

Not For Profit - Association Report

Huon Folk Inc.

ABN 46 302 554 725

For the period 1 March 2016 to 28 February 2017

Prepared by 4 Business & Community

Contents

3	Compilation report
4	Committee's Report
7	Income and Expenditure Statement
9	Assets and Liabilities Statement
10	Notes of the Financial Statements
13	Movements in Equity
14	Statement of Cash Flows
15	True and Fair Position
16	Auditor's report
18	Depreciation Schedule

Compilation report

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

Compilation report to Huon Folk Inc..

We have compiled the accompanying special purpose financial statements of Huon Folk Inc., which comprise the asset and liabilities statement as at 28 February 2017, income and expenditure statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Committee Member's

The committee of Huon Folk Inc. are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the partners we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

4 Business & Community

27 Murray Street, Hobart, Tasmania

Dated: / /

Committee's Report

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

Committee's Report

Your committee members submit the financial report of Huon Folk Inc. for the financial year ended 28 February 2017.

Committee Members

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

Name	Position	Date started on the committee	Date started in current role	Experience
Vallorie Hodges	President	2014 as observer 2015 as committee member	Mar 2015	
Anne Foale	Vice President	Mar 2015	Mar 2016	
Robert Durand	Secretary	Jan 2015	Mar 2016	
Michael Thomsen	Treasurer	Jan 2014	Mar 2015	
Isabel Sykes	Committee Member	Jan 2014	Jan 2014	
Karen Cosier	Committee Member	Feb 2015	Feb 2015	
Sally Port	Committee Member	Feb 2015	Feb 2015	
Susan Appleton	Committee Member	Apr 2016	Apr 2016	
Bonnie Ferguson	Committee Member	Apr 2016	Apr 2016	
Erin Collins	Artistic Director (Ex-officio member)	2011	Jan 2016 – contract employee	
Cherie Stewart	Festival Manager (ex-officio member)	Feb 2, 2016	2016 – contract employee	20 + years' experience in Arts and events management

Meetings of Committee Members

During the year committee meetings were held monthly. Attendances by each of the committee members during the year were as follows:

Date	VH	AF	RD	MT	KC	SP	BF	SA	IS	EC	CS	Tanya Green	Joe Pickett	No of committee present
4 Jan'16	@	#	@	#	@	@			@	@	@	@	@	9
7 Feb'16	@	@	@	@	@	@			@	@	@	@	@	11
7 Mar'16	@	@	@	@	#	@			#	@	@	#		7
18 Apr'16	@	@	@	@	@	@	@	@	#	@	@			10
16 May'16	@	@	@	@	@	@	@	@	*	@	@			10
20 Jun'16	@	#	@	@	@	@	@	@	#	@	@	@Guest		9
18 Jul'16	#	@	@	#	@	@	@	#	#	@	@			7
15 Aug'16	@	@	@	@	@	@	@	#	#	@	@			9
5 Sep'16	@	#	@	@	@	#	@	@	@	@	@			9
10 Oct'16	@	@	@	#	@	#	#	@	@	@	@			8
7 Nov'16	@	@	@	@	@	@	@	@	@	@	@			11
5 Dec'16	@	@	@	@	@	@	@	@	#	@	@			10
19 Dec'16	@	@	@	@	#	@	@	@	#	@	@			9

Notes: Tanya Green relocated interstate during the year and resigned; Joe Pickett was previous Festival Coordinator contract ended in February.

@ = in attendance

= apology given

* = absent without apology

Principal Activities

The principal activity of the association is the **production of the Cygnet Folk Festival** and the associated promotion of this event, including but not limited to:

- the recruitment of performers, acts and venues for the safe and enjoyable presentation of the event,
- preparation and distribution of marketing and promotion material including programs, and advertising in various mediums
- coordination of ticketing and ticket sales for the event
- management of the environs of the festival,
- oversight of all associated activities during the course of the Festival weekend.

Significant Changes

During the year a new Festival Manager/Co-ordinator was appointed in February on a 12 month contract. This contract at the time of this report has been completed and the incumbent has not been reappointed. The Association is currently recruiting for a replacement Festival Co-ordinator.

Operating Result

The surplus after providing for income tax for the financial year amounted to, as per below: \$4,413.48

Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cash-flows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:

Vallorie Hodges (President)

Date / /

Michael Thomsen (Treasurer)

Date / /

Income and Expenditure Statement

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

	2017	2016
Income		
Ticket Sales		
Camping Ticket Sales	-	16,127
Day Ticket Sales	-	37,645
Equipment Hire	-	364
Masterclass Tickets	-	3,364
Memberships	155	449
Supra Tickets	-	3,105
Ticket Sales - all	261,422	-
Weekend Ticket Sales	-	153,500
Total Ticket Sales	261,577	214,554
Product Sales		
Commissions	1,816	4,636
Shop & Merchandise	5,600	926
Stalls	9,986	2,682
Total Product Sales	17,402	8,244
Total Income	278,979	222,797
Cost of Sales		
Artist Fees	87,835	80,505
Card fees - ticket sales	5,273	-
Contractors	13,440	19,130
Donation expenses	1,451	-
Kids Festival	208	569
Masterclasses	-	2,000
Performer Services	6,244	5,931
Production	36,858	28,445
Programming	199	-
Shop Costs	13,027	(85)
Site	20,974	15,872
Venue Dressings	1,686	472
Venue Hire	3,933	3,790
Volunteers	1,744	988
Total Cost of Sales	192,873	157,617
Gross Surplus	86,106	65,180
Other Income		
ATO Tax Debt - prior period adjustment	161	-
Donations & Sponsorships		
Donations	2,629	1,705
Grants	4,820	2,880

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	2017	2016
Sponsorship	12,766	4,555
Interest Income		
Interest	2,906	3,030
Total Interest Income	2,906	3,030
Total Other Income	23,282	12,170
Expenditure		
Admin	2,596	12,226
Bank Fees	365	158
Depreciation	44	-
Equipment under \$100	214	-
Insurances	8,033	-
IT & Marcato	6,806	200
Marketing & Printing Costs	28,222	10,064
Superannuation Expenses	4,714	182
Supra Expenses	-	2,313
Telephone	1,037	757
Travel	2,701	1,244
Wages - all employees	49,621	1,920
Wages Artistic Director	-	7,500
Wages Festival Manager	-	24,948
XERO Fees	622	591
Total Expenditure	104,975	62,102
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	4,413	15,248
Current Year Surplus/ (Deficit) Before Income Tax	4,413	15,248
Net Current Year Surplus After Income Tax	4,413	15,248

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Assets and Liabilities Statement

Huon Folk Inc.

As at 28 February 2017

	NOTES	28 FEB 2017	29 FEB 2016
Assets			
Current Assets			
Cash & Cash Equivalents			
Bendigo Debit Acc #6615	1	17	111
Bendigo Shop Acc #7000	1	10,181	-
Bendigo Term Deposit # 0340	1	42,298	41,198
Bendigo Term Deposit #3662	1	52,754	51,447
Bendigo Working Account	1	47,232	61,236
Total Cash & Cash Equivalents		152,482	153,992
Trade and Other Receivables	2	-	550
Total Current Assets		152,482	154,542
Non-Current Assets			
Plant and Equipment, Vehicles	3	1,206	-
Other Non-Current Assets			
Accruals		-	-
Shop Clearing		-	(751)
Total Other Non-Current Assets		-	(751)
Total Non-Current Assets		1,206	(751)
Total Assets		153,688	153,791
Liabilities			
Current Liabilities			
Trade and Other Payables	2	200	246
GST Payable		6,284	9,845
Total Current Liabilities		6,484	10,091
Other Current Liabilities			
Current Liabilities		1,198	2,108
Total Other Current Liabilities		1,198	2,108
Total Liabilities		7,682	12,199
Net Assets		146,005	141,592
Member's Funds			
Capital Reserve			
Current Year Earnings		19,662	15,248
Retained Earnings		126,343	126,343
Total Capital Reserve		146,005	141,592
Total Member's Funds		146,005	141,592

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes of the Financial Statements

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

Summary of Significant Accounting Policies

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

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

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

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

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 at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

These notes should be read in conjunction with the attached compilation report.

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 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.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

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). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2017	2016
1. Cash on Hand		
Bank accounts/(overdraft)	152,482	153,992
Total Cash on Hand	152,482	153,992
	2017	2016
2. Trade and Other Receivables		
Trade Receivables		
Trade Debtors	-	550
Total Trade Receivables	-	550
Total Trade and Other Receivables	-	550

These notes should be read in conjunction with the attached compilation report.

	2017	2016
3. Plant & Equipment, Vehicles		
Plant & Equipment		
Plant and equipment at cost	11,378	10,129
Accumulated depreciation of plant and equipment	(10,173)	(10,129)
Total Plant & Equipment	1,206	-
Total Plant & Equipment, Vehicles	1,206	-

	2017	2016
4. Trade & Other Payables		
Trade Payables		
Trade Creditors	200	246
Total Trade Payables	200	246
Total Trade & Other Payables	200	246

These notes should be read in conjunction with the attached compilation report.

Movements in Equity

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

	2017	2016
Equity		
Opening Balance	141,592	126,343
Increases		
Surplus for the Period	4,413	15,248
Total Increases	4,413	15,248
Total Equity	146,005	141,592

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

2017

Cash flows from Operating Activities

Receipts from customers	324,358
Payments to suppliers and employees	(199,861)
Interest received	2,906
Cash receipts from other operating activities	4,776
Cash payments from other operating activities	(108,884)
Total Cash flows from Operating Activities	23,295

Cash flows from Investing Activities

Payment for property, plant and equipment	(1,249)
Other cash items from investing activities	(751)
Total Cash flows from Investing Activities	(2,001)

Cash flows from Other Activities

Other activities	(22,805)
Total Cash flows from Other Activities	(22,805)

Net increase/(decrease) in cash held (1,510)

Cash Balances

Opening cash balance	153,992
Closing cash balance	152,482
Movement in cash	(1,510)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

True and Fair Position

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

Annual Statements Give True and Fair View of Financial Position and Performance of the Association

We, Michael Thomsen, and Vallorie Hodges, being members of the committee of Huon Folk Inc., certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of Huon Folk Inc. during and at the end of the financial year of the association ending on 28 February 2017.

Signed:

Dated: / /

Signed:

Dated: / /

Auditor's report

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

Independent Auditors Report to the members of the Association

We have audited the accompanying financial report, being a special purpose financial report, of Huon Folk Inc. (the association), which comprises the committee's report, the assets and liabilities statement as at 28 February 2017, the income and expenditure statement for the year then ended, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Committee's Responsibility for the Financial Report

The committee of Huon Folk Inc. 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 [insert name of applicable state/territory Act] and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 the 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.

Opinion

In our opinion, the financial report presents fairly, in all material respects (or gives a true and fair view –refer to the applicable state/territory Act), the financial position of Huon Folk Inc. as at 28 February 2017 and (of) its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the [insert name of applicable state/territory Act].

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Huon Folk Inc. to meet the requirements of the [insert name of applicable state/territory Act]. As a result, the financial report may not be suitable for another purpose.

Auditor's signature: [insert name]

Auditor's address: [insert address]

Dated: / /

Depreciation Schedule

Huon Folk Inc.

For the period 1 March 2016 to 28 February 2017

NAME	RATE	PURCHASED	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Equipment								
2 way radios		24 Nov 2016	155	-	155	-	8	146
battery floodlights	10%	27 Dec 2016	133	-	133	-	2	131
guitar & drum stools	10%	9 Dec 2016	773	-	773	-	17	755
Various Equipment	10%	29 Feb 2016	10,129	-	-	-	-	-
Walkie Talkie purchase Star Rich Trading		28 Sep 2016	189	-	189	-	16	173
Total Equipment			11,378	-	1,249	-	44	1,206
Total			11,378	-	1,249	-	44	1,206