

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

CONTENTS

Directors' Report

Auditors' Independence Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Directors' Declaration

Auditors' Report

Detailed Profit and Loss Statement

**ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
ABN 66 084 470 539**

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2011.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Ian Ahearn (Appointed 9/10/10)
Brian Armour (Appointed 9/10/10)
Kevin Browning OAM
Schon G Condon RFD (Appointed 9/10/10)
John Cox AM (Appointed 9/10/10)
Nick Durrant
Tim Ford AO (Appointed 9/10/10)
Terry Waters (Resigned 8/3/11)
Vincent Williams CSC (Appointed 9/10/10)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the company during the financial year were to promote and support the heritage and history of Australian Artillery on a national basis.

The company's short-term objectives are to:

- Develop a register of items that comprise the National Artillery Collection.
- Provide input in the creation of an Australian Army Artillery Museum.
- Grow membership.
- Develop a MOU with the Sydney Harbour Federation Trust to support a museum at North Head.
- Complete the Memorial Walkway.

The company's long-term objectives are to:

- Promote Australian artillery history and heritage in the community.
- Work closely with the Royal Australian Artillery Regimental Committee in such promotion.
- Provide support and advice to all museums/agencies involved in the display of items of Australian artillery, history and heritage.

To achieve these objectives, the company has adopted the following strategies:

- Closely engage with Sydney Harbour Federation Trust.
- Work closely with artillery organisations in each state and with the Army History unit to build a National Artillery Collection register.
- Redevelop the current membership package.
- Provide resources to complete and dedicate the Memorial Walkway.

**ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
ABN 66 084 470 539**

DIRECTORS' REPORT

The company measures its performance through such key performance indicators as:

- Membership numbers.
- Ability to generate income to support displays of collection items.
- Frequency of requests for support from museums/agencies.

Information on Directors

Ian Ahearn Deputy Chair

Qualification Graduate Diploma – Defence Studies UNSW, Graduate of the Royal Military College Army Command and Staff College and the Joint Services Staff College

Experience President of the RAA Association (ACT) from 1991 to 1995
Vice Chairman of the Australian Industry Defence Network

Special responsibilities Chairman, Membership Sub Committee; Member, Governance Sub Committee

Brian Armour

Qualification Graduate Diploma in Educational Administration (UNE), Master of Arts (HR) (MGSM), Graduate of the Army Staff College, Queenscliff.

Experience 20 year career in the Australian Army, 18 years in Education Healthcare and Defence Industry sectors.

Special responsibilities Chairman, Finance Sub Committee; Membership Secretary; Member, Membership Sub Committee; and Honorary Secretary/Honorary Treasurer

Kevin Browning OAM

Qualification Attended the Long Gunnery Staff Course (Locating) at the Royal School of Artillery, UK

Experience Member of the Royal Australian Artillery Historical Company since 1985

Special responsibilities Member, Historical Sub Committee

Schon G Condon KSJ, RFD, FCA, FCPA, FIPA, FAICD

Qualification B. Bus (Acc) UTS; Graduate Diploma Management; University of Canberra and psc(r) Australian Command and Staff College, Canberra

Experience President of the Royal Australian Artillery Association of NSW Inc
Syndicate Chair CEO Institute of Australia

Special responsibilities Chairman, Governance Sub Committee; Member, Finance Sub Committee, Company Secretary; Life Governor

**ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
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DIRECTORS' REPORT

John Cox AM

Qualification Graduate of the Royal Military College, the Joint Services Staff College and the Australian College of Defence and Strategic Studies. Doctor of Philosophy (Physics UNSW)

Experience

Special responsibilities Chairman, Historical Sub Committee,

Nick Durrant

Qualification Graduate B.Ecs (Sydney), MBA (IMEDE, Lausanne)

Experience Volunteer guide, elected to a casual vacancy in 2002 and elected at the 2003 AGM

Special responsibilities Member, Membership Sub Committee

Tim Ford AO Chairman

Qualification BE (Elec) Syd Uni, G, AWC, JSSC, psc., Graduate Australian Institute Company Directors

Experience 40 years experience in ADF, Director Artillery 1987-88, Since April 2004 has been the RAA. Representative Colonel Commandant. Joined the company in 1981. Life Governor

Special responsibilities Chair Australian Peacekeeping Memorial Project, Chair Peace Operations Training
Chair Board of Directors

Vincent Williams CSC

Qualification Master of Arts (International Relations), Postgraduate Diploma in Teaching
Graduate Diploma in Management and a Bachelor of Arts degree

Experience Served on the Committee of the Royal Australian Artillery Historical Society 1990-92
Regimental Committee's representative to the Australian Army Artillery Museum

Special responsibilities Liaison with AAAM and SHFT, Life Governor

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY

ABN 66 084 470 539

DIRECTORS' REPORT

Meetings of Directors

During the financial year, 7 meetings of the directors were held. Attendances by each director were as follows:


| | Directors Meetings | |
|------------------|----------------------------------|------------------------|
| | Number eligible to attend | Number attended |
| Ian Ahearn | 5 | 4 |
| Brian Armour | 5 | 5 |
| Kevin Browning | 7 | 7 |
| Schon Condon | 5 | 5 |
| John Cox | 5 | 4 |
| Nick Durrant | 7 | 6 |
| Tim Ford | 5 | 5 |
| Terry Waters | 5 | 3 |
| Vincent Williams | 5 | 4 |


The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$2,790 (2010: \$2,770).

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the Board of Directors:

Director:  TIM FORD

Director:  BRIAN ARMOUR


Dated this ¹² 24 day of September 2011

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY**

We declare, that to the best of our knowledge and belief, during the year ended 30 June 2011 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:


Frank Clune & Son
Chartered Accountants

Name of Partner:



William Neill

Address:

Level 7, 60 Carrington Street, Sydney NSW

Dated this

26 day of *September* *2011*

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

| | Note | 2011 \$ | 2010 \$ |
|--|------|----------------------|-----------------------|
| Revenue | | 39,705 | 194,839 |
| Depreciation and amortisation expenses | | (1,094) | (8,731) |
| Employee benefits expenses | | - | (73,302) |
| Other expenses | | (19,137) | (118,924) |
| Profit/(Loss) before tax | | <u>19,474</u> | <u>(6,118)</u> |
| Income tax expense | | - | - |
| Profit/(Loss) for the year | | <u>19,474</u> | <u>(6,118)</u> |
| Other comprehensive income after income tax | | <u>-</u> | <u>-</u> |
| Other comprehensive income for the year net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u>19,474</u> | <u>(6,118)</u> |
| Total comprehensive income attributable to members of the entity | | <u><u>19,474</u></u> | <u><u>(6,118)</u></u> |

The accompanying notes form part of these financial statements.

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

| | Note | 2011 \$ | 2010 \$ |
|----------------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 35,501 | 13,621 |
| Trade and other receivables | 3 | 2,300 | 996 |
| TOTAL CURRENT ASSETS | | <u>37,801</u> | <u>14,617</u> |
| NON-CURRENT ASSETS | | | |
| Memorabilia, plant and equipment | 5 | 85,316 | 86,410 |
| TOTAL NON-CURRENT ASSETS | | <u>85,316</u> | <u>86,410</u> |
| TOTAL ASSETS | | <u>123,117</u> | <u>101,027</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 4 | 4,314 | 1,698 |
| TOTAL CURRENT LIABILITIES | | <u>4,314</u> | <u>1,698</u> |
| TOTAL LIABILITIES | | <u>4,314</u> | <u>1,698</u> |
| NET ASSETS | | <u>118,803</u> | <u>99,329</u> |
| EQUITY | | | |
| General reserve | | 80,000 | 80,000 |
| Retained earnings | | 38,803 | 19,329 |
| TOTAL EQUITY | | <u>118,803</u> | <u>99,329</u> |

The accompanying notes form part of these financial statements.

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

| | Retained Earnings \$ | General Reserve \$ | Total \$ |
|-----------------------------------|----------------------------|--------------------------|----------------|
| Balance at 1 July 2009 | <u>25,447</u> | <u>80,000</u> | <u>105,447</u> |
| Comprehensive income | | | |
| Loss for the year | (6,118) | - | (6,118) |
| Other comprehensive income | - | - | - |
| Total comprehensive income | <u>(6,118)</u> | <u>-</u> | <u>(6,118)</u> |
| Balance at 30 June 2010 | <u>19,329</u> | <u>80,000</u> | <u>99,329</u> |
| Comprehensive income | | | |
| Profit for the year | 19,474 | - | 19,474 |
| Other comprehensive income | - | - | - |
| Total comprehensive income | <u>19,474</u> | <u>-</u> | <u>19,474</u> |
| Balance at 30 June 2011 | <u>38,803</u> | <u>80,000</u> | <u>118,803</u> |

The accompanying notes form part of these financial statements

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

| | 2011 | 2010 |
|--|---------------|-----------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from grants and donations | 36,540 | 46,723 |
| Receipts from customers | 6,767 | 148,116 |
| Interest received | 72 | - |
| Payments to suppliers and employees | (21,499) | (209,383) |
| Net cash provided by (used in) operating activities | 21,880 | (14,544) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net cash provided by (used in) investing activities | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net cash provided by (used in) financing activities | - | - |
| Net increase (decrease) in cash held | 21,880 | (14,544) |
| Cash at beginning of financial year | 13,621 | 28,165 |
| Cash at end of financial year | 35,501 | 13,621 |

The accompanying notes form part of these financial statements.

**ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1 Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001, and the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of these statements are as follows:

Accounting Policies

Plant and Equipment

Each class of plant and equipment is carried at cost, or fair value, less where applicable accumulated depreciation. Plant & equipment are depreciated over their useful life to the company.

Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 component of investing and financing activities, which are disclosed as operating cash flows.

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

| | 2011 | 2010 |
|---|---------------|---------------|
| | \$ | \$ |
| 2 Cash and Cash Equivalents | | |
| Cheque a/c | 16,433 | 10,393 |
| Gift a/c | 19,068 | 3,228 |
| | <u>35,501</u> | <u>13,621</u> |
| Reconciliation of cash | | |
| Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows: | | |
| Cheque a/c | 16,433 | 10,393 |
| Gift a/c | 19,068 | 3,228 |
| | <u>35,501</u> | <u>13,621</u> |
| 3 Trade and Other Receivables | | |
| Accounts Receivable | - | 996 |
| Sundry Debtor - Grant | 2,300 | - |
| | <u>2,300</u> | <u>996</u> |
| The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired. | | |
| 4 Trade and Other Payables | | |
| Payables | | |
| Deferred Revenue | 4,565 | 891 |
| GST | (566) | 492 |
| Banner a/c | 315 | 315 |
| | <u>4,314</u> | <u>1,698</u> |

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

| | 2011 | 2010 |
|--|---------|---------|
| | \$ | \$ |
| 5 Memorabilia, Plant and Equipment | | |
| (i) Memorabilia – at Directors Valuation/Cost | | |
| Museum & Fortifications – Valuation (see below) | 75,000 | 75,000 |
| Improvements - 9.2 inch shells – Cost | 2,479 | 2,479 |
| Accumulated Depreciation | (1,663) | (1,592) |
| | 75,816 | 75,887 |
| Plant & Equipment at Cost | | |
| Tools | 500 | 500 |
| Paintings | 4,000 | 4,000 |
| Library | 5,000 | 5,000 |
| Office Equipment | - | 527 |
| Shop Equipment | - | 5,410 |
| Accumulated Depreciation | - | (4,914) |
| | 9,500 | 10,523 |
| Total Memorabilia, Plant and Equipment | 85,316 | 86,410 |

(ii) Memorabilia as disclosed in the table above has been included at a valuation by Directors. The value attributed by the Directors is reflective of the value of the assets to the company and as used by the company in carrying out its objective. The realisable value of those assets is most likely significantly greater, however, the value adopted recognises that it is the Company's responsibility to collect rather than realise.

Of the assets owned by the company a significant portion has now been moved to Bandiana, Vic and is currently under the effective control of the Department of Defence.

The collection also includes a number of loaned items that are in the company's possession.

6 Cash Flow Information

Reconciliation of cash flows from operations with profit after income tax

| | | |
|--|---------|----------|
| Profit/(loss) after income tax | 19,474 | (6,118) |
| Non-cash flows in profit | | |
| Depreciation and amortisation | 1,094 | 8,731 |
| Transfer of assets | - | 1,347 |
| Changes in assets and liabilities | | |
| Decrease/(increase) in receivables and inventories | (1,304) | 10,504 |
| Increase/(decrease) in creditors and accruals | 2,616 | (24,590) |
| Decrease in provisions | - | (4,418) |
| | 21,880 | (14,544) |

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

DIRECTORS' DECLARATION


The directors have determined that the company 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.

The directors of the company declare that:


1. the financial statements and notes, as set out on pages 6 to 12 are in accordance with the Corporations Act 2001 and give a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

 TIM FORD

Director

 BRIAN HEMAR

Dated this 24th day of September 2011

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose report of Royal Australian Artillery Historical Company, which comprises the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 to the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal controls as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error;

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards 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 auditors' judgment, 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 auditors consider internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Scope

As an audit procedure, it was not practical to extend our examination of subscriptions, bequests and donations beyond the accounting for amounts received as shown by the books and records of the company.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539**

Auditors' Opinion

In our opinion the financial report of Royal Australian Artillery Historical Company is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw your attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Name of Firm:

Frank Clune & Son
Frank Clune & Son
Chartered Accountants

Name of Partner:

William Neill

William Neill

Address:

Level 7, 60 Carrington Street, Sydney NSW

Dated this *26th* **day of** *September* **2011**

ROYAL AUSTRALIAN ARTILLERY HISTORICAL COMPANY
A.B.N. 66 084 470 539

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

| | 2011 \$ | 2010 \$ |
|--|---------------|----------------|
| INCOME | | |
| RAA Historical | 2,294 | 7,627 |
| Donations | 30,890 | 29,801 |
| Museum & Fort | - | 19,473 |
| Commercial | - | 121,016 |
| Gunners in Borneo Sales | 799 | - |
| Interest | 72 | - |
| | <u>34,055</u> | <u>177,917</u> |
| OTHER INCOME | | |
| Grants | 5,650 | 16,922 |
| | <u>5,650</u> | <u>16,922</u> |
| | <u>39,705</u> | <u>194,839</u> |
| EXPENSES | | |
| Administration | 65 | 15,941 |
| Advertising | - | 6,273 |
| Bank Charges | 376 | 2,009 |
| Commercial | - | 62,870 |
| Depreciation | 1,094 | 8,731 |
| Filing Fees | (189) | 270 |
| Grant Expenditure | 10,120 | - |
| Insurance | 1,987 | 1,658 |
| GVEHO Grant | (2,300) | (2,300) |
| Interest Paid | 8 | - |
| Museum & Fort | 4,082 | 9,851 |
| Payments to Army Unit Trust | - | 11,620 |
| Postage & Stationery | 865 | 1,554 |
| Printing | - | 132 |
| RAA Historical | 3,650 | 4,251 |
| Salaries | - | 73,302 |
| Telephone & Email | 473 | 2,820 |
| Workers Compensation | - | 1,975 |
| | <u>20,231</u> | <u>200,957</u> |
| Profit/(Loss) before income tax | <u>19,474</u> | <u>(6,118)</u> |

The accompanying notes form part of these financial statements.