

**Audited Financial Statements  
Year Ended 28 February 2011**

**ACT BMW Motor Cycle Club Inc**

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# **ACT BMW Motor Cycle Club Inc**

## **Annual Report for the Year Ended 28 February 2011**

### **Committee Members**

The following persons hold office as members of the Committee at the date of this report:

Mark Edwards	President
Martin Little	Vice President
Hugh Davies	Secretary
David Shean	Treasurer

### **Principal Activities**

The objectives of the Club are to:

- a) Promote motor cycle activities and social outings to advance friendship within the motor cycle community;
- b) Promote, support and improve safe motorcycling skills of Club members;
- c) Share information relating to BMW motor cycles amongst the members;
- d) Form affiliations and relationships with other Clubs and Associations which have similar objectives; and
- e) Ensure that all non-member income is used for the benefit of the Club members or the community.

### **Results**

	<b>Year ended 28 February 2011</b>	<b>Year ended 28 February 2010</b>
	\$	\$
<b>Operating (deficit) / surplus</b>	<b>(2,781)</b>	<b>1,567</b>

### **Significant Changes in the Nature of Activities**

There have been no significant changes to the nature of the Association's activities during the year.

Mark Edwards  
**President**

David Shean  
**Treasurer**

Canberra: July 2011

# **ACT BMW Motor Cycle Club Inc**

## **Independent Auditor's Report**

### **To the Members**

### **ACT BMW Motor Cycle Club Inc**

#### ***Scope***

I have audited the financial statements of the ACT BMW Motor Cycle Club Inc for the year ended 28 February 2011 as set out on pages 5 to 12. The Committee is responsible for the preparation and presentation of the financial statements and the information contained therein. I have conducted an independent audit of the financial statements in order to express an opinion on them to the members of the Association.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material mis-statement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian accounting standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the Association which is consistent with my understanding of its financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### ***Independence***

In conducting the audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

#### ***Qualifications***

The Association only records amounts received from activities when banked as it is not practical to establish control over such income prior to its initial entry. Audit procedures relating to this income was limited to ensuring that the amounts banked were properly recorded in the accounts. Accordingly, I do not express an opinion on whether all income has been banked and I cannot determine the effects of such adjustments, if any, as might have been determined to be necessary had this limitation not existed.

In accordance with the requirements of Section 75 of the Associations Incorporations Act 1991, I report that the audited financial statements for the year ended 28 February 2011, being the financial statements to which this report relates, were not presented to the Association's 2010 Annual General Meeting held on 28 March 2011, the audit of these statements not being completed until the date of this report.

# **ACT BMW Motor Cycle Club Inc**

## ***Qualified Audit Opinion***

In my opinion, except for the effects, if any, on the financial report of the matters referred to in the preceding qualifications section,

- (a) the financial report presents fairly the financial position of the ACT BMW Motor Cycle Club Inc as at 28 February 2011 and the results of its operations and cash flows for the Year then ended in accordance with:
  - i. applicable Accounting Standards and other mandatory professional reporting requirements;
  - ii. the matters required by subsection 72(2) of the Associations Incorporation Act 1991 to be dealt with in the accounts; and
  - iii. the other provisions of the Associations Incorporation Act 1991;
- (a) I have obtained all the information and explanations required;
- (b) proper accounting and other records have been kept by the Association as required by the Associations Incorporation Act 1991; and
- (c) the rules relating to the administration of the Association have been observed.

Andrew Stephens CPA

Canberra      July 2011

# **ACT BMW Motor Cycle Club Inc**

## **Statement by Members of the Committee**

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

In the opinion of the Committee, the financial report as set out on pages 5 to 12:

1. Presents a true and fair view of the financial position of the ACT BMW Motor Cycle Club Inc as at 28 February 2011 and its performance for the year ended on that date; and
2. At the date of this statement, there are reasonable grounds to believe that ACT BMW Motor Cycle Club Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Mark Edwards  
**President**

David Shean  
**Treasurer**

Canberra: July 2011

# ACT BMW Motor Cycle Club Inc

## Statement of Financial Performance For the Year Ended 28 February 2011

	2011	2010
	\$	\$
INCOME		
Advertising	-	400
Events (Christmas party)	2,965	2,475
Membership subscriptions	6,463	10,588
Rallies	1,670	1,756
Rider training	9,300	700
Sundry	-	1,411
Interest	44	105
	<u>20,442</u>	<u>17,435</u>
EXPENDITURE		
Advertising	352	-
Badges	1,303	-
Bank and government charges	51	105
Club affiliations	293	323
Events (including Christmas party)	3,978	3,211
Communications (Printing, postage and stationery)	3,462	3,290
Donations	450	4,900
Insurance	-	777
Memberships	-	40
Rallies	2,554	1,280
Rider training	9,570	-
Trophies	1,147	153
Sundry	63	1,788
	<u>23,223</u>	<u>15,868</u>
<b>(DEFICIT) / SURPLUS FOR THE YEAR</b>	<u><b>(2,781)</b></u>	<u><b>1,567</b></u>

This Statement of Financial Performance is to be read in conjunction with the Notes to and Forming part of these Financial Statements

# ACT BMW Motor Cycle Club Inc

## Statement of Financial Position

As at 28 February 2011

	Note	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash	2(a)	<u>8,074</u>	<u>10,855</u>
		<b>8,074</b>	<b>10,855</b>
<b>TOTAL ASSETS</b>		<u><b>8,074</b></u>	<u><b>10,855</b></u>
<b>CURRENT LIABILITIES</b>			
Accounts payable		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u><b>8,074</b></u>	<u><b>10,855</b></u>
<b>MEMBERS' FUNDS</b>			
Opening Balance		10,855	9,288
(Deficit) Surplus for year		<u>(2,751)</u>	<u>1,567</u>
<b>TOTAL ACCUMULATED FUNDS</b>		<u><b>8,074</b></u>	<u><b>10,855</b></u>

This Statement of Financial Position is to be read in conjunction with the Notes to and Forming part of these Financial Statements

# ACT BMW Motor Cycle Club Inc

## Statement of Cash Flows Year ended 28 February 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Membership subscriptions		6,463	10,588
Other		13,935	6,742
Payments to suppliers		(23,223)	(15,888)
Interest received		44	105
		<u>          </u>	<u>          </u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES 2(b)</b>		<b><u>(2,781)</u></b>	<b><u>1,547</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of equipment		-	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans received		-	-
		<u>          </u>	<u>          </u>
<b>NET (DECREASE) INCREASE IN CASH HELD</b>		<b>(2,781)</b>	<b>1,547</b>
ADD: OPENING BALANCE BROUGHT FORWARD		<u>10,855</u>	<u>9,308</u>
<b>CLOSING CASH CARRIED FORWARD 2(a)</b>		<b><u>8,074</u></b>	<b><u>10,855</u></b>

This Statement of Cash Flows is to be read in conjunction with the Notes to and Forming part of these Financial Statements

# **ACT BMW Motor Cycle Club Inc**

## **Notes to and Forming Part of the Financial Statements Year Ended 28 February 2011**

### **Note 1 Summary of Significant Accounting Policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 1991* of the Australian Capital Territory. The Committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the *Associations Incorporation Act 1991* of the Australian Capital Territory and applicable Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers the ACT BMW Motor Cycle Club Inc as an individual entity. The ACT BMW Motor Cycle Club Inc is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991*.

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.

The principal accounting policies adopted by the Association are stated to assist general understanding of these financial statements.

(a) ***Basis of Accounting***

The accounts have been prepared on the basis of historical cost, and except where stated, do not take into account current valuations of non-current assets.

The accounts have been prepared in accordance with applicable accounting standards.

(b) ***Cash***

For the purposes of the Statement of Cash Flows, cash includes cash on hand in the bank and on deposit.

(c) ***Income Tax***

The Committee of the ACT BMW Motor Cycle Club Inc believes it is exempt from income tax under the Income Tax Assessment Act.

(d) ***Comparatives***

The comparative figures have been obtained or derived from the audited annual financial statements for the prior year.

# ACT BMW Motor Cycle Club Inc

## Notes to and Forming Part of the Financial Statements Year Ended 28 February 2011

	2011	2010
	\$	\$
<b>Note 2 Statement of Cash Flows</b>		
<b>2 (a) Cash at Bank and on hand</b>		
Cash on hand	-	-
Cash at bank		
- Events Account (2010: 'Small Biz' Acc)	110	242
- Small Biz & Membership Acc (2010: 'Membership' Acc)	5,248	7,938
- Term deposit	2,716	2,675
Total Cash at Bank	<u>8,074</u>	<u>10,855</u>
<b>Cash at Bank and on hand</b>	<u><b>8,074</b></u>	<u><b>10,855</b></u>
<b>2 (b) Reconciliation of the Operating (Deficit) Surplus for the year to the Net Cash Flows from Operating Activities.</b>		
<b>(Deficit) Surplus for the year</b>	<b>(2,781)</b>	<b>1,567</b>
Decrease (increase) in receivables	-	-
Decrease (increase) in merchandise	-	(184)
Increase (decrease) in accounts payable	-	(205)
<b>Net cash (outflow) inflow from operating activities</b>	<u><b>(2,781)</b></u>	<u><b>1,547</b></u>

### Note 3 Capital Expenditure Commitments

As at 28 February 2011 the Club had no capital expenditure commitments.

### Note 4 Related Party Disclosures

The members of the Committee during the year were:

M Edwards	S Hay
H. Davies	A Walsh
M Robertson	D. Shean
M. Little	S. Ball-Guymer
I. Hahn	
G Smee	

Members of the Committee, their relatives or entities associated with them did not receive payments for services rendered. Some Committee members received reimbursement of expenses incurred on behalf of the Association.

# ACT BMW Motor Cycle Club Inc

## Notes to and Forming Part of the Financial Statements Year Ended 28 February 2011

### Note 5 Segment Information

The objectives of the Club are to:

- f) Promote motor cycle activities and social outings to advance friendship within the motor cycle community;
- g) Promote, support and improve safe motorcycling skills of Club members;
- h) Share information relating to BMW motor cycles amongst the members;
- i) Form affiliations and relationships with other Clubs and Associations which have similar objectives; and
- j) Ensure that all non-member income is used for the benefit of the Club members or the community.

### Note 9 Financial Instruments

#### (a) Terms, Conditions and Accounting Policies

The ACT BMW Motor Cycle Club Inc. accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instruments, both recognised and unrecognised at the balance date, are as follows:

<b>Recognised Financial Instruments</b>	<b>Accounting Policies</b>	<b>Terms and Conditions</b>
<i>(i) Financial assets</i> Receivables – Trade	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on a 30 – 45 day term.
<i>(ii) Financial Liabilities</i> Accounts payable	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Association.	Trade liabilities are normally settled on a 30 – 45 day term.

#### (b) Interest Rate Risk

The Association has no interest rate risk, as no liabilities attract interest and the only asset which bears interest is cash at bank where interest is recognised in the Statement of Income and Expenditure when earned.

## **ACT BMW Motor Cycle Club Inc**

### **Notes to and Forming Part of the Financial Statements Year Ended 28 February 2011**

#### **(c) Net Fair Values**

Financial assets and financial liabilities, both recognised and unrecognised, at balance date, are carried at their net fair value.

*(i) The financial methods and assumptions are used to determine the net fair values of financial assets and liabilities.*

#### **Recognised Financial Instruments**

*Cash and equivalents:* The carrying amount approximates fair values because of their short term to maturity.

*Trade receivables and payables:* The carrying amount approximates fair value.

#### **Unrecognised Financial Instruments**

There are no unrecognised financial instruments.

#### **(d) Credit Risk Exposure**

The Association's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

#### ***Concentration of Credit Risk***

The Association minimises concentration of credit risk in relation to trade accounts receivable by undertaking transactions with a number of customers are concentrated in Australia.

Credit risk in trade receivables is managed in the following way:

- payment terms are 30 – 45 days

The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.