

THE CROATIAN STUDIES FOUNDATION

(TRUST)

AUDITED FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2005

CROATIAN STUDIES FOUNDATION

AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2005

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CROATIAN STUDIES FOUNDATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2005 \$	2004 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenue from ordinary activities	2	262,217	106,880
Other expenses from ordinary activities		(161,497)	(153,895)
		-----	-----
Profit (loss) from ordinary activities attributable to the trust		100,720	(47,015)
Adjustment from extraordinary item	9	-	(87,500)
		-----	-----
Total changes in equity of the trust	7	<u>100,720</u>	<u>(134,515)</u>

THE CROATIAN STUDIES FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2005

	NOTE	2005	2004
		\$	\$
CURRENT ASSETS			
Cash Assets	3	469,703	431,806
Other Receivables	4	18,435	44,921
		-----	-----
TOTAL CURRENT ASSETS		488,138	476,727
		-----	-----
NON CURRENT ASSETS			
Formation Cost		851	851
Office Furniture & Equipment	5	1,969	3,020
		-----	-----
TOTAL NON CURRENT ASSETS		2,820	3,871
		-----	-----
TOTAL ASSETS		490,958	480,598
		-----	-----
CURRENT LIABILITIES			
Payables	6	81,448	171,808
		-----	-----
TOTAL CURRENT LIABILITIES		81,448	171,808
		-----	-----
TOTAL LIABILITIES		81,448	171,808
		-----	-----
NET ASSETS		409,510	308,790
		-----	-----
TRUST FUNDS			
Settlement Monies		100	100
Accumulated Income	7	409,410	308,690
		-----	-----
TOTAL TRUST FUNDS & ACCUMULATED INCOME		409,510	308,790
		=====	=====

The accompanying notes form part of these financial accounts

THE CROATIAN STUDIES FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2005

		2005	2004
		\$	\$
Cash Flows from operating activities			
Receipts from Croatian Ministry		215,000	80,000
Donations & Interest Received		47,217	26,880
Payments to suppliers		(242,293)	(137,134)
		-----	-----
Net cash provided by Operating Activities	8(b)	19,924	(30,254)
		-----	-----
Cash Flows from investing activities			
Payment for property, plant & equipment		-	(3,234)
		-----	-----
Net cash provided by Investing Activities		-	(3,234)
		-----	-----
Cash Flows from financing activities			
Decrease in loan due by Croatian Studies Foundation of Australia and New Zealand		24,223	2,346
(Decrease) in loan due to Macquarie University		(6,250)	-
		-----	-----
		17,973	2,346
		-----	-----
Net increase (decrease) in cash held		37,897	(31,142)
Cash at beginning of the financial year		431,806	462,948
		-----	-----
Cash at the end of the financial year	8(a)	469,703	431,806
		-----	-----

THE CROATIAN STUDIES FOUNDATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared in accordance with the Statements of Accounting Concepts and applicable Accounting Standards. The accounts have been prepared on the basis of historical costs and do not take into account changing money value or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

A. Income Tax

The trust is exempt from income tax purposes under Section 50-10 of the Income Tax Assessment Act 1999.

B. Investments

Investments are brought to account at cost or at directors' valuation. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' current market value or the underlying net assets in the particular entities.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

C. Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank including at call deposits with banks.

THE CROATIAN STUDIES FOUNDATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
2. OPERATING INCOME		
Operating Income		
Receipt from Croatian Ministry	215,000	80,000
Interest	21,702	17,850
Donations	25,515	9,030
	262,217	106,880
	262,217	106,880
<p>The Croatian Ministry paid \$215,000 during the year which includes a bonus of \$70,000. The income from the Croatian Ministry is brought to account on a Receipts basis. The annual payment commencing 1 January 2005 has increased to \$79,750.</p>		
3. CASH ASSETS		
CBA	8,476	498
Croatian Credit Union	461,227	431,308
	469,703	431,806
	469,703	431,806
4. OTHER RECEIVABLES		
GST Refundable	5,957	8,220
Receivable from Croatian Studies	12,478	36,701
Foundation of Australia and New Zealand Inc.	18,435	44,921
	18,435	44,921
	18,435	44,921

THE CROATIAN STUDIES FOUNDATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
5. OFFICE FURNITURE AND EQUIPMENT		
Office furniture & equipment	3,234	3,234
Less: accumulated depreciation	(1,265)	(214)
	-----	-----
	<u>1,969</u>	<u>3,020</u>
6. PAYABLES		
Accruals	-	84,214
PAYG Withholding	198	94
Amount owing to Macquarie University	81,250	87,500
	-----	-----
	<u>81,448</u>	<u>171,808</u>
7. RETAINED PROFITS		
Accumulated surplus at the beginning of the financial year	308,690	443,205
Net surplus (deficiency) attributable to the Trust	100,720	(134,515)
	-----	-----
Accumulated surplus at the end of the financial year	<u>409,410</u>	<u>308,690</u>

THE CROATIAN STUDIES FOUNDATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
8. CASH FLOW INFORMATION		
a) Reconciliation of Cash		
For the purpose of the statement of cashflows, cash includes cash in banks. Cash at the end of the year as shown in the statement of cash is reconciled to the related items in the balance sheet as follows:		
Cash	469,703	431,806
	=====	=====
b) Reconciliation of Net Cash Provided By Operating Activities to Operating Surplus		
Operating Surplus (deficiency)	100,720	(47,015)
Depreciation Expense	1,051	214
Increase/(Decrease) in Accruals	(84,213)	14,709
(Increase)/Decrease in GST refundable	2,262	1,838
Increase/(Decrease) in PAYG		
Withholding taxes	104	-
	-----	-----
Net cash provided by Operating Activities	19,924	(30,254)
	=====	=====
9. Extraordinary Item 2004		

It was noted that a liability owed by the Foundation to Macquarie University had not been separately disclosed prior to the 2004 financial statements.

The liability arose from a debt or deficit incurred over a number of years prior to 1998 which was allocated to the Foundation by Macquarie University. The liability was agreed at an amount of \$125,000 repayable over 20 years at an annual rate of \$6,250. The liability bears no interest. The liability has reduced to \$81,250 at 30 June 2005.

THE CROATIAN STUDIES FOUNDATION

DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

In the opinion of the directors of the trustee Votraint No. 213 Pty Limited:

1. a) The Statement of Financial Performance gives a true and fair view of the profit and loss of the trust and the economic entity for the financial year;
- b) The Statement of Financial Position gives a true and fair view of the state of affairs of the trust and the economic entity as at the end of the financial year; and
- c) The Statement of Cash Flows gives a true and fair view of the cash flows of the trust and economic entity for the financial year.
2. At the date of this statement, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Board of Directors of the trustee company and is signed for an on behalf of the directors by:

Director

.....

Director

.....

Dated this day of 2005.

**AUDITORS' REPORT TO THE MEMBERS OF
CROATIAN STUDIES FOUNDATION**

Audit Scope

We have audited the financial statements of The Croatian Studies Foundation for the year ended 30 June 2005.

The Trustee is responsible for the preparation and presentation of the financial accounts. We have conducted an independent audit of these accounts in order to express an opinion to the members of the Foundation.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial accounts, 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 accounts are presented fairly in accordance with Australian Accounting Standards and other mandatory professional Reporting Requirements (Urgent Issues Group Consensus View) so as to present a view which is consistent with our understanding of the trust's financial position and the results of its operations.

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

Qualification

It is not practicable for the Foundation to maintain an effective system of internal control over donations until their initial entry in the accounting records. No accounting controls are exercised over cash collections prior to the initial entry of such contributions in the accounting records. Accordingly, we were unable to extend our examination of such receipts beyond the amounts recorded.

**AUDITORS' REPORT TO THE MEMBERS OF
CROATIAN STUDIES FOUNDATION**

Qualified Audit Opinion

In our opinion, except for the effects of any adjustments that might have resulted had the collections of cash contributions referred to above, been capable of being satisfactorily audited, the financial statements of The Croatian Studies Foundation are properly drawn up:

- a) So as to give a true and fair view of the state of affairs at 30 June 2005 and of the income and expenditure and cash flows for the year ended on that date of the trust; and
- b) In accordance with applicable accounting standards.

FURZER CRESTANI AUDIT SERVICES
Chartered Accountant

ANTHONY S CRESTANI
Director

Dated this day of 2005.

**COMPILATION REPORT TO THE MEMBERS OF
THE CROATIAN STUDIES FOUNDATION**

Scope

On the basis of the information provided by the Committee of Management of the Croatian Studies Foundation we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report of the Croatian Studies Foundation for the period ended 30 June 2005 comprising the attached Income and Expenditure Statement.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the trustees. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Association's Constitution and are appropriate to meet the needs of the Committee of Management for the purposes of complying with the Association's Constitution.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation of procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Association, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the Trustee and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

FURZER CRESTANI ACCOUNTING SERVICES
Chartered Accountants

ANTHONY S. CRESTANI

Director

Dated this day of , 2005.

THE CROATIAN STUDIES FOUNDATION
INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
INCOME		
Receipts from Croatian Ministry.	215,000	80,000
Donations	25,515	9,030
Interest Received	21,702	17,850
	-----	-----
TOTAL INCOME	262,217	106,880
	-----	-----
EXPENSES		
Accounting Fees	-	180
Audit Fees	1,333	1,333
Bank Charges	60	66
Card & Merchant fees	324	
Depreciation	1,051	214
Filing Fees	277	200
Insurance	175	
Interest paid	17	-
Postage & Office Equipment	-	780
Purchases – Books & Journals	3,000	3,214
Macquarie University Contribution	149,564	147,328
Salaries & Wages	5,553	532
Superannuation Contributions	143	48
	-----	-----
TOTAL EXPENSES	161,497	153,895
	-----	-----
OPERATING SURPLUS / (LOSS)	100,720	(47,015)
	-----	-----
Adjustment from extraordinary item	-	(87,500)
	-----	-----
	100,720	(134,515)
	-----	-----
Accumulated Income at the beginning of the financial year	308,690	443,205
	-----	-----
Accumulated Income at the end of the financial year	409,410	308,690
	=====	=====