

Annual Financial Statements

Ku-ring-gai Art Society

ABN 98137425027

For the year ended 31 December 2018

Prepared by Sherley & Sherley

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True and Fair Position

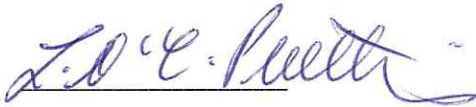
Ku-ring-gai Art Society For the year ended 31 December 2018

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

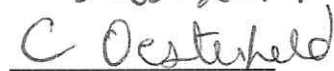
We, Charmaine Phillips, and Caroline Oesterheld being members of the committee of Ku-ring-gai Art Society, certify that –

1. The statements attached to this certificate give a true and fair view of the financial position and performance of Ku-ring-gai Art Society during and at the end of the financial year of the association ending on 31 December 2018, and
2. At the date of this statement, there are reasonable grounds to believe that Ku-ring-gai Art Society 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 of Management and is signed for and on behalf of the Committee of Management by:



Charmaine Phillips

Date 5/03/2019


Caroline Oesterheld

Date 5/03/2019

Members's Report

Ku-ring-gai Art Society For the year ended 31 December 2018

Committee's Report

The committee submits the financial report of the association for the financial year ended 31 December 2018.

1. Principal Activities

The principal activities of the association during the financial year were to foster the visual arts and to hold within the Municipality of Ku-ring-gai at least once a year, an exhibition of selected works of Exhibiting Members.

History of Association

The Ku-ring-gai Art Society was founded in 1965 and was incorporated on 7th August 1991 as an incorporated association in New South Wales under the Associations Incorporation Act 2009. The Society was formed with objects to foster visual arts, including the holding of an exhibition of selected works of Exhibiting Members at least once a year within the Municipality of Ku-ring-gai.

2. Significant Changes

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

3. Committee

The names of the committee members throughout the year of this report are

President	Charmaine Phillips
Vice President	Thomasin Graham
Vice President	Elizabeth Harriott
Secretary	Jan Harrington-Johnson
Minute Secretary	Susan Smart
Treasurer	Caroline Oesterheld
Exhibition Manager	Robyne Berling
Selection Manager	Daria Hahn
Property Manager	David Hammersley
Publicity Officer	Lana-Leigh Lombard

4. Operating Result

The surplus of the society for the financial year amounted to \$7,209 (2017: \$18,845).

5. Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

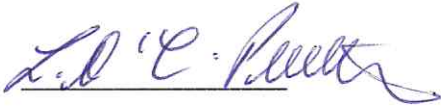
6. After Balance Sheet Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

7. Members Liability

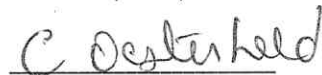
The liability of a member of the association to contribute towards the payment of the debts and liabilities of the association or the costs, charges and expenses of the winding up of the association is limited to the amount, if any, unpaid by the member in respect of membership of the association as required by Section 9 of the Association Incorporation Act 2009 (NSW).

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



Charmaine Phillips

Date 5,03,2019



Caroline Oesterheld

Date 5,03,2019

Assets and Liabilities Statement

Ku-ring-gai Art Society As at 31 December 2018

	NOTES	31 DEC 2018	31 DEC 2017
Assets			
Current Assets			
Cash and Cash Equivalents	2	22,919	21,937
Trade and Other Receivables	3	710	380
Total Current Assets		23,629	22,317
Non-Current Assets			
Term Deposits	4	156,590	145,748
Plant and Equipment and Vehicles	5	5,849	5,373
Total Non-Current Assets		162,439	151,120
Total Assets		186,068	173,438
Liabilities			
Current Liabilities			
Provisions	6	5,421	1,195
Total Liabilities		5,421	1,195
Net Assets		180,647	172,243
Member's Funds			
Capital Reserve		180,647	172,243
Total Member's Funds		180,647	172,243

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

Ku-ring-gai Art Society

For the year ended 31 December 2018

	NOTES	2018	2017
Revenue			
Membership Fees		15,905	16,006
Raffle Proceeds		845	592
General Donations & Gifts		30	34
Exhibition Income	8	17,132	18,477
Sales of Anniversary Book		190	518
Sundry Income		571	756
Total Revenue		34,673	36,383
Other Income			
Interest Income		3,504	3,699
TOTAL INCOME		38,177	40,082
Expenditure			
Workshop Loss	9	3,546	1,789
General & Administration Cost		27,422	19,448
Total Expenditure		30,968	21,237
Current Year Surplus/ (Deficit)		7,209	18,845

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 - Direct Method

Ku-ring-gai Art Society For the year ended 31 December 2018

	2018	2017
Operating Activities		
Receipts From Customers	138,762	174,151
Payments to Suppliers and Employees	(127,803)	(3,344)
Net Cash Flows from Operating Activities	10,959	170,807
Investing Activities		
Payment for Property, Plant and Equipment	(2,640)	(6,821)
Payment for Investments	(7,338)	(142,049)
Net Cash Flows from Investing Activities	(9,978)	(148,870)
Net Cash Flows	981	21,937
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	21,937	-
Cash and cash equivalents at end of period	22,919	21,937
Net change in cash for period	981	21,937

Notes to the Financial Statements

Ku-ring-gai Art Society For the year ended 31 December 2018

1. Summary of Significant Accounting Policies

These special purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. These standards establish a differential financial reporting framework consisting of two tiers of reporting requirements for special purpose financial statements:

- > Tier 1 – Full Australian Accounting Standards
- > Tier 2 – Australian Accounting Standards – Reduced Disclosure Requirements.

The Committee of the Ku-ring-gai Art Society has identified the association as a tier two association and therefore has adopted the Reduced Disclosure Requirement Standard. This has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no other impact on the current or prior year financial statements. This change became effective for all statements prepared after 30 June 2013 and therefore all the comparative number in these financial statements has been restated.

Historical cost convention, currencies and judgments

The financial statements have been prepared on the basis of historical cost convention except if otherwise indicated in the notes. The financial statements are presented in Australian Dollars, which is the functional currency of the association. Any judgments, estimates and assumptions made by the committee in preparing the information in the financial statements will be indicated under the note it relates too.

Income Tax

The association is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office.

Property, Plant and Equipment (PPE)

Property, Plant and Equipment acquired by or donated to the association are carried at the original cost.

Items of property, plant and equipment are depreciated over their useful lives to the association commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis over the expected useful economic lives of the assets as follows:

	2018 years	2017 years
Lighting & Screens	4	4
Office Equipment	-	-
Computer Equipment & Printers	10	10

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

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.

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.

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

Trade payables and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

	2018	2017
2. Cash on Hand		
Ku-ring-gai Art Society	22,869	21,887
Petty Cash	50	50
Total Cash on Hand	22,919	21,937

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

	2018	2017
3. Trade and Other Receivables		
Other Receivables		
Key Deposit - KMC	660	330
Key Deposit - Masonic Centre	50	50
Total Other Receivables	710	380

	2018	2017
4. Term Deposits		
Deposit - Bendigo Bank	60,283	60,289
Deposit #2 Bendigo Bank	51,597	51,714
Deposit - Westpac	22,755	22,236
Deposit #3 Westpac	21,955	11,509
Total Term Deposits	156,590	145,748

	2018	2017
5. Plant and Equipment, Motor Vehicles		
Plant and Equipment		
Plant and Equipment at Cost	10,946	8,306
Accumulated Depreciation of Plant and Equipment	(5,097)	(2,933)
Total Plant and Equipment	5,849	5,373
Total Plant and Equipment, Motor Vehicles	5,849	5,373

	2018	2017
6. Provisions		
Provisions	5,421	1,195
Total Provisions	5,421	1,195

7. Related Party Transactions

Payments to Members

The association contracted Caroline Oesterheld to provide accounting and treasury services to the association. Caroline Oesterheld is a committee member of the association. During the year \$2,000 was paid to for her services.

	2018	2017
8. Exhibitions		
Sale of Artwork during exhibitions	95,714	129,820
Less: Paid to Artist	71,701	97,109
Surplus/ (Loss) from sale of art work	24,013	32,711
Exhibition Fees Received	13,800	13,375
Sponsorship Received & Prizes Donated		
Prize Sponsorships	6,100	5,450
Total Sponsorship Received & Prizes Donated	6,100	5,450
Exhibition Income	43,913	51,536

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

Direct Exhibition Expenses		
Exhibition Catalogues	(1,540)	(1,298)
Exhibition Invitations	(1,195)	(992)
Exhibition Hanging Costs	(1,439)	(2,859)
Printing Costs (Exhibitions)	(902)	-
Framing of Raffle Painting	(145)	(372)
Prizes	(12,575)	(10,929)
Total Direct Exhibition Expenses	(17,796)	(16,450)
Gross Surplus /(Loss) from Exhibition Activity	26,118	35,086
Exhibition Overheads		
Advertising	(642)	(2,311)
Banners	(397)	(3,361)
Donations	(2,000)	(2,400)
Flowers	(315)	(85)
Sundry Exhibition Expenses	193	(718)
Judge's Fees	(1,356)	(1,220)
Mobile Phone Costs	(145)	(156)
Merchant Fees ¹	(851)	(1,783)
Exhibition Refreshments	(4,373)	(4,260)
Transport & Setup of Screens	-	(315)
Total Exhibition Overheads	(9,887)	(16,609)
Net Exhibition Surplus/(Loss)	16,230	18,477
	2018	2017
9. Workshops		
Workshop Income	5,608	7,600
Direct Workshop Expenses		
Hall Hire	(5,143)	(2,882)
Cost of Various Workshops	(4,011)	(6,508)
Total Direct Workshop Expenses	(9,154)	(9,390)
Net Workshop Surplus/(Loss)	(3,546)	(1,789)

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

SHERLEY & SHERLEY

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

to the members of Ku-Ring-Gai Art Society Inc.

REPORT ON THE FINANCIAL REPORT

We have reviewed the accompanying financial report of Ku-Ring-Gai Art Society Inc., which comprises the Statement of Financial Position as at 31 December 2018, the Statement of Surplus and Loss, Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the committee of management.

COMMITTEES' RESPONSIBILITY FOR THE FINANCIAL REPORT

The committee are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *ACNC Act* and for such internal control as the committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S 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 the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *ACNC Act* including: giving a true and fair view of the entity's financial position as at 31 December 2018 and its performance for the year ended on that date; and complying with the Australian Accounting.



Tax agent
25539370

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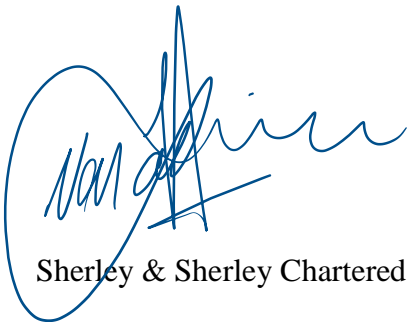
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A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted 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.

CONCLUSION

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Ku-Ring-Gai Art Society Inc. is not in accordance with the *ACNC Act* including:

- giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards.



Sherley & Sherley Chartered Accountants

Per: F F van der Linde

Date: 5 March 2019