

ArtSound Incorporated

ABN: 29 083 850 739

Financial Statements

For the Year Ended 31 December 2016

ArtSound Incorporated

ABN: 29 083 850 739

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For the Year Ended 31 December 2016

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Committee's Report
31 December 2016

The committee members submit the financial report of the Association for the period ended 31 December 2016.

1. General information

Committee members

The names of committee members throughout the period and at the date of this report are:

Richard Scherer
Barbara Campbell
Jeannie McLellan
Evana Ho
Rebecca Scouller

Gabriela Cabral
David Chalker
Maria Greene
Emeritus Prof. Deane Terrell AO
Mike Kennedy

Principal activities

The principal activity of the Association during the period was the operation of a community arts radio station.

Significant changes

No significant change in the nature of these activities occurred during the period.

2. Operating results and review of operations for the period

Operating result

The surplus of the Association for the period amounted to \$ 2,027 (31 December 2015 deficit : \$ 9,135).

Signed in accordance with a resolution of the Members of the Committee:

Committee member: 

Committee member: 

Dated 9 May 2017

ArtSound Incorporated

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**Statement of Profit or Loss
For the Year Ended 31 December 2016**

	December 2016	Six months ended December 2015
Note	\$	\$
Income		
Operating income	140,880	105,187
Grant income - ACT Arts Fund Program	70,000	39,337
Grant Income - Community Broadcasting Foundation	68,956	12,334
Grant income - ACT Government Participation	8,330	1,818
Interest received	62	4
	<u>288,228</u>	<u>158,680</u>
Expenditure		
Administrative expenses	29,068	22,271
Audio services	-	16,697
Broadcast costs	-	58,680
Contract management services	53,806	31,571
Depreciation -other assets	18,740	2,716
Supplies and services	184,587	35,880
	<u>286,201</u>	<u>167,815</u>
Income tax expense	2(a) -	-
Surplus/ (deficit) for the period	<u>2,027</u>	<u>(9,135)</u>
Retained earnings at the end of the financial period	<u><u>220,579</u></u>	<u><u>218,552</u></u>

The accompanying notes form part of these financial statements.

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Assets and liabilities statement

As At 31 December 2016

		December	Six months
		2016	ended
			December 2015
Note		\$	\$
ASSETS			
CURRENT ASSETS			
	Cash and cash equivalents	3 79,149	71,508
	Trade and other receivables	4 16,251	10,654
	Prepayments	665	5,323
	Accrued income	4,200	-
	TOTAL CURRENT ASSETS	100,265	87,485
NON-CURRENT ASSETS			
	Plant and equipment	5 158,203	161,399
	TOTAL NON-CURRENT ASSETS	158,203	161,399
	TOTAL ASSETS	258,468	248,884
LIABILITIES			
CURRENT LIABILITIES			
	Trade and other payables	6 26,043	14,556
	Income in advance	7 -	14,555
	Goods & services tax payable/(refundable)	9,846	1,221
	Other liabilities	2,000	-
	TOTAL CURRENT LIABILITIES	37,889	30,332
	TOTAL LIABILITIES	37,889	30,332
	NET ASSETS	220,579	218,552
MEMBERS' FUNDS			
	Retained earnings	220,579	218,552
	TOTAL MEMBERS' FUNDS	220,579	218,552

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Year Ended 31 December 2016

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2016	218,552	218,552
Surplus for the year	2,027	2,027
Balance at 31 December 2016	220,579	220,579

Six Months Ended 31 December 2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	227,687	227,687
Deficit for the period	(9,135)	(9,135)
Balance at 31 December 2015	218,552	218,552

The accompanying notes form part of these financial statements.

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Statement of Cash Flows
For the Year Ended 31 December 2016

	December 2016	Six months ended December 2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	265,814	148,532
Payments to suppliers and employees	(242,692)	(176,434)
Interest received	62	4
Net cash provided by/(used in) operating activities	8 <u>23,184</u>	<u>(27,898)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(15,543)	(1,018)
Net cash used by investing activities	<u>(15,543)</u>	<u>(1,018)</u>
Net increase/(decrease) in cash and cash equivalents held	7,641	(28,916)
Cash and cash equivalents at beginning of year	71,508	100,424
Cash and cash equivalents at end of financial year	3 <u><u>79,149</u></u>	<u><u>71,508</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 December 2016

The financial statements cover ArtSound Incorporated as an individual entity. ArtSound Incorporated is a not-for-profit Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991* ('the Act').

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of assets and liabilities as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised 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 assets and liabilities are shown inclusive of GST.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Items of plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of assets and liabilities.

3 Cash and cash equivalents

	December 2016	Six months ended December 2015
	\$	\$
Cash at bank and in hand	<u>79,149</u>	<u>71,508</u>
	<u>79,149</u>	<u>71,508</u>

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**Notes to the Financial Statements
For the Year Ended 31 December 2016****4 Trade and other receivables**

	December 2016	Six months ended December 2015
	\$	\$
CURRENT		
Trade receivables	16,251	9,984
Other receivables	-	670
	<u>16,251</u>	<u>10,654</u>

5 Plant and equipment

Office equipment		
At cost	\$ 25,340	\$ 19,786
Accumulated depreciation	\$ (14,416)	\$ (12,529)
Total office equipment	<u>10,924</u>	<u>7,257</u>
Broadcast and audio equipment		
At fair value	\$ 249,729	\$ 239,739
Accumulated depreciation	\$ (109,997)	\$ (95,030)
Total broadcast and audio equipment	<u>139,732</u>	<u>144,709</u>
Computer and other furniture and equipment		
At fair value	27,172	27,172
Accumulated depreciation	(19,626)	(17,739)
Total Computer and other furniture and equipment	<u>7,546</u>	<u>9,433</u>
Total property, plant and equipment	<u><u>158,202</u></u>	<u><u>161,399</u></u>

6 Trade and other payables

	December 2016	Six months ended December 2015
	\$	\$
CURRENT		
Trade payables	13,692	6,497
PAYGW	12,351	4,055
Accrued expenses	-	4,004
	<u>26,043</u>	<u>14,556</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2016

7 Income in Advance

	December 2016	Six months ended December 2015
	\$	\$
CURRENT		
ACT Arts Fund Program	-	5,000
Community Broadcasting Foundation	-	4,565
Sponsorship in advance	-	4,990
Total	-	14,555

8 Cash Flow Information

(a) Reconciliation of result for the period to cashflows from operating activities

	December 2016	Six months ended December 2015
	\$	\$
Surplus/ (Deficit) for the period	2,027	(9,135)
Non-cash flows in profit:		
- depreciation	18,740	21,127
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(5,597)	6,345
- (increase)/decrease in prepayments	4,658	3,519
- increase/(decrease) in income in advance	(12,555)	(41,082)
- increase/(decrease) in trade and other payables	7,196	(15,990)
- increase/(decrease) in goods & services tax liability	8,625	1,305
- increase/(decrease) in accruals	-	4,004
- increase/(decrease) in other payables	4,290	2,009
- increase/(decrease) in accrued income	(4,200)	-
Cashflow from operations	23,184	(27,898)

9 Association Details

The registered office of the association is:

ArtSound Incorporated
PO Box 4110
KINGSTON ACT 2604

ArtSound Incorporated

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Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 9:

1. Presents fairly the financial position of ArtSound Incorporated as at 31 December 2016 and its performance for the period ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that ArtSound Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Committee member..... 

Committee member..... 

Dated 9 May 2017

Independent Audit Report to the members of ArtSound Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of ArtSound Incorporated (the Association), which comprises the statement of assets and liabilities as at 31 December 2016, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and management's assertion statement.

In our opinion, the accompanying financial report of the Association for the year ended 31 December 2016 is prepared, in all material respects, in accordance with the Associations Incorporation Act (ACT) 1991.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in accordance with the Associations Incorporation Act (ACT) 1991. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (ACT) 1991, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association 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

Our 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 the 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 this financial report.

Hardwickes

Chartered Accountants

Hardwickes

R Johnson

Robert Johnson FCA
Partner

Canberra

Dated:

10/5/17