

ArtSound Incorporated

ABN 29 083 850 739

Financial Statements

For the Year Ended 31 December 2020

ArtSound Incorporated
ABN 29 083 850 739

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BOARD'S REPORT

FOR THE YEAR ENDED 31 December 2020

Your board members submit the financial report of ArtSound Incorporated for the financial year ended 31 December 2020.

BOARD MEMBERS

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

President	Amalijah Thompson (resigned June)
President	Wal Jurkiewicz (acting June, appointed July 2020)
Vice President	John Worcester (resigned July)
Vice President	Bianca Russell (appointed July)
Treasurer	Jacqui Knobel (resigned Feb)
Treasurer	Ursula Reid (appointed Feb, resigned June)
Treasurer	Daniel Prior (appointed June)
Board Secretary	Julie Finch-Scally
Member	Surend Dayal (appointed June, resigned July)
Member	Neil Doody (appointed June)
Member	Betsy Dixon (appointed June)
Member	Sarah Grey (appointed July)
Member	Chris Deacon (appointed July)
Member	Gwen Durham (resigned April)
Member	Colin Weeks (resigned March)
Member	Peter Monaghan (Appointed July)
Member	Christopher Joscelyne (resigned January))
Member	Patricia Georgee

PRINCIPAL ACTIVITIES

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

SIGNIFICANT CHANGES

The Association has not been able to secure continuing funding and a material uncertainty exists as to whether the Association is able to pay debts as they fall due for the next 12 months.

OPERATING RESULT

The net operating surplus of the Association for the year ended 31 December 2020 was \$635.
(2019: loss \$26,857).

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

President:

Dated: this day of May 2020.

STATEMENT OF PROFIT AND LOSS
 FOR THE YEAR ENDED 31 December 2020

	Note	2020 \$	2019 \$
Income			
Operating income		82,041	147,400
Grant Income - ACT Arts Fund Program		112,234	80,736
Grant Income - Community Broadcasting Foundation		5,000	27,500
Interest Income		70	306
		<u>199,345</u>	<u>255,942</u>
Expenditure			
Administrative expenses		(60,232)	(110,079)
Contract management services		3,650	(26,956)
Depreciation - other assets		(13,073)	(14,698)
Supplies and services		(129,055)	(131,066)
		<u>(198,710)</u>	<u>(282,799)</u>
Income tax expense		-	-
Surplus/ (Deficit) for the year		<u>635</u>	<u>(26,857)</u>
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year, attributable to the members of ArtSound Incorporated		<u><u>635</u></u>	<u><u>(26,857)</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 December 2020

	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	2	87,060	40,034
Trade and other receivables	3	2,468	7,254
Term deposit		-	6,449
Other assets	5	11,301	10,602
TOTAL CURRENT ASSETS		<u>100,829</u>	<u>64,339</u>
NON-CURRENT ASSETS			
Plant and equipment	4	112,045	119,040
TOTAL NON-CURRENT ASSETS		<u>112,045</u>	<u>119,040</u>
TOTAL ASSETS		<u>212,874</u>	<u>183,379</u>
CURRENT LIABILITIES			
Trade and other payables	6	55,695	14,668
Other liabilities	7	-	12,167
TOTAL CURRENT LIABILITIES		<u>55,695</u>	<u>26,835</u>
TOTAL LIABILITIES		<u>55,695</u>	<u>26,835</u>
NET ASSETS		<u>157,179</u>	<u>156,544</u>
MEMBERS FUNDS			
Retained surplus		157,175	156,544
TOTAL MEMBERS' FUNDS		<u>157,179</u>	<u>156,544</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 2020

	Retained Surplus \$	Total \$
2020		
Balance at 1 January 2020	156,544	156,544
Surplus for the year	<u>635</u>	<u>635</u>
Balance at 31 December 2020	<u>157,179</u>	<u>157,179</u>
2019		
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>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		204,061	251,670
Payments to suppliers and employees		(157,476)	(260,989)
Interest received		70	306
Net cash from operating activities		<u>46,655</u>	<u>(9,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, plant and equipment		(6,078)	-
Proceeds/(purchase) of investments		6,449	(145)
Net cash from investing activities		<u>371</u>	<u>(145)</u>
Net decrease in cash and cash equivalents held		47,026	(9,158)
Cash and cash equivalents at beginning of year		40,034	49,192
Cash and cash equivalents at end of year	2	<u><u>87,060</u></u>	<u><u>40,034</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 2020

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 recognised 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*.

(f) Material Uncertainty Related to Going Concern

The Association's cash flows have been linked to grant programs that has ceased at 31 December 2020. To date the Association has not been unable to secure continuing funding and there is material uncertainty about the ongoing capability of the Association to meet its obligations.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 December 2020

	2020 \$	2019 \$
2. Cash and cash equivalents		
Cash at bank and in hand	<u>87,060</u>	40,034
	<u>87,060</u>	<u>40,034</u>
3. Receivables		
Trade and other receivables	375	4,060
GST Receivable	<u>2,093</u>	3,194
	<u>2,468</u>	<u>7,254</u>
4. Property, Plant and Equipment		
	2020 \$	2019 \$
Office equipment	27,677	27,676
Office equipment Accumulated Depreciation	<u>(22,272)</u>	<u>(20,921)</u>
Total	<u>5,405</u>	<u>6,755</u>
Broadcasting equipment	258,917	258,918
Broadcasting Accumulated Depreciation	<u>(160,492)</u>	<u>(149,556)</u>
Total	<u>98,425</u>	<u>109,362</u>
Audio services equipment	32,924	26,846
Audio services equipment Accumulated Depreciation	<u>(24,709)</u>	<u>(23,923)</u>
Total	<u>8,215</u>	<u>2,923</u>
Total Property, Plant and Equipment	<u>112,045</u>	<u>119,040</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2020

	2020	2019
	\$	\$
5. Other assets		
Prepayments	11,301	10,556
Accrued income	-	46
	<u>11,301</u>	<u>10,602</u>
6. Trade and other payables		
Trade payables	50,291	2,313
Accrued expenses	3,988	3,875
PAYG payable	1,416	4,206
Superannuation Payable	-	4,274
	<u>55,695</u>	<u>14,668</u>
7. Other liabilities		
Amount received in advance	-	12,167
	<u>-</u>	<u>12,167</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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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 2020 and of its performance for the year ended on that date.

This declaration is made in accordance with a resolution of the board.

President:

Dated this day of May 2021

Canberra ACT

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ARTSOUND INCORPORATED
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020 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 2020; 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 2020 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report which describes the inherent uncertainty in relation to the Association continuing as a going concern. The matters indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. 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.

Dr Irmagard van Rensburg
Principal
Chartered Accountant
Charterpoint Pty Ltd

Dated this _____ day of _____ 2021

DETAILED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 December 2020

	2020	2019
	\$	\$
Income		
Grants – artsACT core	3,171	73,736
Grants – artsACT other	100,427	-
Grants - CBF	5,000	27,500
Grants - other	8,636	7,000
Commercial Sponsorships	4,642	5,172
Commercial Contras	8,040	8,040
Arts Sponsorships	-	1,716
Arts Partnerships	-	3,692
Membership	8,964	7,349
Donations	23,707	82,620
Training Courses	-	7,345
Fundraising	-	4,045
Audio Services	11,074	16,002
Senior Memories Income	3,853	2,295
Other Revenue	2,670	9,124
Interest income	70	306
Gov Funding – COVID 19	19,091	-
	199,345	255,942
Expenses		
Bank, Paypal & Strips Fees	2,280	1,779
Accounting& Bookkeeping fees	8,398	9,695
Advertising & Promotion	-	197
Audit fees	2,000	2,000
Cleaning	5,878	4,984
Consulting	(3,650)	26,956
Entertainment	-	10
Postage, Freight & Courier	-	398
General Expenses	8,843	(815)
Insurance	8,921	5,864
Electricity - Light, Power, Heating	13,169	20,874
Gardening	-	(312)
Motor Vehicle Expenses	1,058	1,924
Office Expenses	1,034	1,465
Printing & Stationery	3,195	4,373
Rent	23,231	34,032
Repairs and Maintenance	1,184	495
Security	409	886
Subscriptions	35,443	24,738
Telephone & Internet	11,326	13,813
Water & Sewerage	2,685	4,668
Depreciation	13,073	14,698
Salaries and wages	55,038	100,638
Superannuation	5,195	9,441
	198,710	282,800
Net surplus/(deficit) for the year	635	(26,857)