advance	-	83,334
Total	<u>114,928</u>	<u>181,307</u>

10 Cash on Hand

CBA Operating Account	54,349	55,118
CBA Online Saver	136,827	182,578
	<u>191,176</u>	<u>237,696</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

11 Cash Flow Information

Reconciliation of cash flows from operations with net current year surplus

Net current year surplus	73,286
Net-cash flows in profit:	
- depreciation and amortisation	4,301
Changes in assets and liabilities	
- (increase)/decrease in accounts receivable and other debtors	(3,092)
- (increase)/decrease in Term Deposits	(8,563)
- increase/(decrease) in grants received in advance	(83,333)
- increase/(decrease) in income in advance	16,955
- (increase)/decrease in prepayments	-
- increase in inventories on hand	-
- (decrease)/increase in accounts payable and other payables	(47,187)
- (decrease)/increase in provisions	1,113
	<hr/>
Cash flows (used in)/provided by operating activities	(46,520)

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**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND
PERFORMANCE OF INCORPORATED ASSOCIATION**

We Alexandra Finley, and Philip Holt, being members of the committee of Rainbow Club Australia Incorporated, certify that -

The statements attached to this certificate give a true and fair view of the financial position and performance of Rainbow Club Australia Incorporated during and at the end of the financial year of the association ending on 30 June 2014.

President:

Alexandra Finley

Vice

President:

Philip Holt

Dated this

8

day of

October

2014

Independent Auditor's Report

To: the Members of Rainbow Club Australia Inc

Report on the Financial Report

I have audited the accompanying financial report of Rainbow Club Australia Inc, which comprises the committee's report, Statement of Profit or Loss, Statement of Financial Position as at 30 June 2014, Statement of Changes in Equity, Statement of Cash Flows for the year and, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Board (Committee) for the Financial Report

The Board (committee) of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Associations Incorporation Act NSW 2009 and are appropriate to meet the needs of the members. The committee's responsibility also 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

My responsibility is to express an opinion on the financial report on my 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. I conducted the 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 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.

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2.

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 the members for the purposes of fulfilling the committee's financial reporting obligations under the Associations Incorporation Act NSW 2009. 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. As a result, the financial report may not be suitable for another purpose.

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

Independence

In conducting the audit, I have complied with the audit independence requirements. I confirm that the independence declaration provided to the committee of Rainbow Club Australia Inc would be in the same terms if provided to the committee as at the date of this auditor's report.

Auditor's Opinion

In my opinion, the financial report of Rainbow Club Australia Inc is in accordance with the Associations Incorporation Act NSW 2009, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the requirements of the Associations Incorporation Act NSW 2009.

Significant Uncertainty – Going Concern

Without qualification to the opinion expressed above, solvency of the entity is dependent on the continued sponsorship of various fundraising appeals and events, grants and donations from affiliated Rainbow Club's, various local organisations and local councils, and the appropriate management of funds in accordance with the constitution of the entity. The completeness and accuracy of proceeds from the fundraising activities and events is dependent upon the internal controls applied at the time and on trust of the various entities involved.



Greg Thompson
THOMPSONS AUDIT

Date: 30 September 2014