

ArtSound Incorporated

ABN: 29 083 850 739

Financial Statements

For the Year Ended 31 December 2017

ArtSound Incorporated

ABN: 29 083 850 739

Contents

For the Year Ended 31 December 2017

	Page
Financial Statements	
Committee's Report	1
Statement of Profit or Loss	2
Statement of Assets and Liabilities	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Statement by Members of the Committee	10
Independent Audit Report	11

Committee's Report

For the Year Ended 31 December 2017

The committee members submit the financial report of the Association for the period ended 31 December 2017.

1. General information

Committee members

The names of the committee members in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Gabriela Cabral	Term expired 23 May 2017
David Chalker	Resigned 15 June 2017
Maria Greene	Resigned 21 February 2017
Evana Ho	Term expired 23 May 2017
Mike Kennedy	Resigned 31 October 2017
Richard Scherer	Served throughout 2017
Rebecca Scouller	Term expired 23 May 2017
Deane Terrell	Served throughout 2017
Bryan Cummins	Appointed 23 May 2017
Owen Gardner	Appointed 23 May 2017
Jan Muir	Appointed 23 May 2017
Margaret O'Shea	Appointed 23 June 2017 Resigned 31 August 2017
Maarten Vlot	Appointed 23 May 2017
Stuart Warner	Appointed 23 May 2017
Russell Wilson	Appointed 23 May 2017 Resigned 26 September 2017

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

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

The surplus of the Association for the financial year after providing for income tax amounted to \$ 8,458(2016: \$ 2,027).

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

President: 
Richard Scherer

Vice-president: 
Stuart Warner

Dated 3 April 2018

ArtSound Incorporated

ABN: 29 083 860 739

Statement of Profit or Loss
For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
Income		
Operating income	172,464	140,880
Grant income - ACT Arts Fund Program	70,700	70,000
Grant Income - Community Broadcasting Foundation	17,752	68,956
Grant income - ACT Government Participation	-	8,330
Interest received	447	62
	<u>261,363</u>	<u>288,228</u>
Expenditure		
Administrative expenses	46,826	29,068
Contract management services	47,584	53,806
Depreciation -other assets	18,773	18,740
Supplies and services	139,722	184,587
	<u>252,905</u>	<u>286,201</u>
Income tax expense	2(a) -	-
Surplus for the year	<u>8,458</u>	<u>2,027</u>
Retained earnings at the end of the financial period	<u>229,036</u>	<u>220,579</u>

The accompanying notes form part of these financial statements.

ArtSound Incorporated

ABN: 29 083 850 739

Statement of Assets and Liabilities

As At 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	92,235	79,149
Trade and other receivables	4	83,346	16,251
Other assets	6	12,821	4,865
TOTAL CURRENT ASSETS		188,402	100,265
NON-CURRENT ASSETS			
Plant and equipment	5	140,566	158,203
TOTAL NON-CURRENT ASSETS		140,566	158,203
TOTAL ASSETS		328,968	258,468
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	20,804	35,889
Other liabilities	8	79,127	2,000
TOTAL CURRENT LIABILITIES		99,931	37,889
TOTAL LIABILITIES		99,931	37,889
NET ASSETS		229,037	220,579
MEMBERS' FUNDS			
Retained earnings		229,037	220,579
TOTAL MEMBERS' FUNDS		229,037	220,579

The accompanying notes form part of these financial statements.

ArtSound Incorporated

ABN: 29 083 880 739

Statement of Changes in Equity

For the Year Ended 31 December 2017

2017

	Retained Earnings	Total
Note	\$	\$
Balance at 1 January 2017	220,579	220,579
Surplus for the year	8,458	8,458
Balance at 31 December 2017	229,037	229,037

2016

	Retained Earnings	Total
Note	\$	\$
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

The accompanying notes form part of these financial statements.

ArtSound Incorporated

ABN: 29 083 850 739

Statement of Cash Flows**For the Year Ended 31 December 2017**

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	295,239	265,814
Payments to suppliers and employees	(285,599)	(242,692)
Interest received	4,583	62
Net cash provided by/(used in) operating activities	9 <u>14,223</u>	<u>23,184</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(1,137)</u>	<u>(15,543)</u>
Net cash provided by/(used in) investing activities	<u>(1,137)</u>	<u>(15,543)</u>
Net increase/(decrease) in cash and cash equivalents held	13,086	7,641
Cash and cash equivalents at beginning of year	<u>79,149</u>	<u>71,508</u>
Cash and cash equivalents at end of financial year	3 <u><u>92,235</u></u>	<u><u>79,149</u></u>

The accompanying notes form part of these financial statements.

ArtSound Incorporated

ABN: 29 083 850 739

Notes to the Financial Statements

For the Year Ended 31 December 2017

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').

The functional and presentation currency of ArtSound Incorporated is Australian dollars.

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 statements 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*.

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.

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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(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.

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

Depreciation

Plant and equipment 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.

3 Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	<u>92,235</u>	79,149
	<u>92,235</u>	<u>79,149</u>

4 Trade and other receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	85,096	16,251
Provision for impairment	<u>(1,750)</u>	-
	<u>83,346</u>	16,251
Total current trade and other receivables	<u>83,346</u>	<u>16,251</u>

ArtSound Incorporated

ABN: 29 083 850 739

Notes to the Financial Statements

For the Year Ended 31 December 2017

5 Plant and equipment

	2017	2016
	\$	\$
PLANT AND EQUIPMENT		
Office equipment		
At cost	25,340	25,340
Accumulated depreciation	(17,602)	(14,416)
Total	<u>7,738</u>	<u>10,924</u>
Broadcast and audio equipment		
At cost	250,864	249,729
Accumulated depreciation	(124,074)	(109,997)
Total	<u>126,790</u>	<u>139,732</u>
Computer and other furniture and equipment		
At cost	27,172	27,172
Accumulated depreciation	(21,135)	(19,626)
Total	<u>6,037</u>	<u>7,546</u>
Total plant and equipment	<u>140,565</u>	<u>158,202</u>
Total property, plant and equipment	<u><u>140,565</u></u>	<u><u>158,202</u></u>

6 Other Assets

	2017	2016
	\$	\$
CURRENT		
Prepayments	12,757	665
Accrued income	64	4,200
	<u>12,821</u>	<u>4,865</u>

7 Trade and other payables

	2017	2016
	\$	\$
Current		
Trade payables	7,600	13,692
GST payable	6,306	9,846
Sundry payables and accrued expenses	6,898	12,351
	<u>20,804</u>	<u>35,889</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

ArtSound Incorporated

ABN: 29 083 850 739

Notes to the Financial Statements

For the Year Ended 31 December 2017

8 Other liabilities

	2017	2016
	\$	\$
CURRENT		
Amounts received in advance	79,127	2,000
Total	79,127	2,000

9 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
Surplus for the year	8,458	2,027
Non-cash flows in profit:	-	-
- depreciation	18,773	18,740
Changes in assets and liabilities:	-	-
- (increase)/decrease in trade and other receivables	(67,095)	(5,597)
- (increase)/decrease in prepayments	(12,092)	4,658
- increase/(decrease) in income in advance	77,127	(12,555)
- increase/(decrease) in trade and other payables	(6,092)	7,196
- increase/(decrease) in goods & services tax liability	(3,539)	8,625
- increase/(decrease) in other payables	(5,453)	4,290
- increase/(decrease) in accrued income	4,136	(4,200)
Cashflow from operations	14,223	23,184

10 Statutory Information

The registered office and principal place of business of the company is:

ArtSound Incorporated
Manuka Arts Centre
Cnr Manuka Circle & NSW Crescent
GRIFFITH ACT 2603

ArtSound Incorporated

ABN: 29 083 850 739

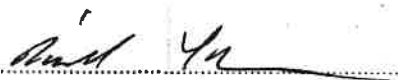
Statement by Members of the Committee

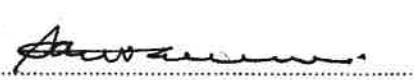
The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

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 2017 and its performance for the year 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:

President 
Richard Scherer

Vice-president 
Stuart Warner

Dated 4 April 2018

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 2017, 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 the statement by members of the committee.

In our opinion, the accompanying financial report of the Association for the year ended 31 December 2017 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 to meet the reporting requirements of 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 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.



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Independent Audit Report to the members of ArtSound Incorporated

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

Hardwickes
Chartered Accountants

R Johnson

Robert Johnson FCA
Partner

Canberra

4 April 2018...