

THE CINEMA INDUSTRY BENEVOLENT FUND OF VICTORIA INC.

ABN: 28 604 010 935

Established: 1937

INCORPORATED ASSOCIATION: No. A0033167Z

Incorporated: 1996

2016 ANNUAL REPORT

For the year ended 31st December 2016

Presented at the

SEVENTY-NINETH

ANNUAL GENERAL MEETING

Held on

.....day.....MAY 2017

At the

**HOYTS CINEMAS COMPLEX
MELBOURNE CENTRAL
SWANSTON & LATROBE STREETS
MELBOURNE CITY, VIC.**

Fund Registered Office:

27 McIntyre Street, BURWOOD Vic 3125

Fund Postal Address:

PO Box 155, KALORAMA Vic 3766

Email: cibfvic10@bigpond.com

THE CINEMA INDUSTRY BENEVOLENT FUND OF VICTORIA INC.
ABN 28 604 010 935

2016 ANNUAL REPORT:

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Auditor's Report – Collins & Co – Certified Practising Accountants

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OTHER INFORMATION:

Assistance Grants & Education Scholarships for 2016

Acknowledgements & Appreciation (2016 Golf Day not held)

List of Council Members at 31st December 2016

Members of sub-Committees at 31st December 2016 including

Ladies sub-Committee at 31st December 2016

Life Members to 31st December 2016

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STATEMENT BY COUNCIL MEMBERS

The Council of the Cinema Industry Benevolent Fund of Victoria Inc. has determined that the Fund 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 Council, the 2016 Financial Report comprising Assets & Liabilities Statement, Consolidated Income & Expenditure Statement and Notes thereto:

1. Present a true & fair view of the financial position of the Cinema Industry Benevolent Fund of Victoria Inc. as at 31st December 2016 and of its financial performance for the year ended on that date;
2. At the date of this Statement, there are reasonable grounds to believe that the Cinema Industry Benevolent Fund of Victoria Inc. is able to pay its debts as and when they fall due.

This Statement is made in accordance with Resolutions made at a meeting of Members of Council and is signed for and behalf of the Council by Councillors:


.....
Peter J Wallace – President


.....
David A Dean – Public Officer/Secretary

Dated this 22nd day of February 2017.

THE CINEMA INDUSTRY BENEVOLENT FUND OF VICTORIA INC.
ABN 28 604 010 935

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CONSOLIDATED INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2016

	Note No.	2016 \$	2015 \$
<u>INCOME:</u>			
Fully Franked Dividends (incl. Franking)		17,352	16,945
Interest from Banks, Mortgages, Loans & Notes		39,703	41,515
Donations		150	-
Ladies Luncheons Ticket Sales		9,145	13,325
Raffle Tickets Sales		1,195	1,494
Annual Golf Day (not held in 2016)		-	6,305
		-----	-----
TOTAL INCOME		67,545	79,584
		-----	-----
<u>LESS – EXPENDITURE:</u>			
Administration Contract Fees		24,000	24,250
Assistance & Support Grants		3,845	8,515
Audit Fees		2,090	3,190
Bank Charges		-	30
Constitution Renewal Costs		2,500	-
Depreciation & Fixed Assets W/off	5	-	-
Education Scholarships (Tertiary & VCE)		22,250	23,500
Golf Day Expenses (not held in 2016)		-	2,079
Investigation Expenses (2 years in 2015)		250	500
Ladies Luncheons Costs		8,698	12,495
Miscellaneous Expenses		-	-
Postages & Stationery		938	407
Raffle Prizes & Hamper		387	607
Statutory Fees & Charges		54	53
Telephone/Internet & Website Update		1,060	-
Travel		-	-
Tributes		-	200
		-----	-----
TOTAL EXPENDITURE		66,072	75,826
		-----	-----
NET INCOME (EXPENDITURE)		1,473	3,758
		=====	=====

The accompanying Notes form an integral part of these financial statements.

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ASSETS & LIABILITIES STATEMENT
AS AT 31ST DECEMBER 2016

	Note No.	2016 \$	2015 \$
<u>FUND CORPUS</u>	8		
Accumulated/Retained Income to date	7	941,633	940,160
		=====	=====
Represented by:			
<u>CURRENT ASSETS:</u>			
Cash & Cash Equivalents	2	38,615	39,133
Receivables & Accruals	3	11,860	5,405
Financial Assets at Cost	4	792,158	632,872
		-----	-----
Total Current Assets		842,633	677,410
		-----	-----
<u>NON-CURRENT ASSETS:</u>			
Plant & Equipment at WDV	5	-	-
Financial Assets at Cost	4	100,000	262,750
		-----	-----
Total Non-Current Assets		100,000	262,750
		-----	-----
TOTAL ASSETS		942,633	940,160
		=====	=====
<u>LESS LIABILITIES:</u>			
<u>CURRENT LIABILITIES:</u>			
Other Liabilities		1,000	-
Provisions	6	-	-
		-----	-----
<u>NON-CURRENT LIABILITIES:</u>		-	-
		-----	-----
TOTAL LIABILITIES		1,000	-
		=====	=====
NET ASSETS		941,633	940,160
		=====	=====

The accompanying Notes form an integral part of these financial statements.

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the new Associations Incorporations Reform Act 2012 (previously Associations Incorporation Act 1981 - now repealed) under which Act the Fund is registered. Pursuant to Provision 90 of the Act, the Fund is designated as Tier 1 under the legislation, having annual revenues not exceeding \$250,000. During the 2016 year a new updated Constitution was adopted by the Fund.

The Council has determined that the Cinema Industry Benevolent Fund of Victoria Inc. is not a reporting entity.

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 specifically stated, the current valuations of non-current assets nor any potential costs of realisation.

The following significant accounting policies, consistent with the previous financial period unless otherwise stated, have been adopted in the preparation of this financial report.

a) Cash & Cash Equivalents:

Cash & Cash Equivalents comprise Cash on hand and in Banks, all due at call.

b) Revenue & Other Income:

Interest revenue from Mortgages & Loans is accounted for on a proportional basis taking into account applicable interest rates. Dividends and Interest income from Listed Securities, Listed Notes and Interest on Bank accounts are accounted for only when due and receivable.

c) Fund Status & Income Tax:

The Fund is resident in Victoria, Australia and was established in 1937 to raise funds from Donations & subsequent Investments for the purposes of providing charitable and benevolent assistance and support to needy persons engaged in the Cinema & Related Industry in Victoria & the NSW Riverina area. In more recent years, the Fund has also provided Education (Tertiary & VCE) Scholarship Awards to eligible students who themselves or their parent/s work in the Victorian Cinema Industry. In 1996, the Fund was incorporated under the Victorian Association Incorporation Act 1981 (now the Associations Incorporation Reform Act 2012) and in 2013 was also registered with the Federal Australian Charities and Not-for Profits Commission. As a Registered Charity and a Deductible Gift Recipient, the Fund has been granted exemption from Income Tax under s 50-25 of the Income Tax Assessment Act. A refund of Franking Credits attached to any franked dividend income is progressively accrued for in the accounts and a refund is claimed annually from the ATO.

d) Depreciation of Fixed Assets:

Fixed assets are depreciated using the diminishing value method over their useful lives to the Fund commencing from the time the asset is first held. Where fixed assets become obsolete and of no further value, they are written off immediately.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Employee Entitlements:

Effective February 2013, the then sole employee retired from employment with the Fund and all entitlements were paid out on termination of that employment. At Balance Date the Fund had no employees (2015: no employees) and no entitlements remain outstanding.

f) Financial Assets:

The Fund invests long-term in quality listed securities and listed notes paying regular franked dividends / interest, in 3 and 4 year-term first mortgages (interest only) secured over Freehold Real Estate and also in small unsecured Business Loans. Any available surplus funds are held on Cash Management Account at interest. A Provision for Diminution in carrying value is made where the Market Value of a Financial Asset at Balance Date is likely to be permanently less than original cost. Where Market Value exceeds original cost, the excess is not brought to account. Any surplus or loss arising on disposals is accounted for in the year such disposals occur.

g) Loan Investment Restrictions:

The Fund is not registered under the Financial Services Acts nor under any other financial legislation and is not permitted to provide investment advice nor to make or solicit for domestic consumer loans nor loans for the purposes of acquiring or improving domestic Real Estate owned and used by a borrower as their residence. However the Fund is permitted to lend funds (at interest) to borrowers for commercial investment purposes and will take first mortgage over Real Estate deemed suitable by the Fund to secure any such loans. Small unsecured Business loans are also made by the Fund and third-party Guarantees supporting such loans are obtained.

h) Consolidated Income & Expenditure Statement:

The General Operations Income & Expenditure Statement (note 9) and the Ladies' Sub-Committee Income & Expenditure Statement (note 10) are consolidated into the Consolidated Income & Expenditure Statement (see page 2) after eliminating any inter-entity transactions.

NOTE 2: CASH & CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash at Bank - CBA	17,222	31,923
Cash at Bank – CBA Ladies' Sub- Committee	1,101	1,080
Cash at Bank- Ord Minnett Cash Management	20,292	6,130
	-----	-----
	38,615	39,133
	=====	=====

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	2016	2015
	\$	\$
NOTE 3: CURRENT RECEIVABLES		
Franking Credits refundable	8,374	3,155
Accrued First Mortgage Interest	3,486	2,250
Ladies Luncheon Debtors	-	-
Golf Day Fees due	-	-
	-----	-----
	11,860	5,405
	=====	=====
NOTE 4: FINANCIAL ASSETS		
Current		
First Mortgage Loans	260,000	100,000
Unsecured Loans	1,856	2,570
Listed Shares at cost -M/Value \$202,356 (2015 \$219,110)	180,302	180,302
 Listed Notes at cost - M/Value \$356,275 (2015 \$354,400)	 350,000	 350,000
	-----	-----
	792,158	632,872
	-----	-----
Non-Current		
First Mortgage Loans	100,000	260,000
Unsecured Loans	-	2,750
	-----	-----
	100,000	262,750
	-----	-----
Total Financial Assets	892,158	895,622
	=====	=====
NOTE 5: PLANT & EQUIPMENT		
Furniture & Equipment at cost (none held)	-	-
Less: Accumulated depreciation	-	-
	-----	-----
	-	-
	=====	=====

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

	2016	2015
	\$	\$
NOTE 6: PROVISIONS - CURRENT		
Diminution in Value of Investment		
Opening Balance	-	-
Movement for the year	-	-
	-----	-----
Closing Balance	-	-
	=====	=====

NOTE 7: ACCUMULATED/RETAINED INCOME

Balance at the beginning of the year	940,160	936,402
Consolidated Net Income (Expenditure) for the year	1,473	3,758
Rounding	-	-
	-----	-----
Balance at the end of the year	941,633	940,160
	=====	=====

NOTE 8: FUND CORPUS

The Corpus of the Fund comprises the total Net Income accumulated annually since formation of the Fund in 1937 and is represented by Net Assets.

Under the Constitution Rules of the Fund, if the Fund is wound up for any reason, any Net Assets remaining, after the satisfaction of all debts and liabilities, must not be distributed to members but will be donated to another Charitable Association that has similar objectives to those of the Cinema Industry Benevolent Fund of Victoria Inc.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016**

NOTE 9: GENERAL OPERATIONS INCOME & EXPENDITURE STATEMENT

	2016	2015
	\$	\$
INCOME:		
Fully Franked Dividends (incl. Franking)	17,352	16,945
Donations	-	-
Interest	39,703	41,515
Ladies Sub-Committee Contribution	1,100	1,500
Sports Sub-Committee – Golf Day	-	6,305
	-----	-----
TOTAL INCOME	58,155	66,265
	-----	-----
EXPENDITURE:		
Audit Fees	2,090	3,190
Administration Contract Fees	24,000	24,250
Bank Charges	-	-
Constitution Renewal Costs	2,500	-
Depreciation & Fixed Asset write-offs	-	-
Education Scholarships (Tertiary & VCE)	22,250	23,500
Sports sub-Committee – Golf Day	-	2,079
Grants paid for Assistance & Support	3,845	8,515
Investigation Costs (2 years in 2015)	250	500
Miscellaneous Expenses	-	-
Postages & Stationery	654	267
Repairs	-	-
Statutory Fees	54	53
Telephone/Internet/Website Update	1,060	-
Tributes	-	200
	-----	-----
TOTAL EXPENDITURE	56,703	62,554
	-----	-----
NET INCOME (EXPENDITURE)	1,452	3,711
	=====	=====

THE CINEMA INDUSTRY BENEVOLENT FUND OF VICTORIA INC.
ABN 28 604 010 935

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2016

NOTE 10: LADIES SUB-COMMITTEE INCOME & EXPENDITURE STATEMENT

	2016	2015
INCOME:		
	\$	\$
Film-Luncheons Ticket Sales	9,145	13,325
Raffles and Christmas Hamper	1,195	1,494
Donations	150	-
	-----	-----
TOTAL INCOME	10,490	14,819
	-----	-----
 EXPENDITURE:		
Luncheon Costs	8,698	12,495
Raffle Prizes & Christmas Hamper	387	607
Bank Charges	-	30
Postages, Stationery & Telephone	284	140
Donation to CIBF General Fund	1,100	1,500
	-----	-----
TOTAL EXPENDITURE	10,469	14,772
	-----	-----
 NET INCOME (EXPENDITURE)	 21	 47
	=====	=====

THE CINEMA INDUSTRY BENEVOLENT FUND OF VICTORIA INC.
A.B.N. 28 604 010 935
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of The Cinema Industry Benevolent Fund of Victoria Inc. (the Association), which comprises the balance sheet as at 31 December 2016, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Board.

In my opinion, the financial report of the Association is in accordance with the Associations Incorporation Reform Act (Victoria 2012), including:

- i. giving a true and fair view of the Association's financial position as at 31 December 2016 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1 and the Associations Incorporation Reform Act (Victoria 2012).

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. I am independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Cinema Industry Benevolent Fund of Victoria Inc. to meet the requirements of the Associations Incorporation Reform Act (Victoria 2012). As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Name of Auditor: Frederik R. L. Eksteen

Address: Collins & Co
127 Paisley Street
Footscray VIC 3011

Date: 28 March 2017