

Carclew Youth Arts Incorporated
30th June 2012
Report by the Board of Directors

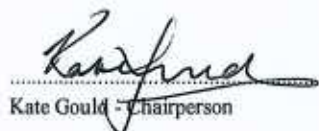
During the financial year, no officer of the Association, or any firm of which an officer is a member, or any corporate in which an officer has a substantial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or corporate and the Association.

During the financial year, no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value, other than in the case of officers employed by the Association, approved salaries which have been determined in accordance with general market conditions.

Dated at Adelaide this 30th day of August 2012

Signed in accordance with a resolution of the Board


Patricia Walton - Chief Executive


Kate Gould - Chairperson

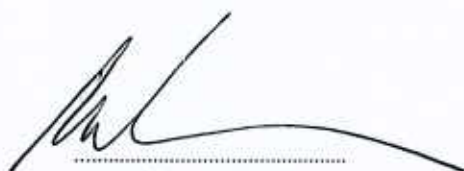
Carclew Youth Arts Incorporated
30th June 2012
Statement by the Board of Directors

The Board has determined that the Association is not a reporting entity and that the 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 Board of Carclew Youth Arts Incorporated (the "Association") the financial statements as set out on pages 3 to 14:

- 1 Presents a true and fair view of the financial position of Carclew Youth Arts Incorporated as at 30 June 2012 and its performance for the year ended on that date in accordance with the Associations Incorporation Act SA 1985, and Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board to the extent described in Note 1 to the Financial Statements.
- 2 At the date of this statement, there are reasonable ground to believe that Carclew Youth Arts Incorporated will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board.



Patricia Walton - Chief Executive



Kate Gould - Chairperson

Dated at Adelaide this 30th day of August 2012

Carclew Youth Arts Incorporated
Statement of Comprehensive Income
For the year ended 30 June 2012

		2012	2011
	Note	\$	\$
Grant revenue	2(a)	1,537,497	1,867,642
Community Arts Development Fund		115,200	120,000
Other revenues	2(a)	528,669	514,673
Total revenue		<u>2,181,366</u>	<u>2,502,315</u>
Administration		436,381	505,194
Facilities		6,748	11,884
Anyas Fund		620	-
Directorate		225,512	199,400
Carclew 40th Birthday House Party		14,071	-
Industry Development Program		111,329	86,861
Industry Development Forums & Workshops		9,463	11,771
Arts Administration Trainees		10,000	193,736
Off the Couch		82,802	91,055
Jump Mentoring Program		69,959	90,314
EnCompass - Productivity Placement Program		40,047	66,881
Odeon Theatre		107,308	136,775
Arts & Education		94,269	91,255
Creative Education Partnership - Tailem Bend		-	2,342
Creative Education Partnership - Big Draw/Drawing in Motion		43,527	35,077
Forum for Teachers and Artists		4,675	-
Artists in Schools		35,580	35,269
Arts Blast		15,193	11,295
Community Program		115,791	73,242
Explore Arts (Holiday Program)		69,387	70,784
Remote Communities Mentoring & Leadership Program		5,286	86,414
Tjijji Tjutaku Inma (Children's Inma Project)		97,104	-
Nunga Days/Blak Nite		-	110,715
Womadelaide		14,095	13,040
Earth Station		3,026	-
DVFM West Coast		15,000	-
Lowdown Magazine		37,346	121,104
Marketing & Publicity		175,222	135,602
Visual Arts & Digital Media		99,571	82,574
Public Art Training Project (Urban Art Pod)		21,763	36,488
Splendid Mentoring Program		41,438	-
Carclew Youth Arts Exhibition Program		1,528	1,778
Digital Media Workshops		10,330	6,194
Mobile Projection Bike Project		816	1,770
Carclew Youth Arts Board & Committees		43,800	40,995
BHP Billiton Youth Arts Fund		-	46,093
BHP Billiton YAF - Playfull		-	8,436
BHP Billiton YAF - Artists in Schools - Cargo		80,015	63,203
Total expenditure		<u>2,139,000</u>	<u>2,467,539</u>
Profit/(Loss) before interest income		<u>42,366</u>	<u>34,777</u>
Interest income		49,544	30,044
Profit/(Loss) for the period		<u><u>91,910</u></u>	<u><u>64,820</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes set out on pages 7 to 14

Carclew Youth Arts Incorporated
Statement of Financial Position
As at 30 June 2012

	Note	2012 \$	2011 \$
Current Assets			
Cash and Cash Equivalents	9(a)	1,001,541	960,544
Receivables	3	45,954	44,242
Other Assets	4	8,558	31,131
Total Current Assets		<u>1,056,053</u>	<u>1,035,917</u>
Non-Current Assets			
Plant & Equipment	5	114,022	87,605
Total Non-Current Assets		<u>114,022</u>	<u>87,605</u>
Total Assets		<u>1,170,075</u>	<u>1,123,523</u>
Current Liabilities			
Payables	6	116,554	176,329
Grants in Advance	8	453,456	466,810
Provisions	7	94,240	160,243
Total Current Liabilities		<u>664,250</u>	<u>803,381</u>
Non Current			
Long Service Leave		93,774	-
Total Liabilities		<u>758,024</u>	<u>803,381</u>
Net Assets		<u>412,051</u>	<u>320,141</u>
Members' Funds			
Retained Surplus		412,051	320,141
Total Members' Funds		<u>412,051</u>	<u>320,141</u>

The above statement of financial position should be read in conjunction with the accompanying notes set out on pages 7 to 14

Carclew Youth Arts Incorporated
Statement of Changes in Members' Funds
For the year ended 30 June 2012

	Retained Surplus	Total
Balance at 1 July 2010	255,320	255,320
Profit attributable to members	64,820	64,820
Balance at 30 June 2011	<u>320,141</u>	<u>320,141</u>
 Profit attributable to members	 91,910	 91,910
Balance at 30 June 2012	<u><u>412,051</u></u>	<u><u>412,051</u></u>

The above statement of changes in members' funds should be read in conjunction with the accompanying notes set out on pages 7 to 14

Carclew Youth Arts Incorporated
Statement of Cashflows
For the year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from State Government Grants		1,257,500	1,222,500
Receipts from Grants, Sponsorship, Activities & Other Income		891,423	1,349,100
Interest Received		49,544	30,044
Payments for Administration		(436,381)	(505,194)
Payments for Projects & Activities		<u>(1,670,421)</u>	<u>(1,978,427)</u>
Net cash provided by operating activities	9(b)	<u>91,665</u>	<u>118,023</u>
Cash flows from investing activities			
Proceeds on disposal of fixed assets		12,454	-
Payment for fixed assets		<u>(78,249)</u>	<u>(23,192)</u>
Net cash (used in) investing activities		<u>(65,795)</u>	<u>(23,192)</u>
Cash flows from Carclew Youth Arts Board Administered Grants			
Receipts from State Government	8	1,130,422	1,242,500
Disbursements of Administered Grants	8	<u>(1,115,296)</u>	<u>(1,206,288)</u>
Net cash provided by/(used in) Carclew Youth Arts Grants		<u>15,126</u>	<u>36,212</u>
Increase/(Decrease) in cash held		40,997	131,043
Cash at beginning of the financial year		960,544	829,501
Cash at end of the financial year	9(a)	<u><u>1,001,541</u></u>	<u><u>960,544</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes set out on pages 7 to 14

Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

1. Statement of Significant Accounting Policies

The Association is domiciled in Australia

This financial report was authorised for issue by the directors on³⁰.....August 2012

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act SA 1985. The Board has determined that the association is not a reporting entity.

The financial report has been prepared on an accrual 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

The Association is exempt from Income Tax, pursuant to the Income Tax Assessment Act.

(b) Plant and Equipment

Basis of measurement of carrying amount

Each class of property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

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

Depreciation

The depreciable amount of all fixed assets are 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 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	Depreciation rate
Office Equipment	25% - 33%
Theatre Equipment	25% - 40%
Motor Vehicles	20%
Computer Software	50%

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 income statement.

(c) Leases

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

Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

1. Statement of Significant Accounting Policies (continued)

(d) Impairment of Assets

At each reporting date, the association reviews the carrying amounts of all 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.

(e) Employee Benefits

Employee benefits comprise wages and salaries, annual, long-service and non-accumulating sick leave, and contribution to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to reporting date. Liabilities for annual leave in respect of employees' services up to reporting date which are expected to be settled within 12 months of balance date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and are measured at the rates paid or payable.

The provision for employee entitlements to long service leave represents the amount which the Association has a present obligation to pay resulting from employees with more than six years of service provided up to the balance date. The provision for Long Service Leave has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

(f) 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.

(g) Cash and cash equivalents

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

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 balance sheet are shown inclusive of GST.

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

(i) Revenue Recognition

Grant Income

Grant revenue is recognised in the income statement when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

1. Statement of Significant Accounting Policies (continued)

Donations and bequests

General donations and bequests are recognised as revenue when received. Donations to specific projects are treated as grants in advance and recognised as revenue when the projects are delivered and project expenses incurred.

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.

Revenue from sale of goods and rendering of services

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to customers.

Treatment of Goods and Services Tax (GST)

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

(j) Trade creditors and other payables

Trade payables and other payables represent liabilities for goods and services provided to the association prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The notional amount of the creditors and other payables is deemed to reflect fair value.

(k) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for uncollectable amounts. Normal terms of settlement are 30 days. The notional amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

2. Revenues from Operating Activities	2012	2011
	\$	\$
(a) Grant Revenues:		
SA Government General Grant	765,000	765,000
Australia Council Activity Grants	25,000	111,350
Other Activity Income & Grants	747,497	991,292
Total grant revenue	<u>1,537,497</u>	<u>1,867,642</u>
Other Revenues:		
<i>From operating activities</i>		
SA Government - wages parity	492,500	457,500
Other income	36,169	57,173
Total other income	<u>528,669</u>	<u>514,673</u>

(b) Significant expenses

The following significant expense items are relevant in explaining the financial performance:

Employee expenses	1,117,101	1,365,999
Operating lease rental expense	70,829	68,180

Net (gain) / loss on disposal of non current assets	776	2,968
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Auditors' Remuneration

Audit Services

Auditors of the Association - Bentleys (SA) Pty Ltd	10,850	10,850
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Other Services - Taxation Advice

Auditors of the Association - Bentleys (SA) Pty Ltd	-	850
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3. Receivables	2012	2011
	\$	\$
<i>Current</i>		
Trade receivables	41,752	37,789
GST Receivable	4,202	6,453
Total receivables	<u>45,954</u>	<u>44,242</u>

Receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2012 (2011: Nil)

4. Other Assets	2012	2011
	\$	\$
Prepayments	<u>8,558</u>	<u>31,131</u>
	<u>8,558</u>	<u>31,131</u>

Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

5. Plant and Equipment

Reconciliations

Movements in the carrying amounts for each class of plant and equipment between the beginning and end of the current and prior financial year.

	Office Equipment	Motor Vehicles	Theatre Equipment	Building Improvement	Fixtures & Fittings	Total
<i>Plant and equipment - at cost</i>						
Balance at 1 July 2010	228,485	53,703	102,231	38,541	17,472	440,432
Additions	12,592	-	10,600	-	-	23,192
Disposals	(43,232)	-	(11,098)	-	-	(54,330)
Balance at 30 June 2011	197,845	53,703	101,733	38,541	17,472	409,294
Balance at 1 July 2011	197,845	53,703	101,733	38,541	17,472	409,294
Additions	6,908	71,341	-	-	-	78,249
Disposals	(5,698)	(53,703)	-	-	-	(59,401)
Balance at 30 June 2012	199,055	71,341	101,733	38,541	17,472	428,142
<i>Plant and equipment - accumulated depreciation</i>						
Balance at 1 July 2010	178,418	30,819	92,306	33,101	11,926	346,570
Depreciation charge for the year	16,114	4,577	2,608	1,795	1,387	26,481
Disposals	(40,291)	-	(11,071)	-	-	(51,362)
Balance at 30 June 2011	154,241	35,396	83,843	34,896	13,313	321,689
Balance at 1 July 2011	154,242	35,397	83,843	34,896	13,313	321,690
Depreciation charge for the year	14,031	11,987	5,435	1,202	1,040	33,695
Disposals	(5,870)	(35,396)	-	-	-	(41,266)
Balance at 30 June 2012	162,402	11,988	89,279	36,098	14,353	314,120
<i>Plant and equipment - carrying amounts</i>						
At 30 June 2011	43,604	18,307	17,890	3,645	4,159	87,605
At 30 June 2012	36,653	59,353	12,454	2,443	3,119	114,022

6. Payables

	2012	2011
	\$	\$
Trade payables	21,483	56,529
Accrued expenses	56,273	81,096
Payroll accruals	37,318	37,224
Deposits on hire	1,481	1,480
	<u>116,554</u>	<u>176,329</u>

Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

7. Provisions	2012	2011
	\$	\$
<i>Current</i>		
Annual leave	62,622	63,565
Long Service Leave	31,618	96,678
	<u>94,240</u>	<u>160,243</u>
<i>Non Current</i>		
Long Service Leave	<u>93,774</u>	<u>-</u>
Number of employees at year end	17	19
Arts Administration Trainees at Carclew and other host organisations	-	1

8. Grants/Income in Advance

<u>Project Description</u>	<u>Project Code</u>		
Administration	01	1,213	-
Facilities	01.1	527	1,023
Anyas Fund	01.2	-	615
Arts Administration Trainees	03.4	-	-
Off the Couch Goolwa	03.5	4,800	-
Jump Mentoring Program	03.6	46,740	40,839
EnCompass - Productivity Placement Program	03.7	22,752	24,960
Creative Education Partnership - Tailem Bend	06.2	-	2,658
Creative Education Partnership - Big Draw/Drawing in M	06.3	4,131	-
Arts Blast - Big Draw	06.6	-	1,134
Community Program	07	20,000	-
Remote Communities Mentoring & Leadership	07.3	74,814	-
Tjitji Tjutaku Inma	07.5	165,896	263,000
DVFM West Coast	07.9	-	15,000
Lowdown Magazine	08	4,000	4,000
Explore Arts (School Holiday Program)	09.1	6,700	580
Public Art Training Program (Urban Art Pod)	12.1	14,520	5,990
Splendid Mentoring Program	12.2	10,062	-
Mobile Projection Bike Project	12.8	11,151	11,967
BHP Billiton Youth Arts Fund	100.01	-	31,408
BHP YAF - Playfull	100.03	-	-
BHP YAF - Artists in Schools - Cargo	100.04	5,428	18,043
Carclew Youth Arts Board Grants & Disbursements	100 (refer below)	60,721	45,595
		<u>453,456</u>	<u>466,810</u>

Carclew Youth Arts Board Grants & Disbursements

During the year, Carclew Youth Arts Inc. administered on behalf of Carclew Youth Arts Board, the disbursement of grants from the SA Government (Arts SA), to various Community Arts Organisations and individual emerging artists. The amounts received and disbursed are not included in the operating accounts of the Association, but the balance of funds remaining undistributed is included in the Statement of Financial Position. The total amounts received and distributed in respect of the funding year ended 30 June 2012 and 2011, are as follows:

	2012	2011
	\$	\$
Total Grant Brought Forward	45,595	9,383
Total Grant Receipts	1,130,422	1,242,500
Total Grant Disbursements	(1,115,296)	(1,206,288)
Total Grant Carried Forward	<u>60,721</u>	<u>45,595</u>
	<u>60,721</u>	<u>45,595</u>
Represented by:		
Cash (included in Cash at Bank)	60,721	45,595
	<u>60,721</u>	<u>45,595</u>

Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

9. Notes to the Statement of Cashflows

2012 **2011**
\$ **\$**

(a) Reconciliation of cash

For the purposes of the statement of cashflows, cash includes cash on hand and at bank. Cash as at the end of the financial year is shown in the statement of cashflows and reconciled to the related items in the statements of financial position as follows:

Cash on hand	6,000	1,350
Cash at Bank	995,541	959,194
	<u>1,001,541</u>	<u>960,544</u>

(b) Reconciliation of surplus from ordinary activities to net cash provided by:

Profit/(Loss) for the period	91,910	64,820
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Cash flows excluded from profit attributable to operating activities

Depreciation expense	33,680	26,481
Write off of fixed assets	5,698	2,968

Changes in assets and liabilities during the financial year:

(Increase)/decrease in receivables	(1,712)	87,716
(Increase)/decrease in other assets	22,573	14,356
(Decrease)/increase in creditors & accruals	(59,774)	(22,112)
(Decrease)/increase in grants in advance	(13,354)	(14,531)
(Decrease)/increase in employee provisions	27,771	(5,464)
Carclew Youth Arts Board grants received	(1,130,422)	(1,242,500)
Carclew Youth Arts Board grants disbursed	1,115,296	1,206,288

Net cash (used in)/provided by operating activities	<u>91,665</u>	<u>118,023</u>
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Carclew Youth Arts Incorporated
Notes to the financial statements for the year ended 30 June 2012

10. Related party disclosures

The names of each person holding the position of Board member during the financial year are:

Ms Kate Gould	Chair	
Ms Jo Sutherland-Shaw	Chair Finance Sub-Committee	
Mr Michael Hill	Member	(Term expired 30 April 2012)
Ms Samantha Yates	Member	
Ms Christine Hatzl	Member	
Ms Ella Pak Poy	Member	
Mr Philip Watkins	Member	(Resigned 7 July 2011)
Ms Victoria Purman	Member	
Mr Jeff Meiners	Member	
Ms Sidsel Fawkes	Staff Nominee	
Ms Patricia Walton	Executive Officer	

The persons listed above held the position of Board member for the whole of the financial year unless otherwise stated.

Remuneration

Amounts totaling \$4,845 (2011: \$4,314) were paid to Board members during the year being for honorariums and meeting attendance fees as determined by the Department of the Premier and Cabinet through the Minister Assisting the Premier in the Arts.

During the financial year, no officer of the Association has received directly or indirectly from the Association any payment or other benefit of pecuniary value, other than approved salaries which have been determined in accordance with the South Australian Government Wages Parity (Salaried) Enterprise Agreement 2010

Other related parties

Other related parties transactions to value of \$26,133 were paid during the year. These were priced at an arms-length basis on terms and conditions and were no more favourable than those that would have been paid if dealing with unrelated parties.

11. Commitments

Operating lease expense commitment

Future operating lease commitments not provided for in the financial statements and payable :

	2012	2011
	\$	\$
Within one year	70,829	68,180
Later than one year and no later than 5	212,487	272,720
Later than 5 years	-	-
	<u>283,316</u>	<u>340,900</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a term of 10 + 5 years. Increase in lease commitments may occur in line with CPI.

12. Events after Balance Date

No events have occurred subsequent to balance sheet date which would have a material effect on the financial statements.

13. Economic Dependency

The Association is dependent upon the ongoing receipts of grants from the Federal and State Governments for its ongoing activities.

14. The registered office and principal place of business:

Carclew Youth Arts Incorporated
11 Jeffcott Street
North Adelaide SA 5006

Bentleys (SA) Partnership

64 Greenhill Road
Wayville SA 5034

PO Box 903
Unley SA 5061

ABN 99 292 743 838

T +61 8 8373 1266

F +61 8 8373 0228

admin@adel.bentleys.com.au
bentleys.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CARCLEW YOUTH ARTS INCORPORATED**

We have audited the accompanying financial report, being a special purpose financial report, of Carclew Youth Arts Incorporated, which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by the members of the Committee.

Committee's Responsibility for the Financial Report

The 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 (SA) and are appropriate to meet the needs of the members. The Committee's responsibility also includes establishing and maintaining internal controls 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, and described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards, which 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 circumstance, 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 the Australian professional ethical pronouncements.

Auditor's opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Carclew Youth Arts Incorporated as of 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Associations Incorporations Act (SA).

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Carclew Youth Arts Incorporated to meet the requirements of the Associations Incorporations Act (SA). As a result, the financial report may not be suitable for another purpose.

Bentleys (SA) Partnership

Bentleys (SA) Partnership



DAVID PAPA
Partner

Dated this 30th day of August 2012