

**AUSPICIOUS ARTS PROJECTS  
INCORPORATED**

**ABN 40 322 643 843**

**Financial Statements**

**For the Year Ended**

**31 December 2017**

**Auspicious Arts Projects Incorporated**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2017**

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*The accompanying notes form part of these financial statements*

**Auspicious Arts Projects Incorporated**  
**ABN 40 322 643 843**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For The Year Ending 31 December 2017**

	Note	2017 \$	2016 \$
<b>Revenue</b>	4		
Grants & Funding		2,788,317	2,005,166
Local Government		2,984,596	3,152,885
Event Income		3,703,055	3,394,551
Reimbursements & Transfers		1,515,405	732,179
<b>Total Revenue from Ordinary Activities</b>	2	<u>10,991,373</u>	<u>9,284,781</u>
<b>Expenses</b>			
Salaries, Wages and Artist Fees		6,787,179	5,637,051
Wage Overheads & Allowances		1,052,681	988,430
Production Costs		1,761,554	1,630,355
Marketing		584,483	299,265
Overheads & Project Admin		756,581	673,048
<b>Total Expenses from Ordinary Activities</b>	3	<u>10,942,478</u>	<u>9,228,149</u>
<b>Surplus/(Deficit) from Ordinary Activities before income tax</b>		48,894	56,632
Income Tax Expense		0	0
<b>Surplus/(Deficit) from Ordinary Activities after income tax</b>		48,894	56,632
Other comprehensive income:			
<b>Net Surplus/ (Deficit)</b>		<u>48,894</u>	<u>56,632</u>

*The accompanying notes form part of these financial statements*

**Auspicious Arts Projects Incorporated**  
**ABN 40 322 643 843**

**Statement of Financial Position**  
**For The Year Ending 31 December 2017**

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	2,327,011	2,549,066
Trade and Other Receivables	6	827,956	976,167
Other Current Assets	8	50,675	68,445
<i>Total Current Assets</i>		<u>3,205,642</u>	<u>3,593,678</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	13,443	21,051
<i>Total Non-Current Assets</i>		<u>13,443</u>	<u>21,051</u>
<b>Total Assets</b>		<u>3,219,085</u>	<u>3,614,729</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	10	350,174	295,585
Short-Term Financial Liabilities	11	2,573,284	3,078,946
Current Tax Liabilities	7	0	147
Provisions	12	14,025	13,732
<i>Total Current Liabilities</i>		<u>2,937,483</u>	<u>3,388,410</u>
<b>Non-Current Liabilities</b>			
Long Term Provision Payable	12	25,113	18,724
<i>Total Non-Current Liabilities</i>		<u>25,113</u>	<u>18,724</u>
<b>Total Liabilities</b>		<u>2,962,596</u>	<u>3,407,134</u>
<b>Net Assets</b>		<u>256,489</u>	<u>207,595</u>
<b>Equity</b>			
Retained Profits		256,489	207,595
<b>Total Equity</b>		<u>256,489</u>	<u>207,595</u>

*The accompanying notes form part of these financial statements*

**Auspicious Arts Projects Incorporated**  
**ABN 40 322 643 843**

**Statement of Cash Flows**  
**For The Year Ending 31 December 2017**

	Note	2017 \$	2016 \$
<b>Cash Flow From Operating Activities</b>			
Grants and Funding		2,908,317	1,939,282
Local Government		3,012,807	3,152,885
Event Income		3,703,055	3,394,551
Reimbursements & Transfers		1,515,405	732,179
Less Payments to Suppliers and Employees		<u>(11,360,571)</u>	<u>(9,098,846)</u>
<b>Net Cash Generated (Used) by Operating Activities</b>	12	<u>(220,987)</u>	<u>120,051</u>
<b>Cash Flow From Investing Activities</b>			
Proceeds from Sale of Plant			
Payments for property, plant and equipment		<u>(1,068)</u>	<u>(15,401)</u>
<b>Net Cash Generated (Used) by Investing Activities</b>		<u>(1,068)</u>	<u>(15,401)</u>
Net increase (decrease) in cash held		(222,055)	104,650
Cash and cash equivalents at the beginning of the year		<u>2,549,066</u>	<u>2,444,416</u>
<b>Cash and cash equivalents at the end of the year</b>	4	<u><u>2,327,011</u></u>	<u><u>2,549,066</u></u>

*The accompanying notes form part of these financial statements*

**Auspicious Arts Projects Incorporated**  
**ABN 40 322 643 843**

**Statement of Changes in Equity**  
**For The Year Ending 31 December 2017**

	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance at end of financial year 2015</b>	150,963	150,963
Profit/(Loss) attributable to Members	56,632	56,632
<b>Balance at end of financial year 2016</b>	<u>207,595</u>	<u>207,595</u>
Profit/(Loss) attributable to Members	48,894	48,894
<b>Balance at end of financial year 2017</b>	<u><u>256,489</u></u>	<u><u>256,489</u></u>

*The accompanying notes form part of these financial statements*

**Auspicious Arts Projects Incorporated  
ABN 40 322 643 843**

**Committee's Report**

Your committee members present this report of Auspicious Arts Projects Incorporated for the financial year ended 31 December 2017.

**Committee Members**

The names of committee members throughout the year and to the date of this report were:

President	Salli Longmuir
Vice President	Suzanne Daley
Secretary	John Paul Fischbach
Treasurer	John Paxinos
Committee Member	Sue Hunt
Committee Member	Deirdre O'Brien
Committee Member	Selene Bateman

Each committee member has 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 entity during the financial year continued to be providing support to independent artists undertaking new creative developments and performances of existing works through the provision of a secure financial and managerial umbrella.

**Significant Changes**

No significant changes occurred in the nature of this activity during the year

**Operating Result**

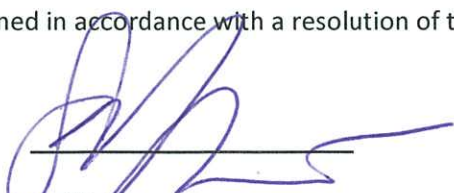
This was another big year for Auspicious Arts Projects. The number of artists who we worked with continued to grow and many of them are undertaking multiple projects during the year. This year we undertook over 300 different projects.


Our foundation philosophy of "offering assistance to obsessed", continues to guide the relationship we have with the artists who choose to work with us.

The surplus (deficit) for the year amounted to:                   \$ 48,894                   Last Year: \$ 56,632

There were no abnormal items.

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

  
\_\_\_\_\_  
Salli Longmuir

  
\_\_\_\_\_  
John Paxinos

Date 5/4/18

*The accompanying notes form part of these financial statements*

**Auspicious Arts Projects Incorporated**  
**ABN 40 322 643 843**

**Certificate by Members of the Committee**

I, Salli Longmuir of 15 Smith Street St Kilda 3142 and I John Paxinos of 3A Collingwood Street Sandringham 3191 certify that;

We attended the annual general meeting of the association held on 4 April 2018

The annual financial statements for the year ended 31 December 2017 were submitted to the members of the association at the annual general meeting.

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Salli Longmuir  
Committee Member

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John Paxinos  
Committee Member

Dated:

*The accompanying notes form part of these financial statements*



**Auspicious Arts Projects Incorporated**  
**ABN 40 322 643 843**

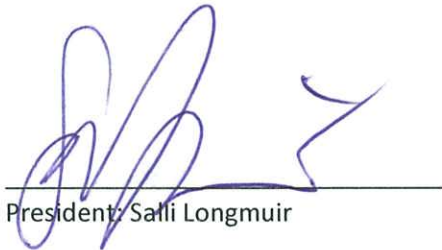
**Statement by Members of the Committee**

The committee has determined that the association is not a reporting entity and that this special purpose finance report should be prepared in accordance with the accounting policies outlined in the Notes to the Financial Statements.

In the opinion of the committee the accompanying financial statements:

1. Presents a true and fair view of the financial position of Auspicious Arts Projects Incorporated, as at 31st December 2017 and its performance for the year then ended.
2. At the date of this statement there are reasonable grounds to believe that Auspicious Arts Projects 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: Salli Longmuir



Treasurer: John Paxinos

Dated: 5/4/18

*The accompanying notes form part of these financial statements*

## **Independent Auditor's Report to the Members of Auspicious Arts Projects Incorporated**

### **Opinion**

I have audited the financial report of Auspicious Arts Projects Incorporated (the entity), which comprises the Statement of Financial Position as 31st December 2017, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the declaration by those charged with governance.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Entity as at 31 December 2017, and its financial performance and its cashflows for the year then ended in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012.

### **Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Entity 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of Management and Those Charged with the Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report management is responsible for assessing the Entity'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 Entity or to cease operations, or has not realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibility**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise

*The accompanying notes form part of these financial statements*

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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 the basis for my 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 Entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease or 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including deficiencies in internal control that I identify during my audit.

#### **Basis of Accounting**

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committees' financial reporting responsibilities under the Associations Incorporation Reform Act 2012. As a result the financial report may not be suitable for another purpose.



<b>Name of firm</b>	E Townsend & Co
<b>Name of Auditor</b>	Eric Townsend
<b>Address</b>	15 Taylor Street Ashburton Vic 3147
<b>Dated this</b>	5 April 2018

*The accompanying notes form part of these financial statements*

**Notes to the Financial Statements**  
**For The Year Ending 31 December 2017**

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1 **Significant Accounting Policies**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012. The committee has determined that the association is not a reporting entity.

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

**Basis of Preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

**(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(c) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(d) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

**Notes to the Financial Statements  
For The Year Ending 31 December 2017**

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

Property, plant and equipment are carried at cost, independent or management valuation. All assets, excluding freehold land and buildings held for investment, are depreciated over their useful lives.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by Auspicious Arts Projects.

Depreciation commences from the time the asset is held ready for use. Any leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable asset are considered to fall within standard parameters. Standard rates of depreciation have been used for each class of asset.

**(f) Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment.

At the end of each reporting period, the carrying value of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the financial statements.

**(g) Trade and Other Payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. They are recognised at their transaction price.

**(h) 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 Taxation Office (ATO). 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 balance sheet are shown inclusive of GST.

**Note 2: Revenue**

	<b>2017</b>	<b>2016</b>
Grants & Funding	2,788,317	2,005,166
Local Government	2,984,596	3,152,885
Event Income	3,703,055	3,394,551
Reimbursements & Transfers	1,515,405	732,179
	<u>10,991,373</u>	<u>9,284,781</u>

*The accompanying notes form part of these financial statements*

**Auspicious Arts Projects Incorporated**  
**ABN 40 322 643 843**

**Notes to the Financial Statements**  
**For The Year Ending 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3: Expenses</b>		
Employee Benefits Expense	7,839,860	6,625,481
Depreciation	8,676	6,499
Other Expenses	3,093,942	2,596,169
	<b>10,942,478</b>	<b>9,228,149</b>
<b>Note 4: Income Details</b>		
<b>Grants &amp; Funding</b>		
Federal	1,008,599	1,038,147
State	1,514,455	814,983
Other Funding	265,263	152,036
	<b>2,788,317</b>	<b>2,005,166</b>
<b>Local Government</b>		
Local Government	2,984,596	3,152,885
	<b>2,984,596</b>	<b>3,152,885</b>
<b>Event Income</b>		
Box Office	357,880	263,794
Performance Fees	2,442,512	1,995,834
Merchandise & Royalties	35,878	69,259
Activities & Services	539,136	567,962
Retail Income	8,510	10,281
Interest Earned	50,094	54,290
Fundraising	64,852	26,397
Fees and Donations	105,668	255,662
Sponsorship	13,045	6,849
Artist Contributions	85,479	144,223
	<b>3,703,055</b>	<b>3,394,551</b>
<b>Reimbursements &amp; Transfers</b>		
Funds Brought Forward from Last Year	3,078,744	2,865,492
Funds Transferred to Next Year	(2,573,284)	(3,078,744)
Recoveries	1,036,330	982,881
Other Transfers	(26,385)	(37,450)
	<b>1,515,405</b>	<b>732,179</b>
<b>Total Income</b>	<b>10,991,373</b>	<b>9,284,781</b>

*The accompanying notes form part of these financial statements*

Auspicious Arts Projects Incorporated  
ABN 40 322 643 843

**Notes to the Financial Statements  
For The Year Ending 31 December 2017**

	Note	2017 \$	2016 \$
<b>Note 5: Cash and Cash Equivalents</b>			
<b>Cash and Cash Equivalents</b>			
Deposits at Call			500,000
Pety Cash Advances		50,226	54,196
<i>Cash at Bank</i>			
NAB Account		21,742	10,538
Cash Maximiser		254,968	528,623
Payments Holding Account		75	5,709
Term Deposits at NAB		2,000,000	1,450,000
<b>Total Cash</b>		<b>2,327,011</b>	<b>2,549,066</b>
<b>Cash Reconciliation</b>			
Cash and Cash Equivalents		2,327,011	2,549,066
Bank Overdrafts		-	(202)
		<b>2,327,011</b>	<b>2,548,864</b>
<b>Note 6: Trade and Other Receivables</b>			
<b>Current</b>			
Accounts Receivable		813,772	969,425
Accrued Income		11,803	5,489
Loans to Employees		-	950
Loans to Related Parties		-	200
Provision for GST		2,381	103
		<b>827,956</b>	<b>976,167</b>
<b>Note 7: Tax Assets and Liabilities</b>			
PAYG Withholding Payable		-	147
		<b>0</b>	<b>147</b>
<b>Note 8: Other Current Assets</b>			
Prepayments		50,675	68,445
		<b>50,675</b>	<b>68,445</b>

*The accompanying notes form part of these financial statements*

Auspicious Arts Projects Incorporated  
ABN 40 322 643 843

**Notes to the Financial Statements  
For The Year Ending 31 December 2017**

	2017	2016
	\$	\$
<b>Note 9: Property, Plant &amp; Equipment</b>		
Office Furniture & Equipment	47,809	46,741
Less Accumulated Depreciation	(34,366)	(25,690)
<b>Total Office Furniture &amp; Equipment</b>	<u>13,443</u>	<u>21,051</u>
 <b>Note 10: Trade and Other Payables</b>		
<b>Current</b>		
Accounts Payable	297,565	45,546
Trade and Other Payables	52,609	250,039
	<u>350,174</u>	<u>295,585</u>
 <b>Note 11: Financial Liabilities</b>		
<b>Current</b>		
<i>Cash at Bank</i>		
Payments Holding Account		-
ANZ Visa Card	-	202
Grant Funds Carried Forward	2,573,284	3,078,744
	<u>2,573,284</u>	<u>3,078,946</u>
 <b>Total Financial Liabilities</b>	 <u><u>2,923,457</u></u>	 <u><u>3,374,531</u></u>
 <b>Note 12: Provisions</b>		
<b>Current</b>		
Provision for Holiday Pay	14,025	16,116
Provision for Long Service Leave		-
 <b>Non-Current</b>		
Provision for Long Service Leave	25,113	18,742
 <b>Total Provisions</b>	 <u><u>39,138</u></u>	 <u><u>34,858</u></u>

*The accompanying notes form part of these financial statements*



Auspicious Arts Projects Incorporated  
ABN 40 322 643 843

Notes to the Financial Statements  
For The Year Ending 31 December 2017

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	2017	2016
	\$	\$
<b>Note 13: Retained Profits/Accumulated Losses</b>		
Retained Profits at Beginning of Financial Year	207,595	150,963
<b>Add</b>		
Net profit attributable to Members	48,894	56,632
Retained Profits at 31 December 2017	<u>256,489</u>	<u>207,595</u>
 <b>Note 14: Cash Flow Information</b>		
Reconciliation of cash flow from operations to surplus (deficit) for the year	48,894	56,632
Operating profit (loss) after tax		
<b>Add back non-cash items:</b>		
Depreciation	8,676	6,499
Increase in Provisions		
 <b>Changes in assets and liabilities during the financial year:</b>		
(Increase) decrease in Trade & Other Receivables	148,211	(65,884)
Increase (decrease) in Payables and Accruals	54,589	(82,406)
Increase (decrease) in Provisions	6,682	14,374
(Increase) decrease in Financial Liabilities	(505,662)	210,249
Increase (decrease) in Other Current Tax Liabilities	17,770	(19,413)
Increase (decrease) in Other Current Assets	(147)	
<b>Net cash generated (used) by operating activities</b>	<u>(220,987)</u>	<u>120,051</u>

*The accompanying notes form part of these financial statements*

Auspicious Arts Projects Incorporated  
ABN 40 322 643 843

**Notes to the Financial Statements  
For The Year Ending 31 December 2017**

**The Treasurer of the Association declares that:**

**Financial**

To confirm that the Association is a non-reporting entity and to the best of the knowledge and belief of the Treasurer would remain so in the current reporting period.

**Solvency**

That in the opinion of the Treasurer the Association could pay its debts as and when they fall due.

I hereby agree with the above resolutions:



John Paxinos Treasurer

Dated this 5th day of April 2018.

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Auspicious Arts Projects Incorporated  
ABN 40 322 643 843

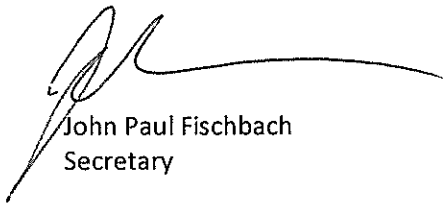
**Notes to the Financial Statements  
For The Year Ending 31 December 2017**

Notice is hereby given that the Annual General Meeting of the Association will be held on 5 April 2018.

**Business**

To table the financial statements of the Association for the Year ended 31 December 2017 and reports from the Directors.

Any member who is entitled to attend and vote is permitted to appoint a proxy. That person must be a natural person of at least 18 years old. Forms to appoint proxies must be lodged at the company's registered office, 117 Sturt Street Southbank VIC 3006 not less than 48 hours prior to the commencement of the meeting.



John Paul Fischbach  
Secretary

Date of Notice: 4 March 2018