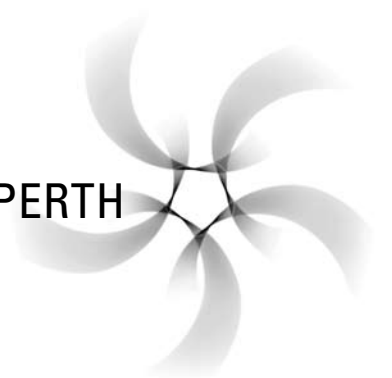


**BIENNALE OF ELECTRONIC ARTS PERTH**  
Annual Report 2005



## CONTENTS

Chairman's Foreword	3
About the Organisation	5
Producer's Report	8
Key Initiatives	11
Executive Board Members' Report	14
Financial Report for the Year ended 31 December 2005	15
Executive Board Members' Declaration	15
Auditor's Independence Declaration	17
Independent Auditor's Report	18
Detailed Profit and Loss Statement	19
Detailed Balance Sheet	20
Notes to the Financial Statements	21
Depreciation Schedule	22
Statement of Cash Flows	22

Front cover image – Victoria Vesna, *ZERO@WAVEFUNCTION*  
*nano dreams and nightmares*, 2002

## CHAIRMAN'S FOREWORD

The year 2005 is one of the most significant milestones of BEAP's business development and I am, therefore, very pleased to be able to report on BEAP's achievements to date as well as the vision and ambition we have for the future of the organisation.

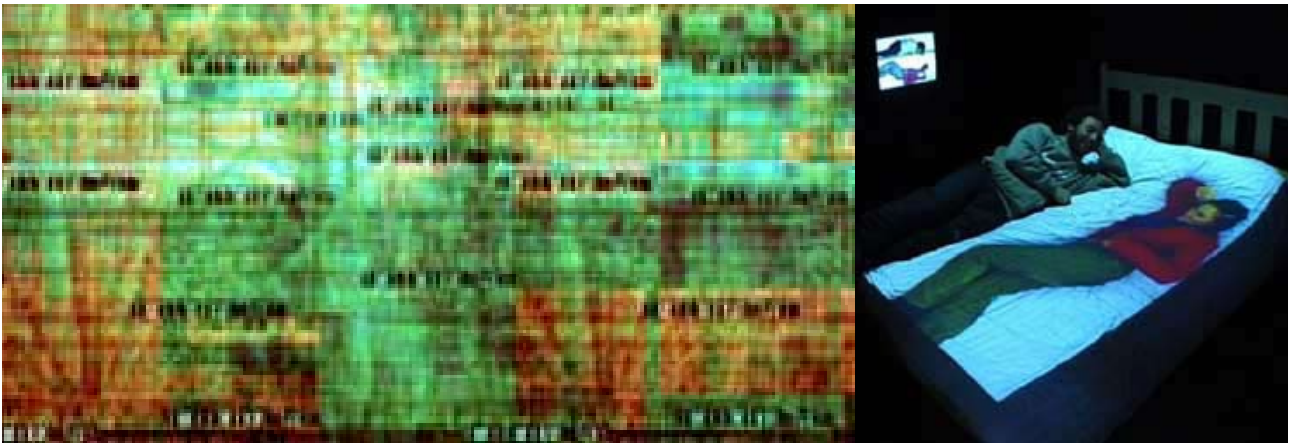
Founded in 2002 by Paul Thomas, with key partners the John Curtin Gallery and SymbioticA, the 2002 and 2004 Biennales were delivered through the collaborative efforts of many business partners from diverse sectors in Western Australia.

In response to stakeholders' keen interest in seeing the Biennale grow and develop, BEAP was incorporated on 1 August 2005, becoming an independent, non-profit organisation governed by constitution under the laws of the State Government of Western Australia.

The newly formed Board of Directors comprises of influential professionals who represent key industries in Western Australia and who have an on-going commitment to innovation and the arts. I would like to particularly acknowledge the work of Peter Why, who was Chair of the organisation at this crucial time of transition. Peter stepped down from the Chair-person's position in December due to other pressing business commitments but continues to work with us as a Board member.

In 2005 BEAP received seed funding from the Commonwealth Government through its Visual Arts and Craft Strategy in support of the interim period. The funding also afforded us the appointment of Paul Thomas as the Artistic Director of BEAP 2007. He commenced work in August and will be responsible for devising a broad program of exhibitions, conferences and public events.

In September Antoanetta Ivanova took up the executive role of Producer and General Manager of BEAP, primarily responsible for establishing a strong management foundation for the organisation, for developing and implementing BEAP's Strategic Plan, and seeking and developing business partnerships.



Left image – Stanza, *Genomixer*, 2003. Right image – Paul Sermon, *At Home With Jacques Lacan*, 1999

Significantly, BEAP worked with the Australia Council for the Arts and the Department for Culture and the Arts, through ArtsWA, on a tripartite funding agreement that is of vital importance to the organisation's next phase of business growth, commencing at the beginning of 2006.

Our vision is to establish BEAP as Australia's pre-eminent festival for electronic, new media and living arts, and create a unique national platform that supports the research, development, debate, public presentation and promotion of all discrete and diverse art practices that constitute new media art.

BEAP's whole of sector strategy forms the basis for establishing partnerships with other new media organisations, government agencies, a diverse range of commercial enterprises and international counterparts. BEAP has already entered the first stages of this strategy. The Board and Staff are passionately committed to achieving the strategy's goals and objectives.

We are looking forward to an exciting, busy and most productive year ahead.

*K. J. Heitman*

Kimberley Heitman  
Chairman

**VISION** To lead the world in showcasing exemplary and innovative artworks, and presenting critical debate that engages with emerging technologies

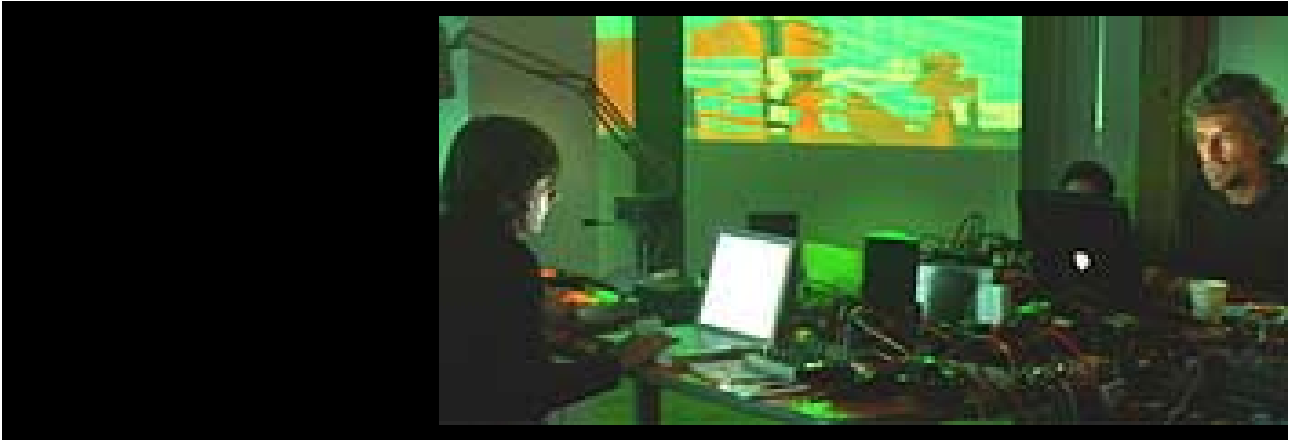
### OUR MISSION

The Biennale of Electronic Arts Perth (BEAP) is the only ongoing national festival dedicated to showcasing exemplary works of art in the areas of digital, new media, electronic screen, sound and interactive arts in Australia, and it is the largest and most visionary electronic arts event in the region.

BEAP is an unprecedented platform for Western Australian artists working in the field of electronic, new media and living arts to develop innovative works and to showcase their creations within high profile, international contexts locally, in Perth.

BEAP facilitates the development of individual practitioners, new audiences, the electronic arts and the greater field of cultural innovation, through diverse range of exhibitions of exemplary international and Australian artworks, benchmark conferences, master-classes, public performances, screenings, and special research and development commissions.

BEAP aims to make new media and electronic arts accessible to everyone by dedicating a considerable proportion of its program to activities that encourage and facilitate the participation of the general public, the development of new audiences and new creative talent.



Ian Birse and Laura Kavanaugh, *Collector*, 2004, audio/visual performance

## OUR VALUES

### **Excellence and Innovation**

promoting benchmark creativity with new technologies and challenging established practices

### **Accountability**

conducting business with integrity and professionalism

### **Productive Partnerships**

forging mutually beneficial relationships with business partners

### **Integrity and Respect**

being true to our governing principles, and honoring fair and ethical conduct

### **Personal Development**

ongoing professional and personal development

## BOARD OF DIRECTORS

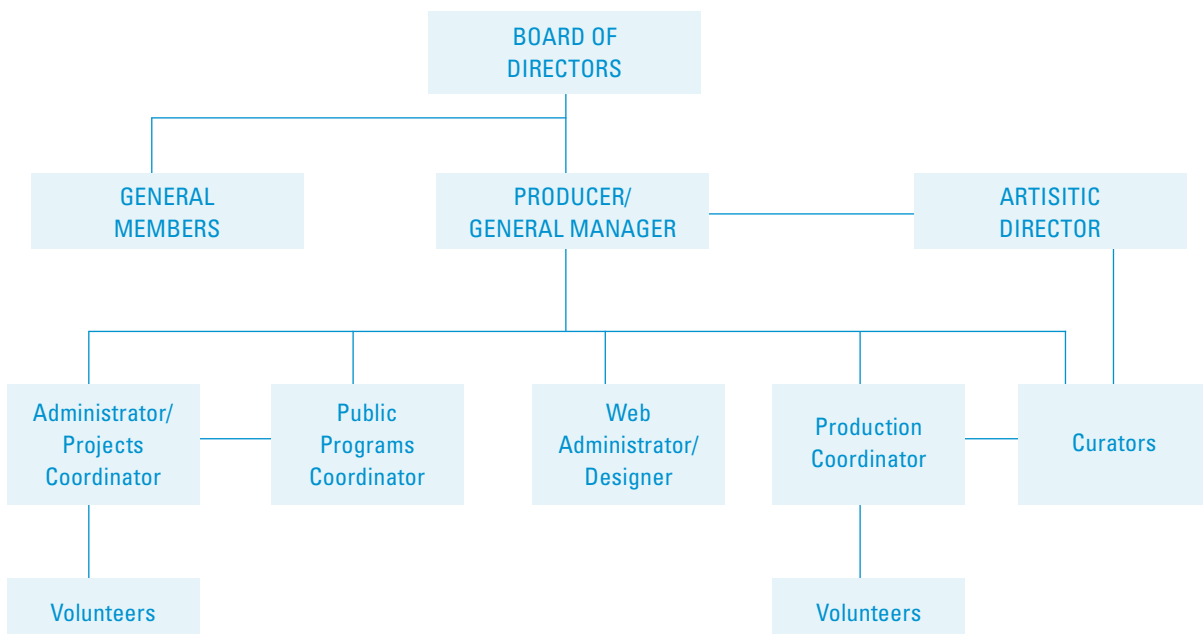
Kimberley Heitman (Chair)  
Dr Domenico De Clario (Vice Chair)  
Prof Stuart Bunt (Treasurer)  
Chris Binks  
Tos Mahoney  
Prof Ted Snell  
Peter Why  
Antoanetta Ivanova (Board Invitee)  
Dr Paul Thomas (Board Invitee)

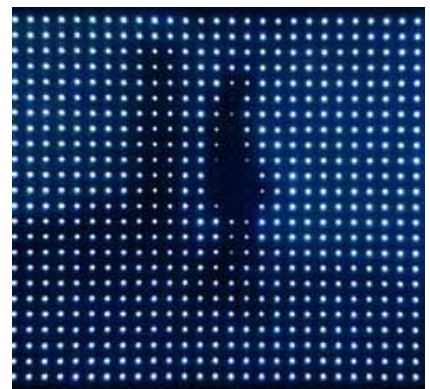
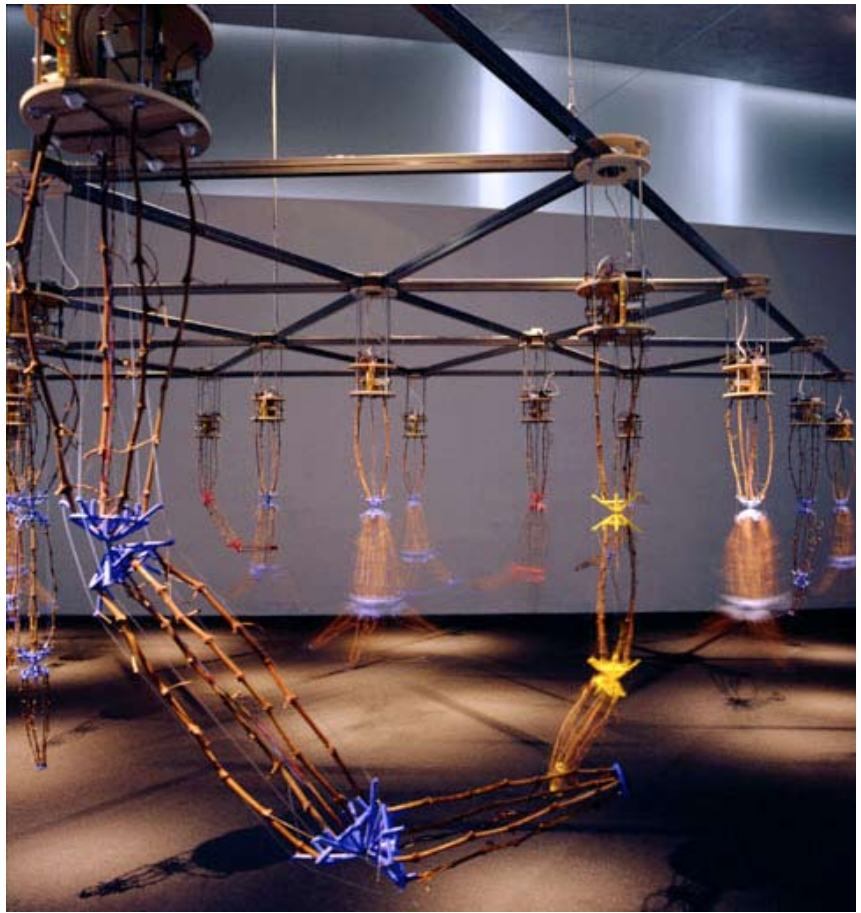
## POWERS OF THE BOARD

The Executive Board has the Power to do any lawful act in furtherance of the purpose and objectives of BEAP and to act on behalf of BEAP's members.

Board Members are appointed for a term of three years and may be reappointed. Non-executive Directors do not receive remuneration for their work on the Board.

## OUR TEAM





Top image – Ken Rinaldo, *Autopoiesis*, 2000. Middle image – Metraform, *Ecstasis*, 2004 (installation view). Left bottom image – Phillip Ross, *Juggernaut*, 2004. Right bottom image – Jim Campbell, *Motion and Rest # 4*, 2003



## PRODUCER'S REPORT

It is a significant as well as demanding time to be working on the Biennale. In this new phase of business development as an independent organisation, BEAP moves forward with valuable lessons learned from the previous two events and capitalises on the many achievements accomplished to date.

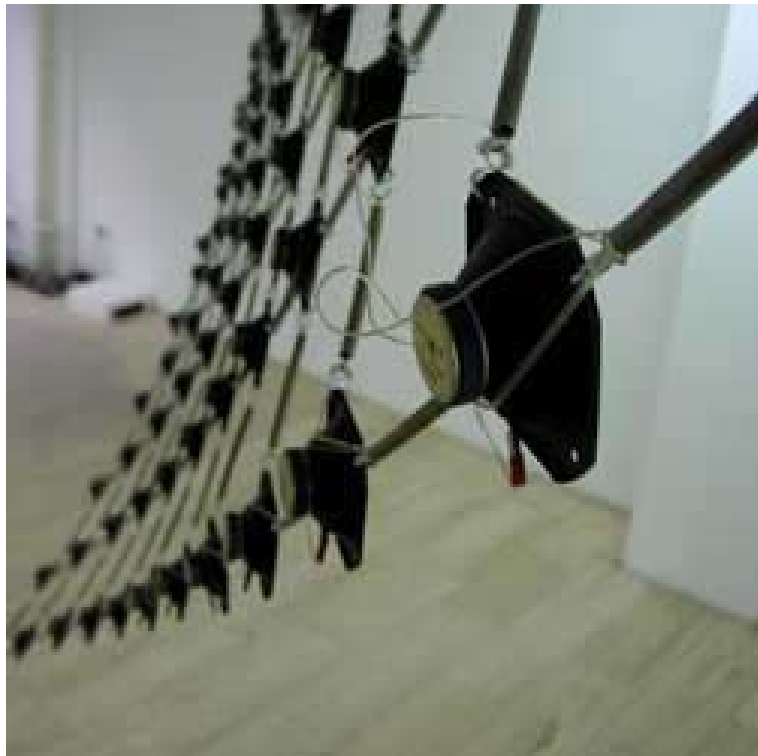
As this is BEAP's first public report, it is important to acknowledge that much of the organisation's success is founded in the diverse range of strategic partnerships forged with key leaders and organisations from state and national cultural, education, information and communication technology (ICT) sectors, strategic state industry development departments and the science community.

These include: Curtin University of Technology, SymbioticA at the University of Western Australia, Edith Cowan University, TAFE Western Australia and the West Australian Museum; Australia Council for the Arts, EventsCorp, City of Perth, City of Fremantle, City of Swan, the Government of Western Australia through the Departments of Industry and Resources, Planning and Infrastructure, and Culture and the Arts, and the Film and Television Institute of Western Australia.

Between 2002 and 2004, BEAP grew to incorporate most of Perth's contemporary arts institutions as producing partners, such as: John Curtin Gallery, Central Design Centre at Central TAFE, Lawrence Wilson Art Gallery, SpECtrUm Gallery, The Bank, Moores Building Contemporary Art Gallery, Media-Space, Tura New Music, The Bakery Artrage Complex, The Hellenic Centre, Perth Institute of Contemporary Arts, and Perth Convention and Exhibition Centre as well as many other individuals and organisations who have lent us their support and good will.

On behalf of BEAP, I would like to thank you all for sharing our vision and assisting us present our programs.

Significantly, the first two festivals exhibited a total of 491 artworks, 51 workshops and 11 conferences, which were attended by more than 42,000 discrete visitors. The second Biennale doubled the program output and nearly tripled the media coverage of the first.



Alitalo Simo, *Villeaa (Sounds cool)*, 2003

BEAP has enjoyed the attendance of not only local audiences but also the participation of renowned international scholars and artists, and an impressive number of influential Australian curators, artists and cultural professionals. The high calibre of artists and curators, the exemplary quality and novelty of the content, the rigor and diversity of the conferences presented to date, have contributed to establishing BEAP as a significant event on the international cultural calendar over a relatively short period of time.

We are now working on a whole of government strategy and a national strategy for the new media arts sector, pursuing new business opportunities with key stakeholders that are vital for the success of not only the next Biennale but also the long-term aspirations of the organisation.

Our target is to double the output of BEAP 2004. We are planning to do so through thematically curated Artistic, Education and Public Programs, co-production initiatives, art commissions, benchmark conferences, and by stimulating further discussion in specialist and mainstream media.

At BEAP, we see the dawn of 21st Century as the new Renaissance of society, an important time when artists look again at science and technology as a way of engaging with, and interpreting, the complexities, uncertainty and hope we all have for the future of lived experience.

We are an essential link between digital and electronic media arts education, and research and development art practices that incorporate new technologies and scientific knowledge. It is one of our primary aims to foster the professional development of the sector's future thinkers, innovators and leaders and to make new ideas and the use of new technologies more broadly accessible and enjoyable.

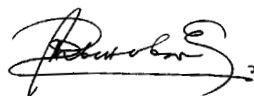
## In 2005 BEAP established the following goals

- Deliver a critically acclaimed BEAP 2007 of benchmarking exhibitions renowned for their artistic breadth and presentation
- Promote Western Australian artists and creators, cultural critics, scientists, businesses and infra-structure within a national and international context
- Provoke debate on the latest thinking around new technologies and their application within broad creative, educational and social contexts, thus create an intellectually rich discussion
- Develop and secure effective, mutually beneficial relationships with key stakeholders
- Establish mutually beneficial sponsorship arrangements with key industry partners with due consideration of the potential for on-going long term partnerships
- Afford audiences in Western Australia access and exposure to innovative, entertaining and thought provoking works of art that use emerging technologies
- Establish BEAP's brand and increase its visibility and profile by making Perth a significant destination for showcasing research and development in the field of art, science and new technologies

I am tremendously excited about the opportunity that is the Biennale of Electronic Arts Perth. BEAP is an influential platform to profile and nurture industry development policies in the areas of ICT, digital media, biotechnology and live and social sciences, and an active business platform for industry stakeholders to capitalise on.

Most importantly, it is a significant context for artists and producers working in the field of electronic, interactive and new media arts to develop innovative projects and to showcase their creations within a high profile, international festival.

The Board and Staff of BEAP are committed to making the Biennale a long lasting success and, therefore, encourage you to seek partnership and presentation opportunities with BEAP and to collaborate with us.



Antoanetta Ivanova  
Producer and General Manager

## BRAND

To mark the new stage of the Biennale's business development, a repositioned brand, logo and website were launched at the end of the year.

We also announced that the next Biennale is being programmed under the theme of STILLNESS with the dates for the core festival being the second and third week of September 2007.

## MANAGEMENT

In August BEAP moved to the Innovation Centre at Technology Park in Bentley where we now hold office. The premise offers excellent meeting and presentation facilities and it is strategically positioned amongst a group of key stakeholders from the ICT sector.

Much of our work in 2005 has been focused on setting up a strong foundation for the organisation and developing a comprehensive Strategic Plan. All financial and management systems had to be established from the ground up and our work on developing a long term operational plan is ongoing.

The new BEAP Board of Directors meets minimum once a month.

## CONFERENCES AND WORKSHOPS

The Biennale partnered with Computers in Art and Design Education (CADE) conference—a major international conference from the UK for those interested in debating ideas at the intersection of pedagogy, arts, design, science, and technology. CADE will be presented as the key conference of BEAP's Education Program. Prof. Suzette Worden of Curtin University of Technology is the Chair of the conference.

BEAP won the bid to host the Digital Arts and Culture Conference (DAC), originally from Scandinavia, in Perth as part of the 2007 Biennale. Andrew Hutchison, an artist and scholar who lectures at Curtin University of Technology, took our winning bid to Copenhagen, Denmark at the beginning of December and was subsequently appointed as the Chair of the conference. PerthDAC will be presented as the key conference of BEAP's Public Program.

We have also negotiated with the Australian Network for Arts and Technology (ANAT) to host ANAT's National New Media Lab as part of BEAP 2007. The theme will be announced in 2006.



Victoria Vesna, *ZERO@WAVEFUNCTION nano dreams and nightmares*, 2002

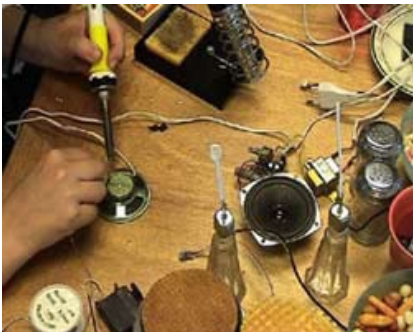
## BEAPWORKS RESEARCH AND DEVELOPMENT GRANT

The BEAPworks Research and Development Grant is an industry development initiative between BEAP and ArtsWA, (administered by BEAP).

One of our strategic objectives is to support the ongoing professional development of Western Australian creators working in the field of electronic and living arts. Therefore, the Grant scheme was specifically designed to cultivate the creation and production of electronic or biological art works by local artists.

In 2005 grants of up to \$10,000 were offered for individual projects, and a total of \$50,000 in cash funding was made available. The following artists, teams and projects were awarded competitive grants:

- Sarah Jane Pell; Project: *Sub Culture: the liminal bio sphere*, an underwater work that attempts to critic various levels of life support mechanisms in a performance associated with 'utility', 'operation' and 'duty of care' as it comes into being.
- Cat Hope and Rob Muir; Project: *Phone Booth of Consent*, a mobile telephony project, investigating possibilities for manipulating, interacting with and sharing creative content distributed via mobile phones.
- Nicola Kaye and Stephen Terry; Project: *Cultural Holography*, a project that investigates relationships between what defines a civic space historically and its new manifestations in the digital age.
- Donna Franklin; Project: *Seduction and the Sinister*, the goal of this project is to develop a piece of art that embodies issues of living beings as objects of aestheticism.
- Tanja Visosevic and Guy Ben-Ary; Project: *The Living Screen*, by developing an apparatus that allows artists to project 'nano-movies' through a microscope onto a single cell tissues, the work investigates cinematic spectatorship through bio-art.



Top image – Mark Cypher, *Biophilia*, 2004. Left top image – Michelle Terran/ Jeff Mann/ Arjen Keesmaat/ Alex Schaub, *LiveForm: Telekinetics*. Left bottom image – Fernando Orellana, 8520 S.W. 27th. Pl, 2004. Right image – Ken Rinaldo, *Augmented Fish Reality*, 2004

# EXECUTIVE BOARD MEMBERS' REPORT

The Executive Board presents this report on the organisation for the period 1 August 2005 to 31 December 2005

## Operating Result

The surplus of the organisation for the period from 1 August 2005 to 31 December 2005 amounted to \$19,306.

## Principal Activities

The principal activity of the organisation during the course of the year was promoting technology through conferences and exhibitions.

## Significant Changes in the State of Affairs

No significant changes in the organisation's state of affairs occurred during the year.

## After Balance Date Events

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the organisation, the results of those operations, or the state of affairs of the organisation in subsequent years.

## Executive Board Members' Benefits

No Executive Board Member has received or has become entitled to receive, during or since the year end, a benefit because of a contract made by the organisation or related organisation with an Executive Board Member, a firm which an Executive Board Member is a member or an entity in which an Executive Board Member has a substantial financial interest.

## Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial, to any person who is or has been an officer or auditor of the organisation.

## Proceedings on Behalf of Organisation

No person has applied for leave of Court to bring proceedings on behalf of the organisation or intervene in any proceedings to which the organisation is a party for the purpose of taking responsibility on behalf of the organisation for all or any part of those proceedings. The organisation was not a party to any such proceedings during the year. A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the Executive Board:



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Kimberley Heitman  
Chairman,  
BEAP Board of Directors



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Stuart Bunt  
Treasurer,  
BEAP Board of Directors



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Antoanetta Ivanova  
Producer and  
General Manager

*Dated: 31 March, 2006*

# FINANCIAL REPORT

For the year ended 31 December 2005

## Executive Board Members' Declaration

The Executive Board Members have determined that the organisation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The Executive Board Members declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards described in Note 1 to the financial statements and the Corporations Regulations; and
  - (b) give a true and fair view of the organisation's financial position as at 31 December 2005 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 Executive Board's opinion, there are reasonable grounds to believe that the organisation 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 Executive Board.



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**Stuart Bunt**  
Treasurer,  
BEAP Board of Directors



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**Antoanetta Ivanova**  
Producer and  
General Manager

*Dated: 31 March, 2006*



# AUDITOR'S INDEPENDENCE DECLARATION

## Under Section 307c Of The Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2005 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.



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McKays Chartered Accountants  
Lesley R McKay C A, Partner  
Suite 9, 47 Monash Ave, Como WA 6152

# INDEPENDENT AUDITOR'S REPORT

## Scope

We have audited the attached financial report, being a special purpose financial report comprising the Executive Board Members' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, for the year ended 31 December 2005 of Biennale of Electronic Arts Perth Inc. The Executive Board are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members.

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the organisation. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members. The financial report has been prepared for distribution to members for the purpose of fulfilling the Executive Boards' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of 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 the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements to the extent described in Note 1.

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

## Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our audit opinion.

## Audit opinion

In our opinion, the financial report of Biennale of Electronic Arts Perth Inc is in accordance with:

1. the Corporations Act 2001, including:
  - (a) giving a true and fair view of the organisation's financial position as at 31 December 2005 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
  - (b) complying with Accounting Standards, comprising AASB 1025: Application of the Reporting Entity Concept and Other Amendments and other Accounting Standards to the extent described in Note 1 and the Corporations Regulations; and
2. other mandatory professional requirements to the extent described in Note 1.



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Lesley R McKay C A, Partner  
McKays Chartered Accountants  
Suite 9, 47 Monash Ave, Como WA 6152

*Dated: 31 March, 2006*

# DETAILED PROFIT AND LOSS STATEMENT

For the period 1 August 2005 to 31 December 2005

	2005
	\$
<b>Income</b>	
Interest received	252
Membership fees	140
Grants received - Australia Council	15,000
Grants received - ArtsWA	45,000
<b>Total income</b>	<u><u>60,392</u></u>
<b>Expenses</b>	
Accountancy	3,355
Bank Fees And Charges	4
Computer consumables	341
Depreciation - plant	166
Fees & charges	273
Office expenses	3,521
Printing & stationery	52
Recruitment	135
Salaries - ordinary	24,411
Staff amenities	6
Staff relocation	1,667
Subscriptions	211
Superannuation	2,197
Telephone	530
Travel, accom & conference	4,216
<b>Total expenses</b>	<u><u>41,086</u></u>
<b>Profit from Ordinary Activities before income tax</b>	<u><u>19,306</u></u>

The accompanying notes form part of these financial statements.

# DETAILED BALANCE SHEET

As at 31 December 2005

	2005
	\$
<b>Current Assets</b>	
<b>Cash Assets</b>	
Cash At Bank	38,085
	<u>38,085</u>
<b>Receivables</b>	
Other debtors	140
	<u>140</u>
<b>Other</b>	
Other – TFN tax	119
	<u>119</u>
<b>Total Current Assets</b>	<u><u>38,344</u></u>
<b>Non-Current Assets</b>	
<b>Property, Plant and Equipment</b>	
Plant & equipment – at cost	2,335
Less: Accumulated depreciation	(166)
	<u>2,169</u>
<b>Total Non-Current Assets</b>	<u><u>2,169</u></u>
<b>Total Assets</b>	<u><u>40,512</u></u>
<b>Current Liabilities</b>	
<b>Payables</b>	
<b>Unsecured:</b>	
– Trade creditors	6,019
	<u>6,019</u>
<b>Current Tax Liabilities</b>	
GST clearing	4,731
Amounts withheld from salary and wages	10,457
	<u>15,188</u>
<b>Total Current Liabilities</b>	<u><u>21,206</u></u>
<b>Total Liabilities</b>	<u><u>21,206</u></u>
<b>Net Assets</b>	<u><u>19,306</u></u>
<b>Equity</b>	
Retained profits / (accumulated losses)	19,306
<b>Total Equity</b>	<u><u>19,306</u></u>

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the period 1 August 2005 to 31 December 2005

## Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The Executive Board has determined that the organisation is not a reporting entity.

Biennale of Electronic Arts Perth Inc is an organisation incorporated under the Associations Incorporation Act 1987 and domiciled in Australia.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and the following applicable Accounting Standards and Urgent Issues Group Consensus Views:

AASB 1002: Events Occurring After Reporting Date

AASB 1008: Leases

AASB 1018: Statement of Financial Performance

AASB 1020: Accounting for Income Tax (Tax Effect Accounting)

AASB 1025: Application of the Reporting Entity Concept and Other Amendments

AASB 1031: Materiality

AASB 1034: Financial Report Presentation and Disclosures

AASB 1040: Statement of Financial Position

UIG Abstract 35: Disclosure of Contingent Liabilities

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 material 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 organisation is currently exempt from Income Tax.

(b) **Property, Plant and Equipment**

Property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation. Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Plant and equipment are measured on the cost basis.

All assets, excluding freehold land, are depreciated on a diminishing value basis over their useful lives to the organisation.

(c) **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight-line basis over their useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

## Note 2: Revenue

**Operating Activities:**

Interest revenue	252
Grant from Australia Council	15,000

**Other operating revenue:**

– Membership fees	140
– Grants received – ArtsWA	45,000
	<u>60,392</u>

## DEPRECIATION SCHEDULE

For the period 1 August, 2005 to 31 December, 2005

### Office plant and equipment

DISPOSAL				ADDITION			DEPRECIATION			PROFIT			LOSS				
Total	Priv	OWDV	Date	Consid	Date	Cost	Value	T	Rate	Deprec	Priv	CWDV	Upto +	Above	Total	- Priv	
Furniture 453.6406/10/05																	
454	0.00		0		0	06/10	454	454	D 11.25	12	0		442	0	0	0	0
Computer 1,881.0013/10/05																	
1,881	0.00		0		0	13/10	1,881	1,881	D 37.50	155	0		1,726	0	0	0	0
<hr/>																	
2,335			0		0		2,335	2,335		167	0		2,168				
										Deduct Private Portion		<u>0</u>					
										Net Depreciation		<u>167</u>					

## STATEMENT OF CASHFLOWS

For the period 1 August 2005 to 31 December 2005

2005

\$

### Cash Flow From Operating Activities

Grants and subsidies received	60,000
Payments to Suppliers and employees	(19,713)
Interest received	252
Net cash provided by (used in) operating activities (note 2)	<u>40,538</u>

### Cash Flow From Investing Activities

<b>Payment for:</b>	
Other assets	(119)
Payments for property, plant and equipment	(2,335)
Net cash provided by (used in) investing activities	<u>(2,454)</u>

Net increase (decrease) in cash held	38,085
Cash at the beginning of the year	—
Cash at the end of the year (note 1)	<u>38,085</u>

The accompanying notes form part of these financial statements.

# STATEMENT OF CASHFLOWS

For the period 1 August 2005 to 31 December 2005

2005

\$

## Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank	38,085
	<u>38,085</u>

## Note 2. Reconciliation Of Net Cash Provided By/Used In

### Operating Activities To Net Profit

Operating profit (loss) after tax	19,306
Depreciation	166

Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:

(Increase) decrease in trade and term debtors (140)

Increase (decrease) in trade creditors and accruals 6,019

Increase (decrease) in other current liabilities 15,188

**Net cash provided by operating activities** 40,538

The accompanying notes form part of these financial statements.