

ENCOMPASS AUSTRALIA INC
Incorporation number Y2261929

FINANCIAL REPORT
YEAR ENDED 31st DECEMBER 2006

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ENCOMPASS AUSTRALIA INC**

Incorporation Number Y2261929

Scope

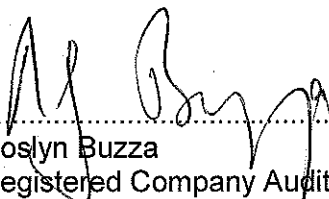
I have audited the financial report of Encompass Australia Inc for the year ended 31st December 2006. The committee is responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the members.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with my understanding of the association's financial position and performance as represented by the results of its operations.

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

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of Encompass Australia Inc as at 31st December 2006 and the results of its operations for the year then ended.


.....
Roslyn Buzza
Registered Company Auditor

9th July 2007


Suite D2, 758 Blackburn Road
CLAYTON 3168
Phone 03-95434394

ENCOMPASS AUSTRALIA INC
Incorporation Number Y2261929

STATEMENT BY TREASURER

1. In the opinion of the Treasurer of Encompass Australia Inc
 - (a) the accompanying financial statements set out in the Statement of Financial Position and the Statement of Financial performance are drawn up so as to give a true and fair view of the result for the financial year ended 31st December 2006 and the state of affairs at 31st December 2006 of the incorporated association in accordance with the accounting policies described in Note 1 to the accounts; and
 - (b) as at the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as an when they fall due.
2. The association's financial statements have been properly prepared by a competent person.
3. In respect of the financial year ended 31st December 2006;
 - (a) the association has kept such accounting records as correctly record and explain the transactions and the financial position of the association; and
 - (b) the association has kept its accounting records in such a manner as would enable true and fair financial statements to be prepared from time to time.

Dated this 10th day of July 2007


.....
Stuart McEwan

ENCOMPASS AUSTRALIA INC**STATEMENT OF FINANCIAL POSITION
AS AT 31st DECEMBER 2006**

	2006	2005
	\$	\$
CURRENT ASSETS		
Cash at bank	44298	16812
Term deposit	-	37409
Sundry debtors and prepayments	-	232
TOTAL CURRENT ASSETS	<u>44298</u>	<u>54453</u>
TOTAL ASSETS	<u>44298</u>	<u>54453</u>
CURRENT LIABILITIES		
Sundry creditors	-	126
Provision for GST (Refund due)	(123)	-
Provision for income tax (Refund due)	(83)	908
	<u> </u>	<u>1034</u>
TOTAL LIABILITIES	<u>(206)</u>	<u>1034</u>
NET ASSETS	<u>44504</u>	<u>53419</u>
MEMBERS FUNDS		
Accumulated surplus at 1st January	53419	53918
Result for the year : (Loss)	(8915)	(499)
TOTAL MEMBERS FUNDS	<u>44504</u>	<u>53419</u>

The accompanying notes form part of this financial report

**ENCOMPASS AUSTRALIA INC
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31st DECEMBER 2006**

	2006	2005
	\$	\$
INCOME		
Interest : Bank and ATO	2155	1711
Sponsorship	-	500
TOTAL INCOME	<u>2155</u>	<u>2211</u>
Less : EXPENSES		
Audit, accounting and tax agent fees	1000	-
Bank and merchant fees	110	304
Board expenses	-	606
Chapter administration	9372	1711
Filing fee	330	25
TOTAL EXPENSES	<u>10812</u>	<u>2646</u>
LOSS FOR THE YEAR	<u>(8657)</u>	<u>(435)</u>
Less : Income tax expense	258	64
LOSS AFTER INCOME TAX	<u><u>(8915)</u></u>	<u><u>(499)</u></u>

The accompanying notes form part of this financial report

ENCOMPASS AUSTRALIA INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2006

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 Associations Incorporation Act (NSW). 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 (NSW) and the following Australian Accounting Standards:

AASB 1004 Disclosure of Operating Revenue
AASB 1005 Financial Reporting by Segments
AASB 101 Related Party Disclosures

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

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

(a) Income Tax

The association adopts the liability method of tax-effect accounting whereby the income tax expense shown in the income and expenditure statement is based on the operating profit before income tax adjusted for any permanent differences.

Only non-member income of the association is assessable for tax, as member income is excluded under the principal of mutuality.

(b) Goods and services tax

Revenues, expenses, and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Note 2 Encumbrances

There were no mortgages, charges or other securities of any description affecting any of the property of the association at 31st December 2006.

ENCOMPASS AUSTRALIA INC

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st DECEMBER 2006

	2006	2005
	\$	\$
Note 3		
Sundry debtors and prepayments		
Bank fee recoverable	-	28
Prepaid website costs	-	180
GST refund due	-	24
	<u>-</u>	<u>232</u>
Note 4		
Sundry creditors		
Expense reimbursements due	<u>-</u>	<u>126</u>
Note 5		
Provision for income tax		
Net assessment amount owed for 2004 and prior year(s)	-	736
Net assessment for income tax year ended 30th June 2005	-	174
Instalment paid for September 2005 quarter	-	(2)
Instalments paid : December 2005 to September 2006	(83)	-
	<u>(83)</u>	<u>908</u>