



**Artsound Incorporated**

ABN 29 083 850 739

# ANNUAL REPORT

## 2019/2020

ArtSound Incorporated  
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This report from the ArtSound Board of Management covers the 2019/2020 calendar year, and should be read in conjunction with the financial statements and auditor's report.



ArtSound is supported by grants from the above organisations

## **Executive Summary**

It has been a difficult 18 months for ArtSound. And due to COVID creating a delay in our AGM these various reports will be covering the full 18 months instead of just 2019.

Health has been a problem during 2019, having the effect of Board members resigning. Even the beginning of this year has seen further resignations due to poor health. The Board has operated under this duress, always with a quorum, but it has put a strain on the members.

Thankfully there are some good things to report: the transfer of the transmitter to Black Tower Mountain improving the quality of ArtSound's signal and reach, as well as the preparation for Digit Radio broadcast.

There have been two Training Programs which received excellent feedback from those new trainees who have now moved on to become presenters. The Board has to thank Louise Maher, who took several of our trainees in workshops on interviewing and radio craft.

There was an increase in staff. Christian Huff-Johnston; taking on the position of Operations Manager, and Keith Andrews, who worked as a Broadcast and IT Tech, supporting Chris Deacon with many technical matters. Mark Shephard joined as Broadcast Manager, but resigned in October to take on a position lecturing at ANU. Also joining the team in March 2019 was Joseph Heys, who originally started in administration but has now moved to Operations and Broadcast Officer. Unfortunately, Keith Andrews resigned to work at Parliament House, and due to lack of finances we had to let Christian finish up at the end of last year. But both still assist if needed as volunteers.

Fund raising has been difficult, but a Trivia Quiz night put on by Brian Leonard was a great success with a goodly amount raised. The Donate, Participate and Rejuvenate campaign raised \$10,409 and the Fundraising during the Pandemic advanced the ArtSound's finances by \$21,000. The Board thanks all those who took part in making these Fundraisers a success.

The final days of 2019, with smoke over Canberra, the hail storm and finally COVID, have made more difficulties for Artsound, but slowly we are overcoming the problems.

The Board is very aware of how much they are indebted to volunteers and members. Without their passion and dedication, ArtSound would not be on air. Although things have not been as positive during the past year, the Board feels we have turned a corner and the horizon is starting to brighten. With everyone's support ArtSound will skyrocket into the future.

Julie Finch-Scally  
ArtSound FM Board Secretary

## **President's Report 2010**

Due to COVID-19, ArtSound FM's AGM is being held later this year than the Constitution requires. Access Canberra granted all incorporated associations in the ACT an extension of time in which to hold their AGMs, until 31 October 2019. The Board determined that we should hold our AGM at the earliest time we could that was safe and would enable members to participate in person. That is why we selected this date for the AGM.

This means we have been operating for a further six months after the cut-off date of 31st December for the Financial Year. As a result of the delay and the extended period for the previous 2019 AGM report, this report will cover not only 2019 but also all activities undertaken at ArtSound and the work of the Board in the past six months. This report should be read in conjunction with the 2019 financial statements and auditors report, and other financial information provided.

The year 2019 began with a complement of nine Board members. The Constitution allows for ten. For various reasons, mostly due to health, there were a number of resignations from the Board during 2019 and also 2020. This has also happened in previous years. The members who resigned were replaced in almost all cases so at all times the Board had at least the minimum number of members as required by the Constitution and there was a quorum at each meeting of the Board during this period. The Board was fully functional at all times.

During 2019 there were four resignations from the Board – Eric McDonald and Peter Field; Colin Weeks, who due to work was transferred to Queensland and Chris Joscelyne, originally co-opted as a Board member in January 2019 but became too ill to continue and finally resigned this February. The replacements were: Gwen Durham, Julie Finch-Scally and Patricia Georgee. This year, we have also lost Jacquie Knobel, Gwen Durham, Amalijah Thompson and Ursula Reid. These hard workers were replaced by Daniel Prior, Neil Doody, Betsy Dixon and Surend Dayal. The Board would like to express its thanks to all those Board members who resigned and those who replaced them for their dedication and contribution to ArtSound and who have helped to keep ArtSound forging ahead in the right direction. The Board would like to specifically thank Amalijah Thompson, the former President, for her hard work on behalf of and dedication to ArtSound.

In her report to the 2019 AGM, the President stated that it was essential that ArtSound FM strengthens and develops its own unique brand and, in order to be heard in the wider community in sufficient numbers, ArtSound needed to make a difference and be different. She also mentioned the various challenges we faced and work we need to do to enable ArtSound to grow and develop in new and sustainable ways and to build new audiences whether by FM, Digital Radio, New Media, Senior Memories Service. This included making more productive use of the studios and changing how we promote and manage ArtSound. Twelve months later those same challenges remain to varying degrees and we still have much work to do to become the effective radio station we can be.

The Board has faced a number of challenges in trying to steer ArtSound over the year and into 2020. The Board had to deal with internal divisions and differences in views over such

issues as programming and the work of presenters, how the station should be operated, and direct challenges to the authority and work of the Board. There have been some serious financial issues that have demanded the full attention of the Board. At the end of 2019 into 2020 we faced several natural disasters with bushfires, smoke, hailstorms, and, if that wasn't enough, we then had the COVID pandemic. All of these had a very adverse impact on ArtSound and its operations. For example, the hail damaged the roof over ArtSound's studios which put our studios, equipment and activities at risk and limited their use. The pandemic forced ArtSound to close its studios and limit access to its premises. All of this also impacted on our financials which, to be frank, became dire. Notwithstanding all these challenges, many positive things are now being accomplished and I believe we are making good progress towards a brighter future.

It is important that we as a station, as a Board and as members and volunteers, do all we can to ensure we develop a unity of purpose, greater collaboration and constructive engagement, and respect for how we deal with each other both in our day to day dealings and through our actions and activities. This is important because during 2019 and the early part of 2020, there was a great deal of acrimony and divisiveness within the organisation. This was marked by some very acrimonious meetings such as the 2019 AGM and other meetings since, and disputes between some members and presenters and the Board. This consumed an enormous amount of time and energy that would have been better spent on working for the benefit of ArtSound.

As an example, in March this year ArtSound received a letter from Access Canberra which stated it was currently assessing concerns about the conduct of the ArtSound Board of Management (the Board). It stated that on 27 September 2019 and 10 October 2019, Access Canberra had received correspondence from a group of ArtSound members making allegations of breaches against the *Associations Incorporation Act 1991* and the ArtSound Constitution. The purpose of this letter was to inform ArtSound of these concerns to provide it with an opportunity to respond to them. These complaints related to such matters as choice of music that ArtSound could play, and whether the Board had complied with various procedures such as dispute resolution implying that the Board had acted improperly. The Board has responded to Access Canberra on these issues and has, based on the advice it received, rejected the basis of each complaint. The Board has been diligent to ensure it has at all times acted properly and within its powers under the Constitution. We are yet to hear the outcome from Access Canberra. Responding to these complaints was extremely demanding and time consuming. The complaints themselves were more about recrimination and advancing personal agendas rather than advancing the interests of ArtSound. This has been mentioned because it demonstrates how such divisiveness and actions by some members can be both debilitating and damaging. From media reports and the response of other organisations, what has happened during this time has been very damaging to ArtSound's reputation and how it is viewed in the community.

There have also been a number of significant achievements and advances during this period that need to be highlighted. These are attributable to the hard work and commitment of the many volunteers who devote much of their time to advance the interests and operations of ArtSound. The Board sincerely thanks everyone who has contributed to these achievements.



Some of these achievements are as follows:

- Security cameras have been installed in the foyer, library, studio corridor and Master Control in the studio building as well as one in the Administration office.
- The transmitter was moved from Poppet Hill to Black Mountain Tower in August. This was not an easy venture requiring careful planning and negotiation with BAI and with 1CMS and 1WAY. However, this move has been a great success, as can be heard with the improvement in the quality of ArtSound's signal and reception.
- Master Control has been upgraded for digital radio, which is currently running in test mode.
- ArtSound has now developed a new website, thanks to Cordelta.

There are many other activities and achievements that should be highlighted.

ArtSound has been advised by ACMA that our licence is to be renewed which is extremely pleasing news. This decision was based on the activities we have been planning to undertake which are aimed at encouraging participation by the community and has undertaken initiatives to attract new members. ACMA requires us to report on how effective we are in implementing these activities, so we must continue to work hard to show that we are achieving our objectives.

The Board has also joined a consortium of other community radio stations in Canberra, in an attempt to work together to achieve better communications, which hopefully will lead to better collaboration and outcomes for all of us. Working with other not-for-profit groups gives us all a chance to become a larger force to enlighten governments, organisations and listeners to our needs.

ArtSound also became involved in discussions about a new arts precinct at Kingston being arranged by ArtsACT. We were offered the chance to move into new premises, but as the area was nowhere near as large as what we currently have at the Manuka Arts Centre and the cost involved would be prohibitive, the Board discussed another option of retaining the studio in the Kingston Precinct and a satellite dish to send any programs presented there, back to Manuka.

The Board approved the setting up an audio service with Tony Hunter. Audio Services, as it is called, has been a real benefit to ArtSound. Idle studios are used to record musicians and podcasts, and transfer cassettes, reel to reel and DAT recordings onto CD. We have also had politicians using the studios for podcasts. Using the studios to make money is something the Board wants to develop in the future, especially as more and more people are looking to present podcast and don't have facilities to record. Tony retired at the end of 2019 but, thanks to our staff member Joseph Heys, Audio Services is still an important source of income for ArtSound.

The Board organised a Donate, Participate and Rejuvenate campaign in November to adjust the station's programming so that it conformed to the conditions of ArtSound's licence, and at the same time encourage listeners to donate and provide feedback, which was needed for our licence renewal. From that event, ArtSound raised just under ten and a half thousand dollars. The Board would like to thank everyone who participated in this activity.

One of the main challenges we have faced as an organisation has been the effect of the COVID pandemic. With the studios having to close, the task of running ArtSound became that much more complex. It meant that initiatives on the planning board had to be postponed or cancelled. Many programs could not be recorded from the studios which presented significant challenges to a broadcaster. However, thanks to the dedication of our program committee, our technical team and other volunteers, new innovative solutions were put in place which enabled ArtSound to continue broadcasting. These included the introduction of home recording which may be an initiative we continue in the future. The studios were not opened again until the beginning of June. The Board would like to thank the Program Committee and Technical team for their outstanding work during this difficult time.

ArtSound's financial position has been a concern for some time now, and we have been close to insolvent. There are many reasons for this and the Board has been working on strategies designed to improve our financial situation. One consequence has been that we had to lose some of the great staff we had. They were, with Joe, a great team that made a significant contribution to our operations across all areas.

Recently, ArtSound's financial position has been improved but not yet resolved. This was due in part to the successful fundraiser, raising just over \$21,000 which will be of great assistance in getting us through the next few months. We have also been successful with a number of grants which have brought in another \$45,000 also helping our operations. Again, the Board thanks all of those involved in organising and conducting the fundraiser and who have worked on the grants. We are now working towards setting up volunteer committees to assist with raising money for the station and welcoming visitors to the studios.

ArtSound still faces many challenges. Improving and stabilising our financial position is a high priority. The Board has been working on strategies to achieve that. The significant drop in membership and listeners over several years tells us that we have issues. We need to assess what those issues are and how we can address them. We also need to improve our communication with members and increase the participation of volunteers in everything we do as a station, including what changes we need to implement to programming, presenting and general operations. We still have much to do.

Finally, on behalf of the Board, I would like to thank the many volunteers and members who have made such a significant contribution over the past 18 months. We look forward to working with you over the coming year to meet all the challenges we face and advance the interests and operations of ArtSound.

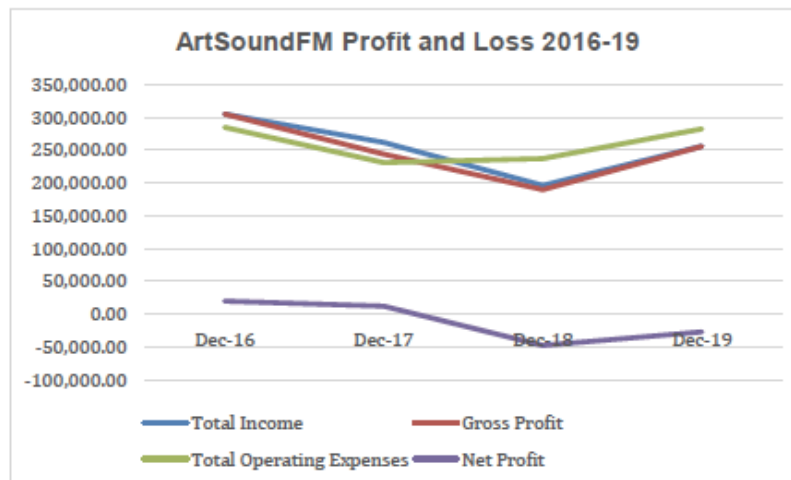
Wal Jurkiewicz  
Acting President

## Financial Report

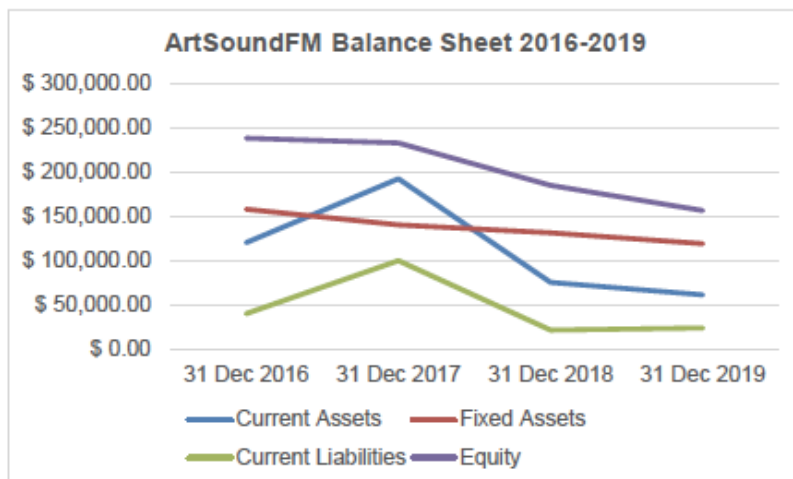
ArtSoundFM saw a slight improvement in its financial position in the financial year ending December 2019. In 2018, total income was \$196,093 whereas in 2019 total income was \$255,941. This reflects an increase in donations during 2019 of \$57,137. While the additional donations were welcome, this did not enable ArtSoundFM to return to a net surplus. In 2018, ArtSoundFM recorded a net deficit of \$47,232. In 2019, ArtSoundFM recorded a net deficit of \$26,829.

ArtSoundFM also implemented a series of cost-cutting measures in 2018-19. The largest cost reductions were in consulting (\$12,258), general expenses (\$10,123), and, printing and stationary (\$5,768). Yet, these were then offset by cost increases in wages and salaries (\$61,917), and, superannuation (\$5,669). In total, ArtSoundFM experienced a net increase in costs of \$45,215 in 2019.

In considering the profit and loss of ArtSoundFM between 2016 and 2019, we can see that income has declined from \$304,688 in 2016, to a low of \$189,769 in 2018. 2019 saw a return to the income levels of 2017 due to donations. Costs in 2019, were very similar to those in 2016 (\$284,631 in 2016; \$282,217 in 2019), while they dipped to about \$235,000 in both 2017 and 2018.



An examination of the ArtSoundFM balance sheet reveals some notable considerations. First, ArtSoundFM has no long-term liabilities. ArtSoundFM also maintains a relatively liquid position in that current assets are able to cover current liabilities. The current ratio (i.e. the amount of current assets available to cover current liabilities) is 3.02, which is up from 2018 (1.93). However, there are longer-term trends towards decline in all assets, liabilities, and, equity.



Dr Daniel D Prior FAMI CPM SFHEA  
 ArtSoundFM Treasurer (appointed to the Board June 2020)

## Program Committee (Program Action Group)

The Program Committee is charged with overseeing on-air program operations, exercising quality control over programs, and supporting program innovation. The current committee has been functioning since late February 2020

Early in 2019, the then Committee completed a review of all programs, and recommended to the Board ways to improve and better publicise each, particularly with regards to arts-related content. That Program Committee recommended to the Board that all program teams be consulted on ways forward. At the end of February 2019, after the Board released a memo on the types and range of music appropriate for broadcast, the Program Committee met with program coordinators to seek clarity on the intent and upshot of the memo. The Program Committee had input to a recommended revision of the memo.

The Committee contributed extensively to the creation of a new ArtSound website, and its program-related content. Thanks to Cordelta for its donation of services to build the new site.

The Committee worked with the Board to create or update policies and procedures relating to various aspects of station operations, including: transitioning from trainee to presenter; how new presenters are distributed among program teams; presenters returning to air after time away; and annual review and recommissioning of existing programs.



The Committee and the Board discussed extensively how to expand arts-related programming. The station had long aired several programs, meeting its role of advancing the arts in the ACT, such as many hours each week of concert recordings and magazine programs relating to theatre and film in the ACT region. Expansion of those offerings began to take place late in 2019, and has expanded considerably, since — for example, with greatly expanded interviewing of arts practitioners and organisers.

The Committee worked with ArtSound technical staff and presenters to develop specifications for pre-recorded programs and other sound files. Thanks especially to Len Power and Chris Deacon for their assistance.

The Program Committee worked with the Board over several months to update and regularise all program briefs, a painstaking and protracted process. The outcome was that all program briefs took the same form and are placed on a register, and made available in various places including on the ArtSound website. The Committee also had input into the revised Volunteer Handbook to clarify presenter/producer roles and programming procedures.

Because the Board had re-emphasised the importance of adherence to program guidelines, particularly in light of ArtSound's application for ACMA licence renewal, the Program Committee recommended the discontinuation of two programs, and the addition of two new, syndicated, hour-long programs: A Year of Jazz (18 episodes), hosted by Neil Sheldon from Manchester, U.K., and his companion program, The Roaring Twenties (60 episodes).

Over most of 2019 and into 2020, the Program Committee and Program Action Group worked closely with the Manager Technology to gradually transition programs across to new automation system, RadioBoss. That process is ongoing, and includes improving procedures for creating program sound files and ensuring each program team provides backup programs to cater to emergencies and other unforeseen needs.

In keeping with plans to refresh the program grid, the Committee and Manager Technology tested various program concepts including repeats of ArtSound-created programs, enabled by its automated recording.

The Committee worked with the Library Committee to provide presenters with various aids. It circulated a guide to some 350 CDs in the jazz library.

Moving into 2020, the implementation of some of the projects planned in 2019 has been slightly delayed by the many events of the current year, however the grid rework is slowly being introduced, and the Committee plans to begin the new ArtsDaily program shortly.

Finally the Committee would like to thank all who contributed to the work done in 2019, and in 2020 so far.

Gabe Caddy  
Chair of Program Committee

## Technology Manager's Report

2019/20 saw significant upgrades and refinement of ArtSound's facilities and capabilities, despite limited financial resources.

The major effort was focussed on relocating ArtSound's FM transmission facilities from Poppet Hill to Black Mountain (along with 1WAY FM and 1CMS FM). For several years, the stations at Poppet Hill had experienced several technical and operational hurdles. In 2018, Broadcast Australia (operator of transmission facilities at Black Mountain) offered access to the high gain ABC antenna on Telstra Tower, plus other service improvements that were previously unavailable. This led to ArtSound FM, 1WAY FM and 1CMS FM signing agreements to commence services from Black Mountain in the latter part of 2019.

Following receipt of Community Broadcasting Foundation (CBF) funding to support the costs of the relocation, operations commenced at Black Mountain, on 13 July 2019. The grant funding was administered by 1CMS on behalf of the three stations, and I coordinated the technical aspects of the project, which was completed on time and on budget. The funding also included acquisition of a shared standby transmitter which has already been pressed into service on occasions by two of the stations.

ArtSound was able to report to ACMA that signal strength measurements and anecdotal comments from our respective audiences, indicated that coverage of the licensed service area (Canberra RA1) had been substantially improved. Previous problematic reception in some populated urban areas had been eliminated. ArtSound was able to rebuild its old (lightning-damaged) transmitter and install it at the new site until sufficient funds had been raised to enable its replacement.

I am pleased to report that, during the reporting period, apart from some minor power glitches, we have maintained our transmissions at 100% uptime. This is despite major damage inflicted on the 5GHz microwave equipment due to a hailstorm.

Technical development work at the studios has progressed during the year, including upgrading streaming facilities, automation playout replacement, audio on demand recording, establishment of broadband internet connection at Black Mountain and complete refurbishment of audio and control cabling in Master Control.

With the expectation that digital radio (DAB+) service would commence in 2020, equipment installation and provision of a Telstra fibre connection to Master Control was completed. Modifications to studio delegation switching to accommodate more sophisticated programming demands involving FM, DAB+ and online platforms were also completed. At the time of writing, DAB+ service had commenced in testing phase.

Technical support was provided to 2SER-FM for their annual national budget broadcast and for the Young Virtuoso of the Year Competition live broadcast.

Some planned initiatives in 2020 have been placed on hold due to the covid-19 restrictions, while others were brought forward: we have put in place the capability to operate the

station and broadcast at short notice from off-site locations. Remote broadcasting using high quality internet streams, remote desktop and cloud storage software has enabled the station to stay on air throughout the pandemic.

Among priorities are the need to urgently replace the main transmitter, replace Studio 1,3 and 5 studio consoles, upgrade the studio/office broadband connections and phone systems, refurbish outside recording and broadcasting kits, integrate web-based metadata and transition to digital playout systems.

The resulting benefits will directly accrue to the community in the form of more local programming and better opportunities for community participation in our new digital media ventures thus helping to secure ArtSound's future viability at a time of great uncertainty.

I attended the annual Technorama Conference in Sydney, and the Community Broadcasting Association of Australia Conference in Melbourne in 2019 (at no cost to ArtSound).

I am most grateful to Keith Andrew, Rodger Bean, Tim Lamble, Peter Monaghan, Frank Wilcox and Shane Perkins who have provided valuable assistance during 2019/20.

Chris Deacon OAM  
Manager Technology

## **ACT Young Virtuoso Awards 2019**

On Sunday afternoon, the 20<sup>th</sup> October 2019, ArtSound listeners were presented with a live-to-air event from the ArtSound recording studios. The program was the Act Young Virtuoso Awards.

The Young Virtuosos Award is an initiative of five community radio music stations. ArtSound in Canberra, 3MBS Fine Music Melbourne, 4MBS Classic FM Brisbane, 5MBS Adelaide and Fine Music FM 102.5 Sydney.

Each year, the State finalists from each of these stations, competes in the National Finals, which in 2019 was to be held in Adelaide. The prize for the National winner, which could be an instrumentalist under 25 or a classical singer under 30, is \$10,000. A goodly amount for any budding musician's, career aspirations.

The winner of the ACT Young Virtuoso was Mila Haydon. Mila a 15 year old violinist was keen to become a concert soloist. At the ArtSound presentation she enchanted the two adjudicators and a small live audience with her playing of Tchaikovsky's Meditation and Matthew Hindson's Little Chrissietina's Magic Fantasy.

Mila was all set to perform the same pieces of music at the Adelaide Nationals, when she got word another competition in which she has been involved, had advance her to the next level requiring Mila to travel to Russia. She couldn't get back in time to appear in Adelaide.

Yes ArtSound did send a copy of the recording of Mila's performance recorded in our studios, but as the sheet music wasn't sent along with the recording, the National adjudicators weren't able to assess the presentation; therefore Mila wasn't in the running. This was a shame, as this was the first time one of the ACT Young Virtuosos Award winners wasn't represented.

Due to COVID the 2020 Young Virtuoso Awards has been cancelled. We were supposed to hold the National Awards this year, but we will have to see what 2021 will bring.

The Board is grateful to Annabel Wheeler for all her hard work with the Young Virtuosos Awards.



# **ArtSound Incorporated**

ABN 29 083 850 739

## **Financial Statements** **For the Year Ended 31 December 2019**

**ArtSound Incorporated**  
**ABN 29 083 850 739**

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ArtSound Incorporated  
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## BOARD'S REPORT

FOR THE YEAR ENDED 31 December 2019

Your board members submit the financial report of ArtSound Incorporated for the financial year ended 31 December 2019.

### BOARD MEMBERS

The names of board members throughout the year and at the date of this report are:

President	Amalijah Thompson
Vice President	John Worcester
Treasurer	Jacqui Knobel
Secretary	Eric McDonald (to 22 January 2019)
Board Secretary	Kay Barney (from 18 February to 23 May)
Board Secretary	Julie Finch-Scally (from 7 October)
Member	Peter Field (to 17 February 2019)
Member	Ursula Reid
Member	Kathy Syrette (term ended 23 May 2019)
Member	Wal Jurkiewicz
Member	Gwen Durham (from 22 January)
Member	Colin Weeks (from 23 January)
Member	Christopher Joscelyne (from 23 January)
Member	Patricia George (from 7 October)

### PRINCIPAL ACTIVITIES

The principal activities of the Association during the year was the operation of a community arts radio station.

### SIGNIFICANT CHANGES

No significant changes in the future of these activities occurred during the year.

### OPERATING RESULT

The net operating deficit of the Association for the year ended 31 December 2019 was (\$26,857).  
(2018: loss \$45,636).

Signed in accordance with a resolution of the members of the Board.

President: 

Dated: this the 23<sup>rd</sup> day of June 2020.

ArtSound Incorporated  
ABN 29 083 850 739

**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31 December 2019**

	Note	2019 \$	2018 \$
<b>Income</b>			
Operating income		147,400	92,254
Grant Income - ACT Arts Fund Program		80,736	77,394
Grant Income - Community Broadcasting Foundation		27,500	25,750
Interest Income		306	695
		<u>255,942</u>	<u>196,093</u>
<b>Expenditure</b>			
Administrative expenses		(110,079)	(42,491)
Contract management services		(26,956)	(39,214)
Depreciation - other assets		(14,698)	(16,891)
Supplies and services		(131,066)	(143,133)
		<u>(282,799)</u>	<u>(241,729)</u>
Income tax expense		-	-
<b>Deficit for the year</b>		<u>(26,857)</u>	<u>(45,636)</u>
Other Comprehensive Income for the year		-	-
<b>Total Comprehensive Income for the year, attributable to the members of ArtSound Incorporated</b>		<u>(26,857)</u>	<u>(45,636)</u>

The accompanying notes form part of these financial statements.



ArtSound Incorporated  
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## STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 December 2019

	Notes	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	40,034	49,192
Trade and other receivables	3	7,254	3,288
Term deposit		6,449	6,304
Other assets	5	10,602	14,140
<b>TOTAL CURRENT ASSETS</b>		<u>64,339</u>	<u>72,924</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	4	119,040	134,247
<b>TOTAL NON-CURRENT ASSETS</b>		<u>119,040</u>	<u>134,247</u>
<b>TOTAL ASSETS</b>		<u>183,379</u>	<u>207,171</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	14,668	18,662
Other liabilities	7	12,167	5,108
<b>TOTAL CURRENT LIABILITIES</b>		<u>26,835</u>	<u>23,770</u>
<b>TOTAL LIABILITIES</b>		<u>26,835</u>	<u>23,770</u>
<b>NET ASSETS</b>		<u>156,544</u>	<u>183,401</u>
<b>MEMBERS FUNDS</b>			
Retained surplus		156,544	183,401
<b>TOTAL MEMBERS' FUNDS</b>		<u>156,544</u>	<u>183,401</u>

The accompanying notes form part of these financial statements.

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## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2019

	Retained Surplus \$	Total \$
<b>2019</b>		
Balance at 1 January 2019	183,401	183,401
(Deficit) for the year	<u>(26,857)</u>	<u>(26,857)</u>
Balance at 31 December 2019	<u>156,544</u>	<u>156,544</u>
<b>2018</b>		
Balance at 1 January 2018	229,037	229,037
(Deficit) for the year	<u>(45,636)</u>	<u>(45,636)</u>
Balance at 31 December 2018	<u>183,401</u>	<u>183,401</u>

The accompanying notes form part of these financial statements.

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## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2019

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		251,670	215,927
Payments to suppliers and employees		(260,989)	(242,789)
Interest received		306	695
<b>Net cash from operating activities</b>		<b>(9,013)</b>	<b>(26,167)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, plant and equipment		-	(10,572)
Purchase of investments		(145)	(6,304)
<b>Net cash from investing activities</b>		<b>(145)</b>	<b>(16,876)</b>
Net decrease in cash and cash equivalents held		(9,158)	(43,043)
Cash and cash equivalents at beginning of year		49,192	92,235
<b>Cash and cash equivalents at end of year</b>	<b>2</b>	<b>40,034</b>	<b>49,192</b>

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 2019

### 1. Statement of Significant Accounting Policies

The financial statements are special purpose financial statements that have been prepared in order to satisfy the financial requirements of the *Associations Incorporation Act 1991 (ACT)* and the *Australian Charities and Not-for profits Commission Act 2012*. The board has determined that the Association is not a reporting entity.

The financial statements have 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 significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

#### (a) Cash and Cash Equivalents

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

#### (b) Property, 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.

#### (c) Revenue and Other Income

Revenue is recognized 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 recognized in the statement of profit or loss when the Association 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 Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognized in the statement of assets and liabilities as a liability until the service has been delivered to the contributor, otherwise the grant is recognized as income on receipt.

#### Other income

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

#### (d) Goods and service Tax (GST)

Revenues, 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 payables are stated inclusive of GST.

Cashflows 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.

#### (e) Income Tax

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



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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 December 2019

	2019 \$	2018 \$
<b>2. Cash and cash equivalents</b>		
Cash at bank and in hand	40,034	49,192
	<u>40,034</u>	<u>49,192</u>
<b>3. Receivables</b>		
Trade and other receivables	4,060	2,502
GST Receivable	3,194	786
	<u>7,254</u>	<u>3,288</u>
<b>4. Property, Plant and Equipment</b>		
	2019 \$	2018 \$
Office equipment	27,676	27,858
Office equipment Accumulated Depreciation	(20,921)	(19,955)
Total	<u>6,755</u>	<u>7,903</u>
Broadcasting equipment	258,918	258,918
Broadcasting Accumulated Depreciation	(149,556)	(137,404)
Total	<u>109,362</u>	<u>121,514</u>
Audio services equipment	26,846	27,172
Audio services equipment Accumulated Depreciation	(23,923)	(22,342)
Total	<u>2,923</u>	<u>4,830</u>
<b>Total Property, Plant and Equipment</b>	<u>119,040</u>	<u>134,247</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 December 2019

	2019 \$	2018 \$
<b>5. Other assets</b>		
Prepayments	10,556	14,076
Accrued income	46	64
	<u>10,602</u>	<u>14,140</u>
<b>6. Trade and other payables</b>		
Trade payables	2,313	14,250
Accrued expenses	3,875	3,494
PAYG payable	4,206	422
Superannuation payable	4,274	496
	<u>14,668</u>	<u>18,662</u>
<b>7. Other liabilities</b>		
Amount received in advance	12,167	5,108
	<u>12,167</u>	<u>5,108</u>

**8. Statutory Information**

The registered office and principal place of business of the Association is:  
ArtSound Incorporated  
Manual Arts Centre  
Cnr Manuka Circle & NSW Crescent  
GRIFFITH ACT 2603

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ABN 29 083 850 739

## STATEMENT BY MEMBERS OF THE BOARD


The board 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 1 of the financial statements.

In the opinion of the Board of the Association –

1. The financial report, including notes, as set out on pages 3 to 9 are in accordance with the *Associations Incorporation (ACT) 1991*, and the *Australian Charities and Not-for profits Commission Act 2012*, and
  - a) Comply with the Accounting standards as detailed in Note 1 to the financial statements; and
  - b) Give a true and fair view of the Association's financial position as at 31 December 2019 and of its performance for the year ended on that date.
2. In the board's opinion there are reasonable grounds to believe that the Association 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 board.

President: .....



Dated this day 23<sup>rd</sup> of June 2020

Canberra ACT

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ARTSOUND INCORPORATED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

We have audited the accompanying financial report, being a special purpose financial report, of ArtSound Incorporated (the Association) which comprises the Statement of Financial Position as at 31 December 2019 and the Statement of Profit and Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended 31 December 2019; and notes to the financial statements, including a summary of significant accounting policies.

*Auditor's Opinion*

In our opinion, the financial report of the Association is in accordance with the *Associations Incorporation Act 1991* of the Australian Capital Territory and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 31 December 2019 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.

*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 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 to the financial report which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the requirements of the *Associations Incorporation Act 1991*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

*Responsibilities of the board for the Financial Report*

The board of ArtSound Incorporated is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act 1991* and for such internal controls as the board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable matters relating to going concern and using the going concern basis of accounting unless the board either intends to liquidate the Association or cease the operations, or has no realistic alternative but to do so.

*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.



As part of an audit in accordance with Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Irmagard van Rensburg  
Principal  
Chartered Accountant  
Charterpoint Pty Ltd

Dated this 23<sup>rd</sup> day of June 2020

**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Grants - artsACT core	73,736	72,114
Grants - CBF	27,500	25,750
Grants - other	7,000	5,280
Commercial Sponsorships	5,172	2,012
Commercial Contrats	8,040	9,313
Arts Sponsorships	1,716	2,136
Arts Partnerships	3,692	2,501
Membership	7,349	16,527
Donations	82,620	25,482
Training Courses	7,345	-
Fundraising	4,045	191
Audio Services	16,002	14,752
Transfer & Restoration	-	1,038
Audio Services Income - other	-	55
Senior Memories Income	2,295	1,749
Other Revenue	9,124	16,497
Interest income	306	695
	<b>255,942</b>	<b>196,093</b>
<b>Expenses</b>		
Bank, Paypal & Strips Fees	1,778	1,027
Accounting& Bookkeeping fees	9,695	1,623
Advertising & Promotion	197	785
Audit fees	2,000	1,800
Bad Debts	-	1,891
Cleaning	4,984	7,070
Consulting	26,956	39,214
Entertainment	10	-
Postage, Freight & Courier	398	86
General Expenses	(815)	21,021
Insurance	5,864	7,788
Electricity - Light, Power, Heating	20,874	21,212
Gardening	-312	-
Motor Vehicle Expenses	1,924	1,363
Office Expenses	1,465	675
Printing & Stationery	4,373	10,141
Rent	34,032	26,211
Repairs and Maintenance	495	1,895
Security	886	-
Subscriptions	24,738	18,330
Telephone & Internet	13,813	13,223
Travel - National	-	693
Water & Sewerage	4,668	3,361
Depreciation	14,698	19,828
Salaries and wages	100,638	38,720
Superannuation	9,441	3,771
	<b>282,800</b>	<b>241,729</b>
Net deficit for the year	<b>(26,858)</b>	<b>(45,636)</b>