

Not For Profit - Association Report

Huon Folk Inc.

ABN 46302554725

For the year ended 28 February 2018

Prepared by 4 Business & Community

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Committee's Report

Huon Folk Inc.

For the year ended 28 February 2018

Committee's Report

Your committee members submit the financial report of Huon Folk Inc. for the financial year ended 28 February 2018.

Committee Members

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

| Name | Position | Date started on committee | Date started in current role |
|--------------------------|---|----------------------------------|-------------------------------------|
| Vallorie Hodges (VH) | President | Mar 2015 | Mar 2015 |
| Anne Foale (AF) | Vice President | Mar 2015 | Mar 2016 |
| Robert Durand (RD) | Secretary | Jan 2015 | Mar 2016 |
| Michael Thomsen (MT) | Treasurer | Jan 2014 | Mar 2015 |
| Michael Bentley (MB) | Committee Member | Mar 2017 | Mar 2017 |
| Sally Port (SP) | Committee Member | Feb 2015 | Feb 2015 |
| Susan Appleton (SA) | Committee Member | Apr 2016 | Apr 2016 |
| Bonnie Ferguson (BF) | Committee Member | Apr 2016 | Apr 2016 |
| Heather Cuthbertson (HC) | Committee Member | Mar 2017 | Mar 2017 |
| Raymon Mainsbridge (RM) | Committee Member | Nov 2017 | Nov 2017 |
| Erin Collins (EC) | Artistic Director (Ex-officio member) | 2011 | Jan 2016 |
| Joseph Pickett (JP) | Festival Co-ordinator (ex-officio member) | n/a | 2014-2016 + 2017-2018 |

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 | MB | SP | SA | BF | HC | RM | EC | JP | No of committee present |
|----------|----|----|----|----|----|----|----|----|----|-----|----|-----|-------------------------|
| 30/4/17 | @ | @ | @ | @ | @ | # | @ | @ | # | n/a | @ | n/a | 7 |
| 14/5/17 | @ | # | @ | # | @ | @ | # | @ | @ | n/a | @ | @ | 6 |
| 25/6/17 | * | @ | @ | @ | @ | * | @ | @ | * | n/a | @ | @ | 6 |
| 24/7/17 | @ | @ | @ | @ | @ | @ | @ | # | # | n/a | @ | @ | 7 |
| 20/8/17 | # | @ | @ | @ | @ | # | @ | @ | @ | n/a | @ | @ | 7 |
| 17/9/17 | @ | @ | @ | @ | @ | @ | @ | @ | @ | n/a | @ | @ | 9 |
| 15/10/17 | @ | @ | @ | # | # | @ | # | @ | @ | n/a | @ | @ | 6 |
| 19/11/17 | @ | @ | @ | # | @ | @ | @ | @ | @ | n/a | @ | @ | 8 |
| 17/12/17 | @ | @ | @ | @ | @ | @ | @ | @ | @ | # | @ | @ | 9 |
| 7/1/18 | @ | @ | @ | @ | @ | @ | @ | @ | @ | @ | @ | @ | 10 |
| 28/1/18 | @ | @ | @ | @ | # | @ | @ | # | @ | # | @ | @ | 7 |
| 18/2/18 | @ | @ | @ | @ | @ | @ | @ | @ | @ | @ | @ | @ | 10 |

@ = in attendance

= apology given

* = absent without apology

n/a = not currently on the committee

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

Bridget Binnie employed as new Festival Coordinator (Jan 2018)

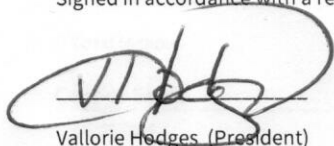
Operating Result

The surplus after providing for income tax for the financial year amounted to, as per below: \$9,249

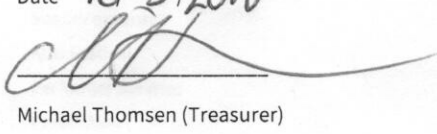
Going Concern

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 18/3/2018


Michael Thomsen (Treasurer)

Date 18/3/2018

Income and Expenditure Statement

Huon Folk Inc.

For the year ended 28 February 2018

| | 2018 | 2017 |
|--|----------------|----------------|
| Income | | |
| Ticket Sales | | |
| Membership Fees | 155 | 155 |
| Ticket Sales | 268,139 | 261,422 |
| Total Ticket Sales | 268,294 | 261,577 |
| Product Sales | | |
| Other Income | 2,380 | 1,816 |
| Shop & Merchandise | 5,580 | 5,600 |
| Stalls | 3,645 | 9,986 |
| Total Product Sales | 11,605 | 17,402 |
| Total Income | 279,899 | 278,979 |
| Cost of Sales | | |
| Artist Fees | 89,023 | 88,034 |
| Card fees - ticket sales | - | 5,273 |
| Contractors | 25,830 | 13,840 |
| Sundry expenses | - | 3,846 |
| Kids Festival | - | 208 |
| Performer Services | 9,943 | 6,244 |
| Production | 33,422 | 36,858 |
| Shop & Merch costs | 2,659 | 13,027 |
| Site | 16,831 | 22,610 |
| Venue Dressing | - | 1,686 |
| Venue Hire | 5,298 | 3,933 |
| Volunteers | 1,364 | 1,744 |
| Total Cost of Sales | 184,370 | 197,304 |
| Gross Surplus | 95,529 | 81,676 |
| Other Income | | |
| ATO Tax Debt - prior period adjustment | - | 161 |
| Donations & Sponsorships | | |
| Donations | 1,812 | 2,629 |
| Grants | 2,500 | 4,820 |
| Sponsorship | 7,500 | 12,766 |
| Interest Income | | |
| Interest | 2,351 | 2,906 |
| Total Interest Income | 2,351 | 2,906 |
| Total Other Income | 14,163 | 23,283 |
| Expenditure | | |
| Admin | 999 | 2,596 |

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

Income and Expenditure Statement

| | 2018 | 2017 |
|--|----------------|----------------|
| Bank Fees | 380 | 365 |
| Depreciation | 159 | 44 |
| Equipment under \$100 | - | 214 |
| Insurances | 6,806 | 8,033 |
| IT & Marcato | 5,215 | 6,806 |
| Marketing & Printing | 17,791 | 28,222 |
| Super | 2,858 | 4,805 |
| Telephone | 498 | 1,037 |
| Termination Payment Costs | 4,176 | - |
| Travel | 1,333 | 2,701 |
| Wages - all employees | 31,551 | 50,581 |
| Xero | 186 | 622 |
| Contractor - Coordinator | 22,380 | - |
| Accounting & Bookkeeping | 4,886 | - |
| Programming | 1,225 | - |
| Total Expenditure | 100,443 | 106,027 |
| Current Year Surplus/ (Deficit) Before Income Tax Adjustments | 9,249 | (1,068) |
| Current Year Surplus/ (Deficit) Before Income Tax | 9,249 | (1,068) |
| Net Current Year Surplus After Income Tax | 9,249 | (1,068) |

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 2018

| | NOTES | 28 FEB 2018 | 28 FEB 2017 |
|--|-------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Cash & Cash Equivalents | | | |
| Bendigo Debit Acc #6615 | 1 | 74 | 17 |
| Bendigo Shop Acc #7000 | 1 | 12,389 | 10,181 |
| Bendigo Term Deposit # 0340 | 1 | 42,805 | 42,298 |
| Bendigo Term Deposit #3662 | 1 | 53,934 | 52,754 |
| Bendigo Working Account | 1 | 56,425 | 47,232 |
| Total Cash & Cash Equivalents | | 165,627 | 152,482 |
| Trade and Other Receivables | 2 | 1,500 | - |
| Total Current Assets | | 167,127 | 152,482 |
| Non-Current Assets | | | |
| Plant and Equipment, Vehicles | 3 | 1,046 | 1,206 |
| Total Non-Current Assets | | 1,046 | 1,206 |
| Total Assets | | 168,173 | 153,688 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 4 | 650 | 5,148 |
| GST Payable | | 15,690 | 5,881 |
| Total Current Liabilities | | 16,340 | 11,029 |
| Other Current Liabilities | | | |
| Current Liabilities | | 1,124 | 1,198 |
| Total Other Current Liabilities | | 1,124 | 1,198 |
| Total Liabilities | | 17,464 | 12,227 |
| Net Assets | | 150,709 | 141,460 |
| Member's Funds | | | |
| Capital Reserve | | | |
| Current Year Earnings | | 9,249 | 15,081 |
| Retained Earnings | | 141,460 | 126,379 |
| Total Capital Reserve | | 150,709 | 141,460 |
| Total Member's Funds | | 150,709 | 141,460 |

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 year ended 28 February 2018

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.

| | 2018 | 2017 |
|--|----------------|----------------|
| 1. Cash on Hand | | |
| Bank accounts/(overdraft) | 165,627 | 152,482 |
| Total Cash on Hand | 165,627 | 152,482 |
| | 2018 | 2017 |
| 2. Trade and Other Receivables | | |
| Trade Receivables | | |
| Trade Debtors | 1,500 | - |
| Total Trade Receivables | 1,500 | - |
| Total Trade and Other Receivables | 1,500 | - |

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

| | 2018 | 2017 |
|---|--------------|--------------|
| 3. Plant & Equipment, Vehicles | | |
| Plant & Equipment | | |
| Plant and equipment at cost | 11,378 | 11,378 |
| Accumulated depreciation of plant and equipment | (10,332) | (10,173) |
| Total Plant & Equipment | 1,046 | 1,206 |
| Total Plant & Equipment, Vehicles | 1,046 | 1,206 |
| | 2018 | 2017 |

4. Trade & Other Payables

| | | |
|---|------------|--------------|
| Trade Payables | | |
| Trade Creditors | 650 | 5,148 |
| Total Trade Payables | 650 | 5,148 |
| Total Trade & Other Payables | 650 | 5,148 |

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

Movements in Equity

Huon Folk Inc.

For the year ended 28 February 2018

| | 2018 | 2017 |
|------------------------|----------------|----------------|
| Equity | | |
| Opening Balance | 141,460 | 142,529 |
| Increases | | |
| Surplus for the Period | 9,249 | (1,068) |
| Total Increases | 9,249 | (1,068) |
| Total Equity | 150,709 | 141,460 |

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 year ended 28 February 2018

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 2018.

Signed:

Dated:

Signed:

Dated:

Compilation report

Huon Folk Inc.

For the year ended 28 February 2018

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 2018, 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: / /

Depreciation Schedule

Huon Folk Inc.

For the year ended 28 February 2018

| NAME | RATE | PURCHASED | COST | OPENING VALUE | PURCHASES | DISPOSALS | DEPRECIATION | CLOSING VALUE |
|--|--------|-------------|---------------|---------------|-----------|-----------|--------------|---------------|
| Equipment | | | | | | | | |
| 2 way radios | | 24 Nov 2016 | 155 | 146 | - | - | 31 | 115 |
| battery floodlights | 10.00% | 27 Dec 2016 | 133 | 131 | - | - | 13 | 118 |
| guitar & drum stools | 10.00% | 9 Dec 2016 | 773 | 755 | - | - | 77 | 678 |
| Various Equipment | 10.00% | 29 Feb 2016 | 10,129 | - | - | - | - | - |
| Walkie Talkie purchase Star Rich Trading | | 28 Sep 2016 | 189 | 173 | - | - | 38 | 135 |
| Total Equipment | | | 11,378 | 1,206 | - | - | 159 | 1,046 |
| Total | | | 11,378 | 1,206 | - | - | 159 | 1,046 |

Independent auditor's report

To members of Huon Folk Inc

I have audited the special purpose financial report of Huon Folk Inc for the period ended 28 February 2018.

Audit Opinion

In my opinion, the special purpose financial report of Huon Folk Inc presents fairly in accordance with applicable accounting standards and other mandatory professional reporting requirements in Australia the financial position of the Association as at 28 February 2018 and the results of its operations for the period then ended.

Limitation of Scope

It is not practicable to establish complete accounting control over all receipts processed by the Association from all of its activities. Verification therefore has been limited to the receipt of funds recorded in the Association's financial records.

Management Committee's Responsibility for the Financial Report

The Management Committee is responsible for preparation and fair presentation of the special purpose financial report and information contained therein. This responsibility includes establishing and maintaining internal controls relevant to preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the accounts are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting amounts and other disclosures in the accounts, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) (where applicable), and statutory requirements so as to present a view which is consistent with my understanding of the Association's financial position and the results of its operations and cash flows.

The audit opinion in this report has been formed on the above basis.

Independence

To the best of my knowledge and belief, there has been no contravention of auditor independence and any applicable code of professional conduct in relation to the audit.

MAX PECK & ASSOCIATES



Rendell W. RIDGE
16 March 2018