

DARWIN COMMUNITY ARTS INC.

A.B.N. 54 728 007 607

**FINANCIAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2009**

DARWIN COMMUNITY ARTS INC.

A.B.N. 54 728 007 607

CONTENTS

Committee's Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Statement by Members of the Committee

Auditor's Report

Auditor's Independence Declaration

Certificate by Members of the Committee

Income and Expenditure Statement

DARWIN COMMUNITY ARTS INC.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2009**

	Note	2009 \$	2008 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	617,164.21	343,410.19
Employee benefits expense		(201,059.37)	(194,484.41)
Depreciation and amortisation expenses	3	(6,516.00)	(7,968.00)
Borrowing costs expense	3	-	(700.53)
Other expenses from ordinary activities		(424,945.03)	(271,783.34)
		<hr/>	<hr/>
Profit from ordinary activities before income tax expense	3	(15,356.19)	(131,526.09)
Income tax expense relating to ordinary activities	4	-	-
		<hr/>	<hr/>
Net profit from ordinary activities after income tax attributable to the members of the association	5	(15,356.19)	(131,526.09)
Net increase (decrease) in asset revaluation reserve		-	-
		<hr/>	<hr/>
Total changes in equity of the association		(15,356.19)	(131,526.09)
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

DARWIN COMMUNITY ARTS INC.

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2009**

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash assets	7	292,124.12	153,036.74
Receivables	8	78,503.61	86,150.00
Other assets	9	15,385.31	3,330.00
TOTAL CURRENT ASSETS		386,013.04	242,516.74
NON-CURRENT ASSETS			
Property, plant and equipment	10	23,857.12	25,779.03
TOTAL NON-CURRENT ASSETS		23,857.12	25,779.03
TOTAL ASSETS		409,870.16	268,295.77
CURRENT LIABILITIES			
Payables	11	20,478.17	34,822.72
Provisions	12	26,266.44	10,870.83
Other	13	343,625.13	187,745.61
TOTAL CURRENT LIABILITIES		390,369.74	233,439.16
TOTAL LIABILITIES		390,369.74	233,439.16
NET ASSETS		19,500.42	34,856.61
EQUITY			
Contributed equity		-	-
Reserves	6	113,759.41	113,759.41
Accumulated losses	5	94,258.99	78,902.80
TOTAL EQUITY		19,500.42	34,856.61

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

DARWIN COMMUNITY ARTS INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2009**

	2009	2008
	\$	\$
Cash at beginning of year	153,036.74	262,312.81

Notes to the Statement of Cash Flows

Reconciliation of Cash

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on Hand	100.00	-
Deposits with Savings Banks	290,339.55	142,953.22
Brown's Mart Community Arts Donations Fund	1,084.57	583.64
Petty Cash Imprest	600.00	400.00
Cash Floats	-	1,202.00
Bank Overdraft	2,089.54	(7,897.88)
	290,034.58	153,036.74

Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax.

Operating profit (loss) after income tax	(15,356.19)	(131,526.09)
Non-cash flows in profit from ordinary activities		
Loss on sale of property, plant and equipment	2,343.64	-
Non-operating Income	(1,124.15)	(295.47)
Bad Debts Written Off	308.00	-
Depreciation	6,516.00	7,968.00
Non-cash interest and other costs of finance paid	-	700.53
Charges to current provisions	15,395.61	265.61

DARWIN COMMUNITY ARTS INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2009

	2009 \$	2008 \$
Non-cash flows in Profit(Loss) from Ordinary Activities:		
Changes in Assets and Liabilities:		
Decrease (Increase) in prepayments	(12,055.31)	-
Increase (Decrease) in sundry creditors	(13,372.29)	(18,201.78)
Increase (Decrease) in trade creditors	(0.10)	1,370.62
Increase (Decrease) in other creditors	(31.64)	-
Decrease (Increase) in income in advance	155,879.52	82,671.60
Decrease (Increase) in receivables:		
Receivables	81,773.00	(41,764.15)
Grant Funds Due	(60,000.00)	-
Cash flows from operations	<u>160,276.09</u>	<u>(98,811.13)</u>

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

**DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2009**

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the NT Associations Act.

The financial report covers Darwin Community Arts Inc. as an individual entity. Darwin Community Arts Inc. is an association incorporated in the Northern Territory under the provisions of the NT Associations Act. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

The association is an endorsed income tax exempt charity, exempt from income tax.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2009

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	22.5%
Office Furniture and Equipment	20.0%
Fringe Festival Equipment	10.0%

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand, at banks and on deposit.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

These notes are to be read in conjunction with the attached audit report.

DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2009

	2009	2008
	\$	\$
2 Revenue		
Operating activities		
Other revenue	609,648.64	330,209.95
	609,648.64	330,209.95
Interest from:		
Other Corporations	7,515.57	13,200.24
	617,164.21	343,410.19
 3 Profit from Ordinary Activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses:		
Borrowing Costs	-	700.53
Depreciation of property, plant and equipment	6,516.00	7,968.00
Loss on Sale of Non-current Assets	2,343.64	-
Bad and doubtful debts	308.00	-
Remuneration of auditor		
Accounting Standards	4,480.00	4,996.00
Revenue and Net Gains:		
 4 Income Tax Expense		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from		
Income tax expense attributable to:		
Profit from ordinary activities before income tax	-	-

DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2009

	2009	2008
	\$	\$
5 Retained Profits		
Retained profits (accumulated losses) at the beginning of the financial year	(78,902.80)	47,623.29
Net profit attributable to members of the association	(15,356.19)	(131,526.09)
Retrospective adjustment(s) upon introduction of accounting standard(s):	_____	_____
Retained profits(accumulated losses) at the end of the financial year	<u>(94,258.99)</u>	<u>(83,902.80)</u>
 6 Reserves		
Capital Reserve	55,092.00	55,092.00
Equipment Reserve	26,700.00	26,700.00
Project Reserve	21,476.41	21,476.41
Fringe Festival Funds	10,491.00	10,491.00
	<u>113,759.41</u>	<u>113,759.41</u>
 Capital Reserve		
Movements during the year:		
Opening Balance for the year	<u>55,092.00</u>	<u>55,092.00</u>
 Equipment Reserve		
Movements during the year:		
Opening Balance for the year	<u>26,700.00</u>	<u>26,700.00</u>
 Project Reserves		
Movements during the year:		
Opening Balance for the year	21,476.41	26,476.41
Transfer to Revenue	-	(5,000.00)
Closing balance	<u>21,476.41</u>	<u>21,476.41</u>
 Fringe Festival Funds		
Movements during the year:		
Opening Balance for the year	<u>10,491.00</u>	<u>10,491.00</u>

DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2009

	2009	2008
	\$	\$
7 Cash Assets		
Cash on Hand	100.00	-
Deposits with Savings Banks	290,339.55	142,953.22
Brown's Mart Community Arts Donations Fund	1,084.57	583.64
Petty Cash Imprest	600.00	400.00
Cash Floats	-	1,202.00
Cash at Bank	-	7,897.88
	292,124.12	153,036.74
8 Receivables		
CURRENT		
Security Deposits	(100.00)	(100.00)
Receivables	3,477.00	85,250.00
Deposits Paid	(100.00)	(100.00)
	3,577.00	85,350.00
Loans from Employees		
Andy	900.00	900.00
Other	191.27	-
Other debtors	73,935.34	-
	78,503.61	86,150.00
9 Other Assets		
CURRENT		
Accrued Income	3,330.00	3,330.00
Prepayments	12,055.31	-
	15,385.31	3,330.00

DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2009

	2009	2008
	\$	\$
10 Property, Plant and Equipment		
Land and Buildings		
Office Furniture & Equipment	89,164.72	84,570.63
Less: Accumulated Depreciation	69,907.00	64,608.00
	19,257.72	19,962.63
Motor Vehicles	20,614.40	20,614.40
Less: Accumulated Depreciation	16,673.00	15,529.00
	3,941.40	5,085.40
Fringe Festival Plant & Equipment	1,527.00	1,527.00
Less: Accumulated Depreciation	869.00	796.00
	658.00	731.00
Total Plant and Equipment	23,857.12	25,779.03

Movement in Carrying Amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold Land \$	Buildings \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
11 Payables					
CURRENT					
Brown's Mart Trustees			-	457.06	
Sundry Creditors & Accruals			15,866.73	29,239.02	
Accrued Superannuation			(0.10)	-	
Credit Card Facility			-	31.64	
Other Current Liabilities			110.00	110.00	
GST Rounding Adjustments			4.21	-	
ATO Integrated Client Account			(13,939.55)	2,573.00	
			(13,935.34)	2,573.00	
			2,041.29	32,410.72	

DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2009

	2009 \$	2008 \$
12 Provisions		
CURRENT		
Provision for Holiday Pay	26,266.44	10,870.83
	<hr/>	<hr/>
Aggregate employee benefit liability	26,266.44	10,870.83
	<hr/>	<hr/>
Number of employees at year end	8	6
	<hr/>	<hr/>
13 Other Liabilities		
CURRENT		
Unexpended Grants	343,625.13	187,745.61
	<hr/>	<hr/>

These notes are to be read in conjunction with the attached audit report.

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
DARWIN COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

Scope

The special purpose financial report and committee's responsibility

The special purpose financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the statement by members of the committee for Darwin Community Arts Inc. (the Association) for the year ended 31st December 2009.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the NT Associations Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the NT Associations Act, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In accordance with ASIC class order 05/83, we declare to the best of our knowledge and belief that the auditors independence declaration has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Darwin Community Arts Inc. presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of Darwin Community Arts Inc. as at 31st December 2009, and the results of its operations and cash flows for the year then ended.

Name of Firm: Brian Tucker Accounting

A handwritten signature in black ink, appearing to be 'BT', with a long horizontal stroke extending to the right.

Name of Partner:
Brian Tucker CPA

Dated this 16th day of March 2010

Address: 1/991 Stanley Street East, East Brisbane, Qld, 4169

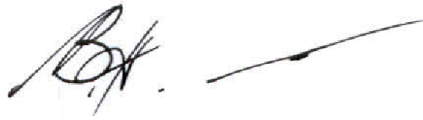
DARWIN COMMUNITY ARTS INC.

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DARWIN COMMUNITY ARTS INC.**

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2009 there have been:

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

Name of Firm: Brian Tucker Accounting

A handwritten signature in black ink, appearing to be 'BT', with a long horizontal stroke extending to the right.

Name of Partner:
Brian Tucker CPA

Dated this 16th day of March 2010

Address: 1/991 Stanley Street East, East Brisbane, Qld, 4169

DARWIN COMMUNITY ARTS INC.

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2009**

	Note	2009 \$	2008 \$
GRANTS EXPENDED			
Arts NT, Operational Funding		40,000.00	115,000.00
Arts NT, Auspiced Grant, Business Plan			
Fist Full of Films		5,600.00	-
Arts NT, Pathways		11,624.00	-
Arts NT, Lease Subsidy		137,500.00	-
Arts NT, Gardening Grant		2,794.79	-
Arts NT, Project Grant, Fist Full Of Films		9,870.00	15,300.00
Arts NT, Fringe Festival		19,000.00	-
Arts NT, Community Partnerships		97,028.82	-
Arts NT, Auspiced Grant, Kamor Project		3,658.18	-
Arts NT, Travel Assisance Penny Compton/RAC		-	1,200.00
Arts NT, Travel Assistance, Christian Ramilo/RAC		-	1,000.00
Arts NT, Sculpture in the Park		-	10,000.00
Arts NT, Community Arts Development Travel		-	950.00
Arts NT, Stringworld 2004		-	1,293.00
Office of the Chief Minister, Cultur Fest		-	4,950.00
Office of the Chief Minister, Fist Full of Films		3,733.39	-
Community Benefit Fund, Malak Monthly Community Gatherings		41,080.33	-
Community Benefit Fund, Malak Garden Project		2,019.00	-
Community Benefit Fund, Music Workshops		-	4,410.00
Community Benefit Fund, Fringe Festival		2,734.76	-
NT Film Office, Fist Full of Films		-	6,000.00
NT Dept Health & Families, Youth Activities Funding		11,060.47	-
Darwin City Council, Malak Gardens		3,000.00	-
Darwin City Council, Sculpture Project		-	10,000.00
Darwin City Council, Fist Full of Films		-	3,000.00
Darwin City Council, Fringe Festival		10,000.00	-
Darwin City Council, Dance Competition		2,277.00	-
Australia Council, Our House Project		14,179.49	4,020.51
Australia Council, Frontline Development, Skateistan		46,989.44	-
Australia Council, Professional		2,260.85	-
Australia Council, Our Malak Project		11,088.91	8,911.09
Australia Council, Wildwater Band		63.22	8,436.78
Australia Council, Round Table Meeting		800.00	-
Australia Council, Stringworld		39,390.00	-
Ian Dodd Trust, Open House Project		12,130.51	4,795.35
Screen Australia, Fist Full of Films		7,795.28	12,000.00
YWCA, Legal Walls		698.27	-
Fred Archer Charitable Trust, Arts Access Darwin		2,436.00	-
Dept Attorney General & Justice, Surveillance Equipment		-	4,921.01

DARWIN COMMUNITY ARTS INC.

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2009**

	Note	2009 \$	2008 \$
Scanlon Foundation		10,686.76	8,011.42
Kingston Sedgefield, Open House Project		5,198.80	2,055.15
Dept Immigration & Citizenship, My Sister's Kitchen		29,069.32	-
Government Industry Payment - Employment Subsidies		-	7,909.09
DEWHA/Festivals Australia/Retta Dixon		5,654.00	-
		591,421.59	234,163.40
 OTHER INCOME			
Interest Received		7,515.57	13,200.24
Recoveries		3,150.46	-
Non-operating Income		1,124.15	295.47
Other Revenue		13,952.44	95,751.08
Loss on Sale of Non-current Assets		(2,343.64)	-
		23,398.98	109,246.79
		614,820.57	343,410.19
 EXPENDITURE			
Accounting & Bookkeeping Services		29,160.00	26,320.00
Administration Costs		10,495.07	-
Advertising, Program Printing & General Marketing		9,491.23	14,398.44
Artists & Other Fees		26,098.19	43,511.00
Auditor's Remuneration		4,480.00	4,996.00
Bad Debts Written Off		308.00	-
Bank Charges		438.10	483.18
Catering		8,642.07	3,914.35
Cleaning		1,134.24	1,229.83
Consultancy Fees		34,638.45	3,975.98
Computer Expenses		2,399.91	450.00
Depreciation		6,516.00	7,968.00
Distribution & Mail-outs		212.00	743.51
Documentation		898.73	13.09
Donations		50.00	1,300.00
Electricity		6,911.27	2,581.40
Email, Internet & Website		1,799.46	3,301.98
Entertainment & Hospitality Expenses		-	1,499.09
Fees & Permits		-	885.96
Freight & Transport		567.48	-
Functions		328.02	130.60
Holiday Pay, Movement in Provision		15,395.61	3,232.45
Insurance		12,591.35	24,243.05
Interest Paid		-	700.53
Magazines, Journals & Periodicals		1,301.90	115.88
Motor Vehicle Expenses		3,176.28	4,035.18
Personal Leave, Movement in Provision		-	(2,966.84)
Other Project Expenses		46,728.68	19,426.53
Postage & Couriers		873.00	2,255.24
Printing, Publications		55.41	263.18

DARWIN COMMUNITY ARTS INC.

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2009**

	Note	2009 \$	2008 \$
Printing & Stationery		1,636.36	2,219.34
Production Equipment & Materials		26,634.48	4,374.81
Prizes		1,711.86	9,409.09
Prior Period Expenses		-	9,177.77
Purchase of Expensed Assets & Sundry Replacements		6,718.43	4,347.60
Rent		127,691.25	49,836.00
Repairs & Maintenance		2,686.64	1,672.05
Security Costs		3,201.05	8,466.35
Staff Amenities		58.18	177.56
Staff Training		-	27.27
Subscriptions		160.00	180.00
Sundry Expenses		2,690.99	522.56
Superannuation Contributions		15,417.42	17,520.89
Telephone		4,477.76	6,835.35
Travelling Expenses		6,109.09	4,916.67
Venue Costs		5,625.49	4,265.93
Wages		170,188.16	173,553.51
Workshop Expenses		30,479.15	8,425.92
		<u>630,176.76</u>	<u>474,936.28</u>
Profit from ordinary activities before income tax		(15,356.19)	(131,526.09)
Income tax expense attributable to operating profit		-	-
		<u>(15,356.19)</u>	<u>(131,526.09)</u>
Profit from ordinary activities after income tax		(15,356.19)	(131,526.09)
Retained profits (Accumulated losses) at the beginning of the financial year		(78,902.80)	47,623.29
		<u>(78,902.80)</u>	<u>47,623.29</u>
Total available for appropriation		(94,258.99)	(83,902.80)
Aggregate of amounts transferred to reserves		-	(5,000.00)
		<u>-</u>	<u>(5,000.00)</u>
Retained profits (Accumulated losses) at the end of the financial year		(94,258.99)	(78,902.80)
		<u>(94,258.99)</u>	<u>(78,902.80)</u>

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.