

MOSMAN PARK ARTS FOUNDATION
(Company Limited by Guarantee)

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2019

Contents

DIRECTORS' REPORT.....	3
CURRENT DIRECTORS AND OFFICERS	4
STATEMENT BY THE MEMBERS OF THE BOARD	6
TRADING STATEMENT.....	7
INCOME & EXPENDITURE STATEMENT	8
BALANCE SHEET	9
STATEMENT OF CASH FLOWS	10
RECONCILIATION OF NET SURPLUS TO NET CASH RECEIVED.....	11
STATEMENT OF CHANGES IN EQUITY.....	11
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS.....	12
AUDIT REPORT.....	18

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

DIRECTORS' REPORT

The Directors submit the financial statements of the Company for the year ended 30th June 2019.

DIRECTORS

The names of the Directors in office at the date of this report are:

Christine Tomas

Jodi Earnshaw

Jason Parish

Shelley Maree Whitaker

George Grundy (Chair)

PRINCIPAL ACTIVITIES

The principal activity of the Company is to encourage, develop and promote the visual and performing arts within the community of Mosman Park.

OPERATING RESULTS

The operating deficit for the year amounted to (\$5,901).

LIKELY FUTURE DEVELOPMENTS

Mosman Park Arts Foundation aims to expand its program of cultural, arts and recreational events and increase community participation.

DIRECTORS' BENEFITS

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company or a related body corporate with the Director, a firm of which the Director is a member or an entity in which the Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, prepared in accordance with the Corporations Act, the fixed salary of a full time employee of the Company or related body corporate.

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

DIRECTORS' REPORT (Contd.)

CURRENT DIRECTORS AND OFFICERS

Elizabeth Eustance	Director Appointed 12/09/2012 Resigned: 19/03/2019
Emilia Jolakoska	Director Appointed 19/03/2019 Resigned 12/03/2020
George Grundy:	Chair Appointed 14/08/2020
	Director Appointed: 13/10/2017
Shelley Whitaker	Director Appointed 12/09/2012
Jodi Earnshaw	Director Appointed 3/12/2018
Christine Tomas	Managing Director Appointed 26/06/2019
Paul Avon-Smith	Chair Appointed 15/04/2015 Resigned: 3/08/2020
Jason Parish	Company Secretary Appointed 30/04/2014
	Director Appointed 14/08/2014

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

DIRECTORS' REPORT (Contd.)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Building was re-opened a couple of years ago and the management of the artistic direction of the Building changed with the appointment of a specialist Artistic Director.

EVENTS SUBSEQUENT TO BALANCE DATE

The Café operations have now been brought back under the control of the Board.

A new Venue Manager has been employed to oversee the promoting and booking of the Venue. Along with this the building has had some modest investment in repairing the dated wiring as well as significant effort spent cleaning up the building so as to increase the rentable space. As a result of this there has been a significant increase in bookings made and increased revenues along with a new permanent hirer of space and an increased commitment from a previous hirer. This has eased any concerns regarding the Going Concern in the short to medium term.

Dated at Perth this 26th day of October 2020

Signed in accordance with resolution of the Board of Directors:



Chair

George Grundy

Company Secretary

Jason Parish

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

STATEMENT BY THE MEMBERS OF THE BOARD

The Board has determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board, the financial statements for the year ended 30 June 2019 as set out in the Balance Sheet, Trading Statement, Statement of Income and Expenditure, Statement of Cash Flows and Notes to and Forming Part of the Accounts –

1. Present a true and fair view of the financial position of Mosman Park Arts Foundation.
2. At the date of this statement there are reasonable grounds to believe that Mosman Park Arts Foundation will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



CHAIR

George Grundy



COMPANY SECRETARY

Jason Parish

Dated this 19th day of November 2020

MOSMAN PARK ARTS FOUNDATION
ABN: 58 060 063 934

TRADING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
INCOME		
Ordinary income from operations	449,660	465,208
Donations & Sponsorship	<u>2,331</u>	<u>-</u>
<i>Total Income</i>	451,991	465,208
LESS COST OF GOODS SOLD		
Purchases & Other Costs	56,264	55,623
<i>Total Cost of Goods Sold</i>	<u>56,264</u>	<u>55,623</u>
GROSS PROFIT FROM TRADING	<u><u>394,727</u></u>	<u><u>409,585</u></u>

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
GROSS PROFIT FROM TRADING	<u>394,727</u>	<u>409,585</u>
LESS: EXPENDITURE		
<i>General & Administration Expenses</i>		
Administration Expenses	115,391	115,193
Advertising & Marketing	3,162	286
Accounting Expenses	17,300	13,914
Bank & Merchant Fees	4,357	3,584
Board Expenses	-	25
Depreciation	27,084	23,031
Donations & Sponsorship	-	318
Insurance Expenses	22,049	17,674
Interest expense	1,022	752
Postage, Printing & Stationery	5,871	2,940
Professional Fees	810	300
Rates & Taxes	1,879	1,747
Repairs & Maintenance	7,492	32,622
Telephone & Fax	4,996	2,035
Wages & Salaries	<u>190,215</u>	<u>210,479</u>
<i>Total Expenditure</i>	<u>401,628</u>	<u>424,900</u>
OPERATING PROFIT / (LOSS)	<u>(5,901)</u>	<u>(15,315)</u>
Accumulated Profit/(Loss) at beginning of financial year	<u>85,228</u>	<u>100,543</u>
ACCUMULATED PROFITS AT END OF FINANCIAL YEAR	<u>79,327</u>	<u>85,228</u>

MOSMAN PARK ARTS FOUNDATION
ABN: 58 060 063 934

BALANCE SHEET
AS AT 30 JUNE 2019

	NOTE	2019 \$	2018 \$
Current Assets			
Cash & Cash Equivalents	2	25,667	29,511
Receivables	3	<u>9,185</u>	<u>8,647</u>
<i>Total Current Assets</i>		<u>35,252</u>	<u>38,158</u>
Non-Current Assets			
Property, Plant & Equipment	4	113,564	138,572
Other Investments		<u>400</u>	<u>400</u>
<i>Total Non-Current Assets</i>		<u>113,964</u>	<u>138,972</u>
TOTAL ASSETS		<u>148,816</u>	<u>177,130</u>
Current Liabilities			
Trade & Other Payables	5	36,715	59,218
Other Current Liabilities	5	9,275	9,275
Provisions	6	<u>9,676</u>	<u>3,738</u>
<i>Total Current Liabilities</i>		<u>55,666</u>	<u>72,231</u>
Non-Current Liabilities			
Loans & Borrowings		<u>13,823</u>	<u>19,671</u>
<i>Total Non-Current Liabilities</i>		<u>13,823</u>	<u>19,671</u>
TOTAL LIABILITIES		<u>69,489</u>	<u>91,902</u>
NET ASSETS		<u>79,327</u>	<u>85,228</u>
ACCUMULATED FUNDS			
Opening Balance at 1 July		85,228	100,543
Add: Surplus/(Deficit) for the Year		<u>(5,901)</u>	<u>(15,315)</u>
BALANCE ACCUMULATED FUNDS		<u>79,327</u>	<u>85,228</u>

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	2019
	\$
Cash Flows from Operating Activities	
Cash Receipts from Customers	
Bar & Facilities Income	494,088
Grants and Sponsorships	2,331
<i>Total Cash Receipts from Customers</i>	(496,419)
Cash Payments to Suppliers, Consultants and Employees	<u>(492,340)</u>
<i>Net Cash Flows from Operating Activities</i>	<u>4,080</u>
Cash Flows from Investing Activities	
Acquisition of Plant and Equipment	<u>(2,075)</u>
<i>Net Cash Flows used in Investing Activities</i>	<u>(2,075)</u>
Cash Flows from Financing Activities	
Repayment of Loan	-
Borrowings	<u>(5,848)</u>
<i>Net Cash Flows used in Financing Activities</i>	<u>(5,848)</u>
Net Decrease in Cash and Cash Equivalents	(3,843)
Cash & Cash Equivalents at Beginning of Financial Year	<u>29,511</u>
CASH & CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>25,511</u>

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

RECONCILIATION OF NET SURPLUS TO NET CASH RECEIVED FROM ACTIVITIES DURING THE YEAR

	2019
	\$
Net Income/(Deficit)	(5,901)
<i>Non Cash Items</i>	
Depreciation and Amortisation	27,084
Loss on sale of investments	
<i>Changes in Assets and Liabilities</i>	
(Increase)/Decrease in Receivables	(538)
(Increase)/Decrease in Employee Benefits	5,938
Increase/(Decrease) in Payables	(7,143)
Increase/(Decrease) in Provision for Bad Debts	(17,406)
Increase/(Decrease) in Other payables	(6,000)
Increase/(Decrease) in GST liabilities	(6,241)
Net Cash Flow from Activities During the Year	4,080

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

2018	Issued Capital	Reserves	Accumulated Profits	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2017	-	-	100,543	100,543
Net Profit (Loss) for the period	-	-	(15,315)	(15,315)
Balance at 30 June 2018	-	-	85,228	85,228

2019	Issued Capital	Reserves	Accumulated Profits	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2018	-	-	85,228	85,228
Net Profit (Loss) for the period	-	-	(5,901)	(5,901)
Balance at 30 June 2019	-	-	79,327	79,327

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Basis of preparation

Compliance with accounting standards

The financial report is a special purpose financial report, which has been prepared to meet the requirements of the Board to provide information to members of the Mosman Park Arts Foundation.

The accounts have been prepared on an accrual basis and based on historical costs and except where stated do not take into account the changing money value or fair valuations of non-current assets.

Contributions received and yet to be expended at the balance date are recognised in the balance sheet as a liability. Non-monetary grants of plant and equipment are recognised at estimated fair value in the year in which the items are received.

The Foundation is not a reporting entity and is not obliged to adhere to mandatory reporting requirements of Australian Accounting Standards and other professional reporting requirements (UIG Interpretations). Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRSs) which are required to be adopted from 1st January 2005 and are therefore applicable for both financial periods covered in this report. Notwithstanding the special purpose reporting status of the Foundation, the Board have, unless stated otherwise, followed generally accepted accounting principles in preparing the results for the period under consideration and have prepared the financial report in accordance with all applicable Australian Accounting Standards and UIG Interpretation except for the following:

AASB 108 - Accounting Policies, Changes in accounting Estimates and Errors

AASB 132 - Financial Instruments

AASB 1031 - Materiality

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements.

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Company's disclosures.

Comparatives

Certain comparatives have been reclassified where necessary to be consistent with the current year's disclosures.

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont.)

FOR THE YEAR ENDED 30 JUNE 2019

Going concern:

As at 30 June 2019 the Foundation has incurred an operating loss of (\$5,901) (2018: \$15,316), has cash and cash equivalent of \$25,667 (2018: \$29,511) and negative working capital of \$20,414 (2018: negative of \$642,720). The ability of the Foundation to continue as a going concern will depend on the ability of management to obtain additional grants, to increase the future income from donations, sponsorships, sales or rentals, and to reduce the future expenditure.

As at the date of this report, the Board of Directors the Foundation is satisfied that it has raised sufficient funds to pay its liabilities. Further, it has continued with its plan to grow revenue and strengthen the working capital of the Foundation.

(b) Revenue

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the interest rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont.)

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) Taxation and Goods and Services Tax

The Foundation promotes the Arts and Literature and is classed as exempt from Income Tax by virtue of Division 50 of the Income Tax Assessment Act 1997.

The net amount of goods and services tax recoverable from or payable to the Australian Taxation Office is included as a current asset or liability in the balance sheet. Revenue, expenses and assets are recognised net of the GST. Trade receivables and payables are stated with the amount of GST included.

(d) Acquisition of assets and construction work in progress

All assets acquired including buildings constructed or under construction and plant and equipment are initially recorded at their cost of acquisition at the contractual amount paid and accrued at the date of their acquisition or construction. In the case of donated assets, the fair value of the asset as at the date of acquisition has been used.

(e) Receivables

The recoverability of receivables is assessed at balance date and debts that are known to be uncollectible are written off.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

(g) Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis less any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of the assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

(h) Depreciation

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont.)

FOR THE YEAR ENDED 30 JUNE 2019

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold Improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

	2019	2018
	%	%
Computer Equipment	33.33	33.33
Furniture and Fixtures	12.50	12.50
Infrastructure and Leasehold Improvements	6.67	6.67
All Other Plant and Equipment	20.00	20.00

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to the retained earnings.

(i) Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of the recognition of the liability.

(j) Employee entitlements

Provision is made for the Foundation's liability for employee entitlements arising from services rendered by employees to the reporting date. Employee entitlements for wages and salaries, annual leave and long service leave have been measured at amounts expected to be paid when the liability is settled plus related on-costs. Long service leave is accrued on a proportional basis from either year 5 or 8 onwards for 13 weeks' entitlement after either 10 or 15 years of service plus related on costs. Contributions made to employee nominated superannuation funds are charged as expenses when incurred.

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont.)
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 2 CASH & CASH EQUIVALENTS		
Westpac Trading Account	12,634	4,879
Westpac Business Account	404	1,511
Other Cash Balances	<u>12,629</u>	<u>23,121</u>
	<u>25,667</u>	<u>29,511</u>
NOTE 3 RECEIVABLES		
Trade Debtors	<u>9,185</u>	<u>8,647</u>
	<u>9,185</u>	<u>8,647</u>
	2019	2018
	\$	\$
NOTE 4 PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment at Cost	309,849	307,774
Less: Accumulated Depreciation	<u>(196,286)</u>	<u>(169,202)</u>
	<u>113,564</u>	<u>138,752</u>

MOSMAN PARK ARTS FOUNDATION

ABN: 58 060 063 934

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (cont.)

FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5 TRADE & OTHER PAYABLES

Trade Creditors	22,740	15,597
GST Liabilities	13,524	19,765
Accrued Expenses	-	6,000
	<u>36,264</u>	<u>21,597</u>

Other Current Liabilities

Bonds Payable & Deposits Held	9,276	9,726
	<u>45,540</u>	<u>31,323</u>

NOTE 6 PROVISIONS

Less provision for doubtful debts	-	17,406
Superannuation Payable	3,770	2,214
Employee provisions	5,906	1,523
	<u>9,676</u>	<u>21,143</u>

NOTE 7: SHAREHOLDER'S EQUITY

The Foundation is a Company limited by guarantee.

Every member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up, not exceeding \$1 per member.

Mosman Park Arts Foundation

Review Report

FOR THE YEAR ENDED 30 JUNE 2019

Radar Accounting
2/800 South Western Hwy
Byford, WA 6122

08 9526 9231
nicole@radaraccounting.com.au
www.radaraccounting.com.au

Review Details

Independent Report to the members of the Association

We have reviewed the accompanying financial report, being a special purpose financial report, of Mosman Park Arts Foundation for the financial year ended 30 June 2019

Committee's Responsibility for the Financial Report

The committee of Mosman Park Arts Foundation is responsible for the preparation and fair presentation of the financial report, and has determined that the cash basis of preparation is appropriate to meet the requirements of the club and its 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.

Our Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation* in order to state whether, on the basis of procedures described, anything has come to our attention that causes us to believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act including; giving a true and fair view of the registered entity's financial position as at 30 June 2019 and its performance for the year ended on that date. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review Details

Conclusion


Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Mosman Park Arts Foundation does not satisfy the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including;

a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards

Basis of Accounting and Restriction on Distribution

The financial report has been prepared to assist Mosman Park Arts Foundation to meet the requirements of its members. As a result, the financial report may not be suitable for another purpose.



Name: NICOLE Yvonne Cunnold

Address: 2/800 South Western Hwy, Byford WA 6122

Dated: 19th November, 2020