

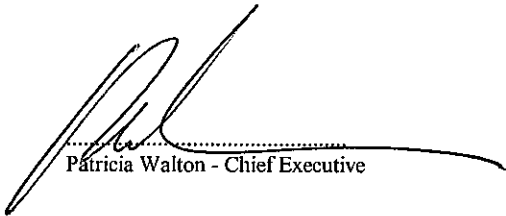
**Carclew Youth Arts Incorporated**  
**30th June 2011**  
**Report by the Board of Directors**

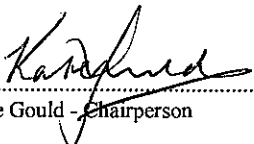
During the financial year, no officer of the Association, or any firm of which an officer is a member, or any corporate in which an officer has a substantial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or corporate and the Association.

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 25 day of August 2011

Signed in accordance with a resolution of the Board

  
Patricia Walton - Chief Executive

  
Kate Gould - Chairperson

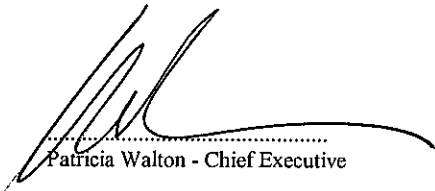
**Carclew Youth Arts Incorporated**  
**30th June 2011**  
**Statement by the Board of Directors**

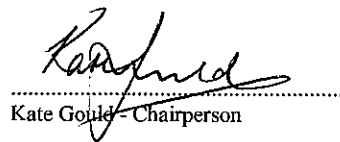
The Board has determined that the Association is not a reporting entity and that the special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the Financial Statements.

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 2011 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 25 day of August 2011

**Carclew Youth Arts Incorporated**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2011**

	Note	2011 \$	2010 \$
Grant revenue	2(a)	1,867,642	2,068,094
Community Arts Development Fund		120,000	120,000
Other revenues	2(a)	514,673	527,786
<b>Total revenue</b>		<u>2,502,315</u>	<u>2,715,880</u>
Administration		505,194	442,219
Facilities		11,884	2,938
Directorate		199,400	219,964
Industry Development Program		86,861	80,432
Industry Development Forums & Workshops (SAYAB Services)		11,771	3,257
Breeding Ground - Hiromi Tango Project		-	24,796
Arts Administration Trainees		193,736	183,200
Off the Couch		91,055	99,688
Jump Mentoring Program		90,314	74,533
EnCompass - Productivity Placement Program		66,881	-
Odeon Theatre		136,775	248,974
Arts & Education		91,255	91,588
Creative Education Partnership - Tailern Bend		2,342	38,000
Creative Education Partnership - Big Draw, Murray Bridge		35,077	20,137
Artists in Schools		35,269	34,192
Arts Blast		11,295	1,722
Community/Indigenous Program Arts & Culture Program		73,242	86,293
Holiday Program		70,784	75,578
APY Lands AERF		0	6,720
APY Lands Mentoring & Leadership Program		86,414	29,826
APY Lands - Office for Women		-	17,972
APY Lands Music Manager Project		-	45,348
Adelaide Festival Liru Tjukurrpa		-	41,486
Nunga Days/Blak Nite		110,715	369
Womadelaide		13,040	14,993
DVFM West Coast		-	10,923
Lowdown Magazine		121,104	216,844
Marketing & Publicity		135,602	127,012
Visual Arts & Digital Media		82,574	78,583
Public Art Training Project (Urban Art Pod)		36,488	11,653
Carclew Youth Arts Exhibition Program		1,778	1,618
Digital Media Workshops		6,194	6,847
Mobile Projection Bike Project		1,770	1,114
Animation Workshops & Public Art		-	7,991
Carclew Youth Arts Board & Committees		40,995	32,836
BHP Billiton Youth Arts Fund		46,093	124,295
BHP Billiton YAF - Full House		0	20,109
BHP Billiton YAF - Playfull		8,436	36,004
BHP Billiton YAF - Artists in Schools - Cargo		63,203	139,470
<b>Total expenditure</b>		<u>2,467,539</u>	<u>2,699,525</u>
<b>Profit/(Loss) before interest income</b>		<u>34,777</u>	<u>16,356</u>
Interest income		30,044	21,536
<b>Profit/(Loss) for the period</b>		<u>64,820</u>	<u>37,891</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 2011**

	Note	2011 \$	2010 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	9(a)	960,544	829,501
Receivables	3	44,242	131,958
Other Assets	4	31,131	45,487
<b>Total Current Assets</b>		<u>1,035,917</u>	<u>1,006,946</u>
<b>Non-Current Assets</b>			
Plant & Equipment	5	87,605	93,862
<b>Total Non-Current Assets</b>		<u>87,605</u>	<u>93,862</u>
<b>Total Assets</b>		<u>1,123,523</u>	<u>1,100,808</u>
<b>Current Liabilities</b>			
Payables	6	176,329	198,442
Grants in Advance	8	466,810	481,340
Provisions	7	160,243	165,706
<b>Total Current Liabilities</b>		<u>803,381</u>	<u>845,488</u>
<b>Total Liabilities</b>		<u>803,381</u>	<u>845,488</u>
<b>Net Assets</b>		<u>320,141</u>	<u>255,320</u>
<b>Members' Funds</b>			
Retained Surplus		320,141	255,320
<b>Total Members' Funds</b>		<u>320,141</u>	<u>255,320</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 2011**

	<b>Retained Surplus</b>	<b>Total</b>
<b>Balance at 1 July 2009</b>	217,429	217,429
Profit attributable to members	37,891	37,891
<b>Balance at 30 June 2010</b>	<u>255,320</u>	<u>255,320</u>
Profit attributable to members	64,820	64,820
<b>Balance at 30 June 2011</b>	<u>320,141</u>	<u>320,141</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 2011**

	Note	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Receipts from State Government Grants		1,222,500	1,205,500
Receipts from Grants, Sponsorship, Activities & Other Income		1,349,100	1,652,103
Interest Received		30,044	21,536
Payments for Administration		(505,194)	(442,219)
Payments for Projects & Activities		<u>(1,978,427)</u>	<u>(2,247,348)</u>
<b>Net cash provided by operating activities</b>	9(b)	<u>118,023</u>	<u>189,572</u>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of fixed assets		-	3,185
Payment for fixed assets		<u>(23,192)</u>	<u>(14,230)</u>
<b>Net cash (used in) investing activities</b>		<u>(23,192)</u>	<u>(11,045)</u>
<b>Cash flows from Carclew Youth Arts Board Administered Grants</b>			
Receipts from State Government	8	1,242,500	1,245,000
Disbursements of Administered Grants	8	<u>(1,206,288)</u>	<u>(1,251,340)</u>
<b>Net cash provided by/(used in) Carclew Youth Arts Grants</b>		<u>36,212</u>	<u>(6,340)</u>
<b>Increase/(Decrease) in cash held</b>		131,043	172,187
<b>Cash at beginning of the financial year</b>		829,501	657,314
<b>Cash at end of the financial year</b>	9(a)	<u><u>960,544</u></u>	<u><u>829,501</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 2011**

**1. Statement of Significant Accounting Policies**

The Association is domiciled in Australia

This financial report was authorised for issue by the directors on .....August 2011

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:

<b>Class of Fixed Asset</b>	<b>Depreciation rate</b>
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 2011**

**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 employee's 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 2011**

**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 2011**

<b>2.</b>	<b>Revenues from Operating Activities</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
(a)	Grant Revenues:		
	SA Government General Grant	765,000	765,000
	Australia Council Activity Grants	111,350	118,628
	Other Activity Income & Grants	991,292	1,184,466
	Total grant revenue	<u>1,867,642</u>	<u>2,068,094</u>
	Other Revenues:		
	<i>From operating activities</i>		
	SA Government - wages parity	457,500	440,500
	Odeon Theatre	0	36,565
	Other income	57,173	50,721
	Total other income	<u>514,673</u>	<u>527,786</u>

**(b) Significant expenses**

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

Employee expenses	1,365,999	1,388,662
Operating lease rental expense	68,180	66,323
Net (gain) / loss on disposal of non current assets	2,968	3,185
Auditors' Remuneration		
<i>Audit Services</i>		
Auditors of the Association - Bentleys (SA) Pty Ltd	10,850	10,500
<i>Other Services - Taxation Advice</i>		
Auditors of the Association - Bentleys (SA) Pty Ltd	850	-

<b>3.</b>	<b>Receivables</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
	<i>Current</i>		
	Trade receivables	37,789	112,328
	GST Receivable	6,453	19,630
	Total receivables	<u>44,242</u>	<u>131,958</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 2011 (2010: Nil)

<b>4.</b>	<b>Other Assets</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
	Prepayments	31,131	-
	Accrued Revenue	0	45,487
		<u>31,131</u>	<u>45,487</u>

**Carclew Youth Arts Incorporated**  
**Notes to the financial statements for the year ended 30 June 2011**

**5. Plant and Equipment**

**Reconciliations**

Movements in the carrying amounts for each class of planet 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 2009	387,691	53,703	102,231	38,541	17,472	599,638
Additions	14,229	-	-	-	-	14,229
Disposals	(173,435)	-	-	-	-	(173,435)
Balance at 30 June 2010	228,485	53,703	102,231	38,541	17,472	440,432
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
<i>Plant and equipment - accumulated depreciation</i>						
Balance at 1 July 2009	326,653	25,098	88,685	28,705	10,076	479,217
Depreciation charge for the year	22,015	5,721	3,621	4,396	1,850	37,603
Disposals	(170,250)	-	-	-	-	(170,250)
Balance at 30 June 2010	178,418	30,819	92,306	33,101	11,926	346,570
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
<i>Plant and equipment - carrying amounts</i>						
At 30 June 2009	61,037	28,605	13,546	9,836	7,396	120,420
At 30 June 2010	50,067	22,884	9,925	5,440	5,546	93,862
At 30 June 2011	43,604	18,307	17,890	3,645	4,159	87,605

**6. Payables**

	2011	2010
	\$	\$
Trade payables	56,529	87,050
Accrued expenses	81,096	61,152
Payroll accruals	37,224	49,028
Deposits on hire	1,480	1,212
	<u>176,329</u>	<u>198,442</u>

**Carclew Youth Arts Incorporated**  
Notes to the financial statements for the year ended 30 June 2011

<b>7. Provisions</b>		<b>2011</b>	<b>2010</b>
		\$	\$
<i>Current</i>			
Annual leave		63,565	77,622
Long Service Leave		96,678	88,084
		160,243	165,706
Number of employees at year end		19	21
Arts Administration Trainees at Carclew and other host organisations		1	10

**8. Grants/Income in Advance**

<u>Project Description</u>	<u>Project Code</u>		
Facilities	01.1	1,023	30,240
Anya's Fund	01.2	615	615
Arts Administration Trainees	03.4	-	62,219
Off the Couch Regional	03.5	-	11,908
Jump Mentoring Program	03.6	40,839	53,653
EnCompass - Productivity Placement Program	03.7	24,960	-
Creative Education Partnership - Tailern Bend	06.2	2,658	5,000
Creative Education Partnership - Big Draw, Murray Bridg	06.3	-	35,113
Arts Blast - Big Draw	06.6	1,134	-
APY Lands Mentoring & Leadership	07.3	-	50,174
Children's Inna Project -	07.5	263,000	-
Nunga Days/Blak Nite	07.7	-	110,000
DVFM West Coast	07.9	15,000	-
Lowdown Magazine	08	4,000	46,172
School Holiday Program	09.1	580	3,345
Public Art Training Program (Urban Art Pod)	12.1	5,990	27,478
Digital Media Workshops	12.7	-	-
Mobile Projection Bike Project	12.8	11,967	12,637
BHP Billiton Youth Arts Fund	100.01	31,408	-
BHP YAF - Playfull	100.03	-	8,796
BHP YAF - Artists in Schools - Cargo	100.04	18,043	14,609
Carclew Youth Arts Board Grants & Disbursements	100 (refer below)	45,595	9,383
		466,810	481,340

**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 2011 and 2010, are as follows:

	<b>2011</b>	<b>2010</b>
	\$	\$
Total Grant Brought Forward	9,383	15,723
Total Grant Receipts	1,242,500	1,245,000
Total Grant Disbursements	(1,206,288)	(1,251,340)
Total Grant Carried Forward	45,595	9,383
Represented by:		
Cash (included in Cash at Bank)	45,595	9,383
	45,595	9,383

**Carclew Youth Arts Incorporated**  
**Notes to the financial statements for the year ended 30 June 2011**

**9. Notes to the Statement of Cashflows**

**2011**                      **2010**  
**\$**                              **\$**

*(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	1,350	1,000
Cash at Bank	959,194	828,501
	960,544	829,501

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

Profit/(Loss) for the period	64,820	37,891
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Cash flows excluded from profit attributable to operating activities

Depreciation expense	26,481	37,603
Write off of fixed assets	2,968	-

Changes in assets and liabilities during the financial year:

(Increase)/decrease in receivables	87,716	(51,259)
(Increase)/decrease in other assets	14,356	(15,846)
(Decrease)/increase in creditors & accruals	(22,112)	(11,762)
(Decrease)/increase in grants in advance	(14,531)	181,235
(Decrease)/increase in employee provisions	(5,464)	5,370
Carclew Youth Arts Board grants received	(1,242,500)	(1,245,000)
Carclew Youth Arts Board grants disbursed	1,206,288	1,251,340

Net cash (used in)/provided by operating activities	118,023	189,572
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**Carclew Youth Arts Incorporated**  
**Notes to the financial statements for the year ended 30 June 2011**

**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 Christine Williams	Treasurer	(resigned 28/8/10)
Ms Jo Sutherland-Shaw	Treasurer	(appointed 22/9/10)
Mr Rob Croser	Member	(resigned 27/2/11)
Mr Michael Hill	Member	
Ms Sam Yates	Member	
Ms Susan Duggin	Member	(resigned 5/11/10)
Ms Christine Hatzi	Member	
Ms Ella Pak Poy	Member	
Mr Philip Watkins	Member	
Ms Victoria Purman	Member	(appointed 6/10/10)
Mr Jeff Meiners	Member	(appointed 20/4/11)
Ms Margaret Crompton	Staff Nominee	(resigned 20/8/10)
Ms Sidsel Fawkes	Staff Nominee	(appointed 22/9/10)
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 \$4,314 (2010: \$4,733) 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 \$14,270 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 :

	2011	2010
	\$	\$
Within one year	68,180	68,180
Later than one year and no later than 5	272,720	272,720
Later than 5 years	-	68,180
	<u>340,900</u>	<u>409,080</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

**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 2011, 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting requirements under the Associations Incorporation Act (SA). 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 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 2011 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



D J Francis  
Partner

Dated this 31<sup>st</sup> day of August 2011