

# ANNUAL FINANCIAL STATEMENTS

Red Earth City Pty Ltd

ABN 72 141 969 226

For the year ended 31 March 2016

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# Trading Statement

## Red Earth City Pty Ltd For the year ended 31 March 2016

	NOTES	2016	2015
<b>Trading Income</b>			
Sales Income		448,346	299,835
<b>Cost of Good Sold</b>			
<b>Purchases</b>			
<b>Purchases</b>			
DPI- Equipment Hire		27,576	7,232
DPI- Materials		16,700	20,245
Ice Expense		6,896	-
Infrastructure- Container Transport		1,670	1,525
Infrastructure- Radio Communications		3,857	5,555
Infrastructure- Site Works		23,456	8,009
Infrastructure- Toilet Hire & Service		41,329	12,942
Infrastructure- Venue Hire Costs		27,196	14,702
Installations- Centre Camp		4,572	3,850
Installations- Effigy		15,719	12,753
Installations- Red Earth Radio		460	-
Installations- Temple		14,278	9,802
<b>Total Purchases</b>		<b>183,709</b>	<b>96,614</b>
<b>Total Purchases</b>		<b>183,709</b>	<b>96,614</b>
<b>Total Cost of Good Sold</b>		<b>183,709</b>	<b>96,614</b>
Gross Profit		264,637	203,221

# Trading Income Statement

Red Earth City Pty Ltd  
For the year ended 31 March 2016

	NOTES	2016	2015
<b>Income</b>			
Trading profit		264,637	203,221
<b>Total Income</b>		<b>264,637</b>	<b>203,221</b>
<b>Expenses</b>			
Admin Team Expenses		28	-
Art Grants		30,790	27,864
Artery Team Expenses		714	-
ASIC Fees		246	243
Bank Fees		638	403
Bicycle Expenses		1,366	-
Civic Services Team Expenses		904	-
Comms Team Expenses		2,021	430
Communications		91	4,175
Consulting & Accounting		4,795	1,645
Crew Meal Costs		11,293	6,768
Crew Training Costs		3,849	-
Depreciation		7,055	10,868
DPI- Other Services		-	1,000
FART / Red MV Team Expenses		1,780	4,187
Fines & Penalties		870	-
Fire Art Grants		5,302	4,650
Gate Expenses		1,265	2,116
General Donations		5,106	500
General Expenses		4,736	184
Insurance		3,546	15,971
Interest Expense		950	616
Kitchen Expenses		3,899	-
Low Value Assets - Immediate Write Off		13,900	11,005
Medical Services		20,090	12,870
Motor Vehicle Fuel		3,009	3,496
Motor Vehicle Servicing		445	1,393
Printing Event & Survival Guides		5,032	-
REC Community Grants		800	500
REC General Expenses		1,000	-
Rent and Storage		1,723	1,235
Repairs and Maintenance		4,557	-
Schwag and Appreciation		4,683	-
Security Services		12,386	13,491
Summit Expenses		6,432	-

	NOTES	2016	2015
Theme Camp Grants		15,532	8,477
Travel Costs		1,666	5,992
Waste Services		23,319	10,225
Website and Social Media costs		5,603	-
Wristbands		1,193	-
<b>Total Expenses</b>		<b>212,615</b>	<b>150,303</b>
<b>Profit/(Loss) before Taxation</b>		<b>52,022</b>	<b>52,918</b>
<b>Income Tax Expense</b>			
Income Tax Expense		17,364	15,875
<b>Total Income Tax Expense</b>		<b>17,364</b>	<b>15,875</b>
<b>Net Profit After Tax</b>		<b>34,658</b>	<b>37,043</b>
<b>Net Profit After Dividends Paid</b>		<b>34,658</b>	<b>37,043</b>

# Balance Sheet

## Red Earth City Pty Ltd As at 31 March 2016

	NOTES	31 MAR 2016	30 JUN 2015
<b>Assets</b>			
<b>Current Assets</b>			
BMA Bank Account		7,526	7,525
DPI Expense Bank Account		683	14,675
Effigy Bank Account		287	10,085
Expenses Bank Account		2,357	11,002
Income Bank Account		137,091	110,240
Kitchen Expenses Bank Account		509	65
Temple Bank Account		62	-
Unpaid Expense Claims		-	870
<b>Total Current Assets</b>		<b>148,514</b>	<b>154,462</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	24,245	31,300
<b>Total Non-Current Assets</b>		<b>24,245</b>	<b>31,300</b>
<b>Total Assets</b>		<b>172,759</b>	<b>185,763</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Taxation		11,767	26,335
Accounts Payable		8,836	-
ATO RBA Account		-	616
GST		(599)	3,726
Sundry Creditor		11,422	49,411
<b>Total Current Liabilities</b>		<b>31,427</b>	<b>80,089</b>
<b>Non-Current Liabilities</b>			
Loan		600	(400)
<b>Total Non-Current Liabilities</b>		<b>600</b>	<b>(400)</b>
<b>Total Liabilities</b>		<b>32,027</b>	<b>79,689</b>
<b>Net Assets</b>		<b>140,732</b>	<b>106,074</b>
<b>Equity</b>			
Retained Earnings		140,612	105,954
Share Capital		120	120
<b>Total Equity</b>		<b>140,732</b>	<b>106,074</b>

# Notes to the Financial Statements

## Red Earth City Pty Ltd For the year ended 31 March 2016

### 1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 March 2016. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

#### Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount 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 utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

#### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 March 2016. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

## Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

## Cash and Cash Equivalents

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

## Revenue Recognition

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

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

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividends is recognised when the entity has a right to receive the dividend.

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

## Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

	2016	2015
<b>2. Property Plant and Equipment</b>		
<b>Plant and Equipment</b>		
Plant and equipment at cost	47,543	47,543
Accumulated depreciation of plant and equipment	(23,298)	(16,243)
<b>Total Plant and Equipment</b>	<b>24,245</b>	<b>31,300</b>
<b>Total Property Plant and Equipment</b>	<b>24,245</b>	<b>31,300</b>



# Depreciation Schedule

Red Earth City Pty Ltd

For the 9 months ended 31 March 2016

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
<b>General Pool</b>						
Army tents x 2	6,000	3,568	-	-	804	2,764
Distribution boards	1,575	937	-	-	211	726
Fire fighting trailer	2,952	1,756	-	-	396	1,360
General Tools - Assorted	3,945	3,355	-	-	756	2,599
New Generators x 2	9,952	5,919	-	-	1,334	4,584
Shipping containers x 2	5,940	3,533	-	-	796	2,736
Solar array	7,640	4,544	-	-	1,024	3,520
Solar Power Equipment	977	831	-	-	187	644
Stretch Tent	4,990	4,243	-	-	956	3,287
Stretch Tent	1,650	981	-	-	221	760
Tent	1,922	1,634	-	-	368	1,266
<b>Total General Pool</b>	<b>47,543</b>	<b>31,300</b>	<b>-</b>	<b>-</b>	<b>7,055</b>	<b>24,245</b>
<b>Total</b>	<b>47,543</b>	<b>31,300</b>	<b>-</b>	<b>-</b>	<b>7,055</b>	<b>24,245</b>

# Appropriation Statement

Red Earth City Pty Ltd

For the year ended 31 March 2016

	NOTES	2016	2015
<b>Retained Earnings after Appropriation</b>			
Retained Earnings At Start of Year		105,954	68,911
Profit / (loss) Before Taxation		52,022	52,918
<b>Income Tax Expense</b>			
Income Tax Expense		17,364	15,875
<b>Total Income Tax Expense</b>		<b>17,364</b>	<b>15,875</b>
Retained Earnings After Appropriation		140,612	105,954

# Directors Declaration

## Red Earth City Pty Ltd

### For the year ended 31 March 2016

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, present fairly the company's financial position as at 31 March 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: Robin MacPherson \_\_\_\_\_

Director: Richard Martin \_\_\_\_\_

Director: Philip Smart \_\_\_\_\_

# Compilation Report

## Red Earth City Pty Ltd For the year ended 31 March 2016

Compilation report to Red Earth City Pty Ltd.

We have compiled the accompanying special purpose financial statements of Red Earth City Pty Ltd, which comprise the income statement, balance sheet and statement of cash flows for the period ended 31 March 2016, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance and financial position of the company that satisfies the needs of the members.

### The Responsibility of the Directors

You are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet your needs and for the purpose that the financial statements were prepared.

### Our Responsibility

On the basis of information provided by you, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors of the trustee company provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the members of Organisation legal / trading name. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

### TCM Accounting

PO BOX 1800, NEWCASTLE NSW 2300



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**NATALIE CREER**

Dated: 1 September 2016