

**AUSPICIOUS ARTS PROJECTS
INCORPORATED**

ABN 40 322 643 843

Financial Statements

For the Year Ended

31 December 2018

**Auspicious Arts Projects Incorporated
For the Year Ended 31 December 2018**

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Auspicious Arts Projects Incorporated
ABN 40 322 643 843

Statement of Profit or Loss and Other Comprehensive Income
For The Year Ending 31 December 2018

	Note	2018 \$	2017 \$
Revenue	4		
Grants & Funding		4,858,104	2,788,317
Local Government		5,389,967	2,984,596
Event Income		5,601,154	3,703,055
Reimbursements & Transfers		<u>(1,278,715)</u>	<u>1,515,405</u>
Total Revenue from Ordinary Activities	2	14,570,510	10,991,373
Expenses			
Salaries, Wages and Artist Fees		9,539,020	6,787,179
Wage Overheads & Allowances		1,279,688	1,052,681
Production Costs		1,835,211	1,761,554
Marketing		828,175	584,483
Overheads & Project Admin		<u>914,790</u>	<u>756,581</u>
Total Expenses from Ordinary Activities	3	14,396,884	10,942,478
Surplus/(Deficit) from Ordinary Activities before income tax		173,626	48,894
Income Tax Expense		0	0
Surplus/(Deficit) from Ordinary Activities after income tax		173,626	48,894
Other comprehensive income:			
Net Surplus/ (Deficit)		<u>173,626</u>	<u>48,894</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 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	4,105,054	2,327,011
Trade and Other Receivables	6	1,199,924	827,956
Other Current Assets	8	73,933	50,675
<i>Total Current Assets</i>		<u>5,378,911</u>	<u>3,205,642</u>
Non-Current Assets			
Property, plant and equipment	9	8,009	13,443
<i>Total Non-Current Assets</i>		<u>8,009</u>	<u>13,443</u>
Total Assets		<u>5,386,920</u>	<u>3,219,085</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	10	171,161	350,174
Short-Term Financial Liabilities	11	4,741,550	2,573,284
Current Tax Liabilities	7		0
Provisions	12	10,010	14,025
<i>Total Current Liabilities</i>		<u>4,922,721</u>	<u>2,937,483</u>
Non-Current Liabilities			
Long Term Provision Payable	12	34,084	25,113
<i>Total Non-Current Liabilities</i>		<u>34,084</u>	<u>25,113</u>
Total Liabilities		<u>4,956,805</u>	<u>2,962,596</u>
Net Assets		<u>430,115</u>	<u>256,489</u>
Equity			
Retained Profits	13	430,115	256,489
Total Equity		<u>430,115</u>	<u>256,489</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 2018

	Note	2018 \$	2017 \$
Cash Flow From Operating Activities			
Grants and Funding Incl GST		5,343,914	2,908,317
Local Government Inc GST		5,928,964	3,012,807
Event Income Inc GST		5,752,105	3,703,055
Reimbursements & Transfers		(1,278,715)	1,515,405
Less Payments to Suppliers and Employees		(13,968,225)	(11,360,571)
Net Cash Generated (Used) by Operating Activities	14	<u>1,778,043</u>	<u>(220,987)</u>
Cash Flow From Investing Activities			
Proceeds from Sale of Plant			
Payments for property, plant and equipment		0	(1,068)
Net Cash Generated (Used) by Investing Activities		<u>0</u>	<u>(1,068)</u>
Net increase (decrease) in cash held		1,778,043	(222,055)
Cash and cash equivalents at the beginning of the year		2,327,011	2,549,066
Cash and cash equivalents at the end of the year	5	<u><u>4,105,054</u></u>	<u><u>2,327,011</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 2018

	Retained Earnings	Total Equity
Balance at end of financial year 2016	<u>207,595</u>	<u>207,595</u>
Profit/(Loss) attributable to Members	<u>48,894</u>	<u>48,894</u>
Balance at end of financial year 2017	256,489	256,489
Profit/(Loss) attributable to Members	<u>173,626</u>	<u>173,626</u>
Balance at end of financial year 2018	<u><u>430,115</u></u>	<u><u>430,115</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 2018.

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	Resigned Dec 2018
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 year has been our most successful yet both financially and in the number of artists and projects that we have auspiced. Income increased by over 30% to \$14.5m and now income from Funding, Local Government and Event Income are about on par. We are undertaking larger projects and developing strong partnerships with a number of different City Councils. Staff levels have increased in order to properly manage all clients. Working capital has increased to \$456k which provides a solid financial buffer.

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: **\$ 173,626** Last Year: **\$ 48,894**

There were no abnormal items.

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

Salli Longmuir

John Paxinos

Date

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 21 May 2019.

The annual financial statements for the year ended 31 December 2018 were submitted to the members of the association at the annual general meeting.

Salli Longmuir
Committee Member

John Paxinos
Committee Member

Dated:

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 2018 and its performance for the year then ended, in accordance with the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012.
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:

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 2018, the Statement of Profit or Loss and Other 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 2018, 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, and the Australian Charities and Not-for-profits Commission 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

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 and the Australian Charities and Not-for-profits Commission Act 2012. As a result the financial report may not be suitable for another purpose.



Name of firm	E Townsend & Co
Name of Auditor	Eric Townsend
Address	15 Taylor Street Ashburton Vic 3147
Dated this	

Notes to the Financial Statements
For The Year Ending 31 December 2018

1 Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of Australian Accounting Standards, the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission 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. Grants that have performance obligations are recognised as income over the periods necessary to match the grant to the costs they are compensating.

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 2018**

(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

	2018	2017
Grants & Funding	4,858,104	2,788,317
Local Government	5,389,967	2,984,596
Event Income	5,601,154	3,703,055
Reimbursements & Transfers	(1,278,715)	1,515,405
	14,570,510	10,991,373

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
For The Year Ending 31 December 2018**

	2018 \$	2017 \$
Note 3: Expenses		
Employee Benefits Expense	10,818,708	7,839,860
Depreciation	5,435	8,676
Other Expenses	3,572,741	3,093,942
	14,396,884	10,942,478
 Note 4: Income Details		
Grants & Funding		
Federal	1,110,114	1,008,599
State	3,407,392	1,514,455
Other Funding	340,598	265,263
	4,858,104	2,788,317
Local Government		
Local Government	5,389,967	2,984,596
	5,389,967	2,984,596
Event Income		
Box Office	366,013	357,880
Performance Fees	4,123,595	2,314,471
Merchandise & Royalties	18,523	35,838
Activities & Services	792,835	667,177
Resources Income	5,422	2,100
Retail Income	2,034	8,550
Interest Earned	59,565	50,094
Fundraising	23,124	64,852
Fees and Donations	93,610	103,568
Sponsorship	6,800	13,045
Artist Contributions	109,633	85,479
	5,601,154	3,703,055
Reimbursements & Transfers		
Funds Brought Forward from Last Year	2,573,284	3,078,744
Funds Transferred to Next Year	(4,741,550)	(2,573,284)
Recoveries	870,491	1,036,330
Other Transfers	19,061	(26,385)
	(1,278,715)	1,515,405
Total Income	14,570,510	10,991,373

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
For The Year Ending 31 December 2018**

	2018	2017
	\$	\$
Note 5: Cash and Cash Equivalents		
Cash and Cash Equivalents		
Pety Cash Advances	83,982	50,226
<i>Cash at Bank</i>		
NAB Account	9,752	21,742
Cash Maximiser	1,290,668	254,968
Payments Holding Account	(279,347)	75
Term Deposits at NAB	3,000,000	2,000,000
Total Cash	4,105,054	2,327,011
Cash Reconciliation		
Cash and Cash Equivalents	4,105,054	2,327,011
Bank Overdrafts	-	-
	4,105,054	2,327,011
Note 6: Trade and Other Receivables		
Current		
Accounts Receivable	1,177,930	813,772
Accrued Income	21,233	11,803
Loans to Employees	-	-
Loans to Related Parties	-	-
Provision for GST	760	2,381
	1,199,924	827,956
Note 7: Tax Assets and Liabilities		
PAYG Withholding Payable	-	-
	0	0
Note 8: Other Current Assets		
Prepayments	73,933	50,675
	73,933	50,675

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
For The Year Ending 31 December 2018**

	2018	2017
	\$	\$
Note 9: Property, Plant & Equipment		
Office Furniture & Equipment	47,810	47,809
Less Accumulated Depreciation	(39,801)	(34,366)
Total Office Furniture & Equipment	<u>8,009</u>	<u>13,443</u>
 Note 10: Trade and Other Payables		
Current		
Accounts Payable	129,381	297,565
Trade and Other Payables	41,780	52,609
	<u>171,161</u>	<u>350,174</u>
 Note 11: Financial Liabilities		
Current		
<i>Cash at Bank</i>		
Payments Holding Account		
ANZ Visa Card	-	-
Grant Funds Carried Forward	4,741,550	2,573,284
	<u>4,741,550</u>	<u>2,573,284</u>
 Total Financial Liabilities	 <u><u>4,912,711</u></u>	 <u><u>2,923,457</u></u>
 Note 12: Provisions		
Current		
Provision for Holiday Pay	17,454	14,025
Provision for Long Service Leave		
Suspense	(7,444)	
	<u>10,010</u>	<u>14,025</u>
Non-Current		
Provision for Long Service Leave	34,084	25,113
 Total Provisions	 <u><u>44,094</u></u>	 <u><u>39,138</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 2018**

	2018	2017
	\$	\$
Note 13: Retained Profits/Accumulated Losses		
Retained Profits at Beginning of Financial Year	256,490	207,595
Add		
Net profit attributable to Members	173,626	48,894
Retained Profits at 31 December 2018	<u>430,116</u>	<u>256,490</u>
 Note 14: Cash Flow Information		
Reconciliation of cash flow from operations to surplus (deficit) for the year		
Operating profit (loss) after tax	173,626	48,894
Add back non-cash items:		
Depreciation	5,434	8,676
Increase in Provisions	4,956	6,682
 Changes in assets and liabilities during the financial year:		
(Increase) decrease in Trade & Other Receivables	(371,968)	148,211
Increase (decrease) in Payables and Accruals	(179,013)	54,589
(Increase) decrease in Financial Liabilities	2,168,266	(505,662)
Increase (decrease) in Other Current Tax Liabilities		17,770
(Increase) decrease in Other Current Assets	(23,258)	(147)
Net cash generated (used) by operating activities	<u>1,778,043</u>	<u>(220,987)</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 2018**

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 _____ day of _____ 2019.

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 2018**

Notice is hereby given that the Annual General Meeting of the Association will be held on 21 May 2019.

Business

To table the financial statements of the Association for the Year ended 31 December 2018 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.

Selene Bateman
Secretary

Date of Notice: 22 April 2019