

**ARTS NORTH WEST
INCORPORATED**
ABN 13 294 582 557

FINANCIAL STATEMENTS
for the year ended
31 December 2015



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**ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557**

COMMITTEE OF MANAGEMENT REPORT

Your Committee of Management submit the special purpose financial report of Arts North West Incorporated for the year ended 31 December 2015.

BOARD OF DIRECTORS

The names of the members of the Committee of Management during the year and at the date of this report are:

Rob Hurcum	Chris Newbiggin	Sue Price
Kent Mayo	Anna Watt	Penny Jobling
Andrew Sharp	Tania Hartigan	Sandy McNaughton
Alan Davison	Herman Beyersdorf	Gary Verri
Rebecca Ryan	Angela Doering (Elected 2015)	Kay Delahunt (Elected 2015)

PRINCIPAL ACTIVITIES

The principal activity of the Association during the financial year was to create and manage cultural projects to benefit the community.

SIGNIFICANT CHANGES

No significant change in the nature of these activities occurred during the year.

RESULTS OF OPERATIONS

The Surplus / (Deficit) of the Association for the year ended 31 December 2015 was a profit of \$1,580 (18 month period 1 July 2013 to 31 December 2014: Profit \$20,232)

During the previous financial period the Association amended its constitution to reflect the change in its financial year to the period of time commencing on 1 January and ending on 31 December each year. As a result of this change the comparative figures reported in this financial report are for a period of 18 months from 1 July 2013 to 31 December 2014.

Signed in accordance with a resolution of the Members of the Board of Directors.

Director: 

Director: 

Dated: 5 March 2016

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557

STATEMENT BY COMMITTEE OF MANAGEMENT

The Committee of Management of the Association declare that:

1. The financial statements and notes, as attached hereto present a true and fair view of the financial position of Arts North West Incorporated as at 31 December 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial report.
2. In the Committee of Management'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 Committee of Management and is signed for and on behalf of the Committee of Management by:

Director:.....

Director:.....

Dated: 5th March 2016

**Independent Auditor's Report
To the Members of
Arts North West Incorporated**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Arts North West Incorporated, which comprises the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement of Members of the Committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Incorporated Associations Act 2009 and is appropriate to meet the needs of the members. The committees' responsibility also includes such internal control as the committee determines necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Arts North West Incorporated as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the Incorporated Associations Act 2009.

Basis of Accounting and Restriction on Distribution

Without modify our opinion, we draw attention to note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Arts North West Incorporated to meet the requirements of the Incorporated Associations Act 2009. As a result, the financial report may not be suitable for another purpose.



Dated: 4 March 2016
at Armidale, NSW

Fiona McCann, CA
ICAA Member Number: 92993

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash and Cash Equivalents	2	287,504	432,630
Trade & Other Receivables	3	-	174
Other Current Assets	4	7,254	5,363
Total Current Assets		294,758	438,167
Non Current Assets			
Financial Assets - Unlisted shares		10	10
Property Plant & Equipment	5	35,623	25,889
Total Non Current Assets		35,633	25,899
Total Assets		330,391	464,066
Current Liabilities			
Trade and Other Payables	6	192,522	326,240
Provisions	7	60,566	57,121
Total Current Liabilities		253,088	383,361
Non Current Liabilities			
Provisions	7	7,966	12,948
Total Non Current Liabilities		7,966	12,948
Total Liabilities		261,054	396,309
Net Assets		69,337	67,757
Equity			
Retained Earnings		69,337	67,757
Total Equity		69,337	67,757

The Statement of Financial Position is to be read in conjunction with
the notes to the accounts

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
Revenue from Project Activities	76,750	261,566
Grant Funding	140,000	215,000
Local Government Contributions	89,713	130,742
University of New England Contribution	7,500	7,500
NENW BEC Contribution to PD	6,231	-
Interest Received	8,825	11,055
Profit on Sale of Asset	2,148	-
Other Revenue from Ordinary Activities	14,538	17,070
Expenditure in relation to Project Activities	(76,750)	(261,566)
Expenditure from Ordinary Activities	(257,375)	(357,135)
Expenditure from Non Operating Activities	-	-
	11,580	24,232
Transfer to Provision for RAB National Conference	(5,000)	-
Transfer to Provision for Vehicle Replacement	(5,000)	(4,000)
	1,580	20,232

The Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the
notes to the accounts

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 30 June 2009	28,554	-	28,554
Surplus/(Deficit) for the year	(71)	-	(71)
Balance at 30 June 2010	28,483	-	28,483
Surplus/(Deficit) for the year	-	-	-
Balance at 30 June 2011	28,423	-	28,423
Surplus/(Deficit) for the year	-	-	-
Balance at 30 June 2012	28,423	-	28,423
Surplus/(Deficit) for the year	19,042	-	19,042
Balance at 30 June 2013	47,525	-	47,525
Surplus/(Deficit) for the year	20,232	-	20,232
Balance at 31 December 2014	67,757	-	67,757
Surplus/(Deficit) for the year	1,580	-	1,580
Balance at 31 December 2015	69,337	-	69,337

The Statement of Changes in Equity is to be read in conjunction with the
notes to the accounts

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Cash Flows from operating activities			
Receipts from funding, members & customers		293,066	766,360
Interest received		8,825	11,055
Payments to suppliers and employees		(431,048)	(542,942)
Net Cash provided from operating activities	8(a)	(129,157)	234,473
Cash flows from investing activities			
Purchase of property, plant and equipment		(34,969)	(1,454)
Proceeds from sale of property, plant and equipment		19,000	
Net cash provided from investing activities		(15,969)	(1,454)
Net increase/(decrease) in cash		(145,126)	233,019
Cash at beginning of period		432,630	199,611
Cash at end of period	8(b)	287,504	432,630

The Statement of Cash Flows should be read in conjunction with the
notes to the accounts

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared for use by members of the Committee of the Incorporated body. The Committee has determined that the Incorporated body is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board has been used in the preparation of this report. The following material accounting policies which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 112: Accounting for Income Tax

AASB 116: Property, Plant and Equipment

AASB 1031: Materiality

AASB 110: Events after Balance Date

No other Australian Accounting Standards, Urgent Issues Interpretations view or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report is 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 valuation of non-current assets.

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

Income Tax

The Association is exempt from Income Tax and accordingly no provision has been made.

Plant and Equipment

Plant and equipment are brought to account at cost, less where applicable any accumulated depreciation or amortisation. The depreciable amount of fixed assets is depreciated over their useful lives to the entity commencing from the time the asset is held ready for use.

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Note 1: Statement of Significant Accounting Policies - continued

Employee Entitlements

Provision is made for the Association's liability for the employee entitlements arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Revenue

Revenue from rendering of a service is recognised upon delivery of the service to the customers.

Grant revenue and contributions are recognised on an accruals basis. To the extent that the Association has not met their obligations under a funding agreement, a liability is carried in the balance sheet to reflect this future obligation.

Interest is recognised as it is received from financial institutions.

Superannuation

The Association contributes to employee superannuation funds on the basis of the relevant legislation. Contributions are charged against income as they are made.

Cash

For the purposes of the statement of cash flows, cash includes on hand and at call deposits with banks or financial institutions.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

It should be noted that during the previous financial period the Association changed its financial year to commencing on 1 January and ending on 31 December. Therefore the comparative figures relate to the 18 month period 1 July 2013 to 31 December 2014 whereas the current year figures month period 1 January 2015 to 31 December 2015.

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
Note 2. Cash and Cash Equivalents		
Community Mutual S9 Account	3,357	44,199
Community Mutual S9.1 Account	967	2,707
Community Mutual S30 Account	283,180	385,724
	287,504	432,630
Note 3. Trade Receivables		
Trade Debtors	-	174
	-	174
Note 4. Other Current Assets		
Prepayments	6,244	5,363
GST Control Account	1,010	-
	7,254	5,363
Note 5. Property, Plant and Equipment		
Motor Vehicle at cost	32,408	31,713
Less: Accumulated Depreciation	(1,405)	(11,117)
	31,003	20,596
Furniture & Fittings at cost	27,263	24,700
Less: Accumulated Depreciation	(22,643)	(19,407)
	4,620	5,293
	35,623	25,889
Note 6. Trade and Other Payables		
Trade Creditors	32,095	10,944
Other Creditors	13,834	11,886
GST Payable	-	18,278
Unspent Funding/In Advance	146,593	285,132
	192,522	326,240

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
Note 7. Provisions		
<u>Current</u>		
Computer Replacement Reserve	14,000	14,000
Vehicle Replacement Reserve	24,000	19,000
RAB National Conference Reserve	5,000	-
Professional Development Reserve	6,000	6,000
Employee Entitlements - Annual Leave	11,566	18,121
	60,566	57,121
 <u>Non Current</u>		
Employee Entitlements - Long Service Leave	7,966	12,948
	7,966	12,948
 Note 8. Notes to the Statement of Cash Flow		
a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities		
Surplus/(Deficit) from ordinary activities	1,580	20,232
 Non cash flows in profit		
Depreciation	8,384	16,635
(Profit)/Loss on Sale of Assets	(2,148)	-
 Changes in Assets and Liabilities		
Increase/(Decrease) in Provisions	(11,537)	5,459
Increase/(Decrease) in Unspent Funding/In Advance	(138,539)	165,415
Increase/(Decrease) in Reserve Funds	10,000	4,000
Increase/(Decrease) in Trade Creditors & Accruals	4,820	22,278
(Increase)/Decrease in Trade Debtors & Prepayments	(1,717)	454
Net Cash provided by operating activities	(129,157)	234,473

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$

Note 8. Notes to the Statement of Cash Flow

b) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in bank net of bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Community Mutual S9 Account	3,357	44,199
Community Mutual S9.1 Account	967	2,707
Community Mutual S30 Account	283,180	385,724
	287,504	432,630

Note 9. Contingent Liabilities and Capital Commitments

a) Contingent Liabilities

An rental agreement is in place for a Canon Photocopier. The lease is due to expire on 15 December 2017. Monthly payments are contingent on useage. Average monthly repayments were \$436 during the current year (2014: \$551). The minimum monthly rental payments for this rental agreement is \$397 inclusive of GST.

Arts North West continues to rent office space from Glen Innes Severn Council. The current lease is due to expire on 30 June 2018. The monthly rental payment is \$887 inclusive of GST.

b) Capital Commitments

To the best of the Committee's knowledge and belief there are no capital commitments at balance date.

Note 10. Subsequent to Balance Date Events

To the best of the Committee's knowledge and belief there were no material events subsequent to balance date.

**Compilation Report
Arts North West Incorporated**

We have compiled the accompanying special purpose financial statements of Arts North West Incorporated which comprise the Project Operations Detailed Income and Expenditure Statement and the Detailed Income and Expenditure Statements for the year ended 31 December 2015. The specific purpose for which the special purpose financial statements have been prepared is to provide information in relation to the performance of the association that satisfied the information need of the committee members and its funding bodies.

The Responsibility of Committee Members

The committee members are solely responsible for the information that is contained in the special purpose financial statements and have determined that the significant accounting policies as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of the information provided by Arts North West Incorporated we have compiled the accompanying special purpose financial statements in accordance with significant accounting policies as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Arts North West Incorporated has provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of Arts North West Incorporated. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Dated: 4 March 2016
at 109 Jessie Street, Armidale NSW



Fiona McCann, CA
Skybridge Financial

ARTS NORTH WEST INCORPORATED
ABN 13 294 582 557
PROJECT OPERATIONS
DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
Project Income		
Artstart 2011	-	6,105
Aboriginal Arts Officer	-	160,236
Touring - Industry & Investment NSW	-	11,500
Touring - Other Contributions	14,558	12,109
Country Art Escapes	9,705	5,730
RAF: Art Relay	-	8,638
RAF: STAGED	9,921	15,689
RAF: Eudomonía	13,331	13,331
Regional Partnerships: Heading West	80,208	-
Reel Scout	-	3,831
Screen NSW	-	9,307
Tamworth Inception Phase	7,115	7,115
Living Culture	-	7,975
Total Project Income	134,838	261,566
Direct Project Expenses		
Artstart 2011	-	6,105
Aboriginal Arts Officer	-	109,750
RAF: Eudomonía	12,101	-
Regional Partnerships: Heading West	39,710	-
Touring	4,476	14,866
RAF: Art Relay	-	8,638
RAF: Staged	6,385	5,768
Screen NSW	-	9,307
Reel Scout	-	3,831
Tamworth Inception Phase	7,115	-
Country Art Escapes	6,963	2,413
Total Project Expenses	76,750	160,678
Surplus/(Deficit) on Projects	58,088	100,888
Grants in Advance (Unspent Funding):		
Aboriginal Arts Officer	-	(58,461)
Regional Partnerships: Heading West	(40,498)	-
RAF: STAGED	(3,536)	(9,921)
RAF: Eudomonía	(1,230)	(13,331)
Touring	(10,082)	(8,743)
Tamworth Inception Phase	-	(7,115)
Country Art Escapes	(2,742)	(3,317)
	(58,088)	(100,888)
Net Operating Surplus/(Deficit)	-	-

CERTIFICATE BY THE BOARD OF DIRECTORS

I Anna Watt
of Glen Innes Shire Council

and

I W. REBECCA RYAN
of GUNNEDAH SHIRE COUNCIL

certify that:

- a) We are members of the Board of Directors of Arts North West Incorporated
- b) We attended the Annual General Meeting of the Association held on 5 March 2016
- c) This annual statement was submitted to the members of the Association at its Annual General Meeting

Dated this 5 March 2016

Name of Director Anna Watt
Signature of Director [Signature]

Name of Director REBECCA RYAN
Signature of Director [Signature]