

ARTS MARGARET RIVER Inc

**FINANCIAL REPORT
FOR THE YEAR ENDED
31st DECEMBER 2016**

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Arts Margaret River

PO Box 43
Margaret River

Balance Sheet [Last Year Analysis]

13th Period 2016

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		This Year	Last Year	\$ Difference
1-0000	Assets			
1-1000	Current Assets			
1-1100	Bank Accounts			
1-1110	Westpac - Arts account	\$34,715	\$58,543	-\$23,828
1-1123	Westpac - HEARTPublicDonation	\$0	\$50	-\$50
1-1128	Westpac-Expense Debit Card Act	\$2,821	\$4,948	-\$2,127
1-1138	Westpac-ProgramFund	\$36,499	\$24,362	\$12,137
1-1140	Westpac-ReserveFunds	\$37,330	\$30,486	\$6,844
1-1150	Petty cash	\$179	\$68	\$111
1-1216	Cash Floats	\$1,400	\$1,300	\$100
	Total Bank Accounts	\$112,944	\$119,757	-\$6,813
1-1400	Trade Debtors	\$5,837	\$4,829	\$1,008
1-1460	Pre-paid 2016 events	\$0	\$13,850	-\$13,850
1-1480	Pre-paid advert,print,postMeal	\$0	\$2,014	-\$2,014
1-1500	Security Hire Deposit-Cinema	\$35	\$1,500	-\$1,465
1-1550	Pre-paid co-ordinators fees	\$0	\$24,000	-\$24,000
1-1610	Kiosk Stock on hand	\$420	\$660	-\$241
1-1620	Bar Stock on Hand	\$3,345	\$571	\$2,774
	Total Current Assets	\$122,580	\$167,181	-\$44,601
1-3000	Non Current Assets			
1-3010	Loan to HEART Foundation	\$5,000	\$0	\$5,000
1-3040	New Office			
1-3050	New Office at Cost	\$19,192	\$19,192	\$0
1-3060	New Office Expense Recouped	-\$18,737	-\$18,737	\$0
	Total New Office	\$455	\$455	\$0
1-3100	Cinema			
1-3110	Cinema Equip at Cost	\$66,894	\$66,894	\$0
1-3120	Cinema Equip Accum Dep'n	-\$63,228	-\$63,228	\$0
1-3125	CinemaNewProjector	\$31,625	\$31,625	\$0
1-3128	CinemaProjectorAccumDep'n	-\$13,699	-\$8,302	-\$5,398
	Total Cinema	\$21,592	\$26,990	-\$5,398
1-3200	Office Equipment			
1-3210	Office Equipment at Cost	\$33,855	\$28,238	\$5,617
1-3220	Office Equipment Accum Dep'n	-\$23,801	-\$22,578	-\$1,223
	Total Office Equipment	\$10,054	\$5,660	\$4,394
1-3300	Foyer Gallery			
1-3310	Foyer Gallery at Cost	\$7,760	\$7,760	\$0
1-3320	Foyer Gallery Accum Deprec	-\$5,562	-\$5,012	-\$550
	Total Foyer Gallery	\$2,198	\$2,748	-\$550
	Total Non Current Assets	\$39,299	\$35,852	\$3,447
	Total Assets	\$161,879	\$203,033	-\$41,155
2-0000	Liabilities			
2-1000	Current Liabilities			
2-1200	Trade Creditors	\$13,391	\$4,313	\$9,078
2-1260	Prepaid AH Membership	\$0	\$1,410	-\$1,410
2-1300	GST Liabilities			
2-1310	GST Collected	\$8,314	\$0	\$8,314
2-1330	GST Paid	-\$6,013	-\$134	-\$5,879
2-1340	GST Payable from 2016	\$143	\$0	\$143
2-1345	GST Owed to HEART Foundation	\$227	\$0	\$227
2-1370	BAS Clearing Account	\$0	\$13,362	-\$13,362
	Total GST Liabilities	\$2,671	\$13,228	-\$10,556
2-1400	Payroll Liabilities			
2-1420	PAYG Withholding Payable	\$4,620	\$1	\$4,619
2-1430	Superannuation Guarantee	\$7,237	\$0	\$7,237
2-1440	Super Clearing Acc	\$0	\$5,344	-\$5,344
2-1445	Contracts Provision for Super	\$147	\$7,640	-\$7,493
2-1450	Provision for Leave	\$21,205	\$18,456	\$2,749
	Total Payroll Liabilities	\$33,209	\$31,442	\$1,767
2-2000	Unexpended			
2-2050	UnexpGrantFriends of SWTechUpg	\$0	\$2,159	-\$2,159
2-2075	Lotterywest-2015/2016	\$0	\$28,000	-\$28,000
2-2100	Unexpended donations	\$0	\$1,900	-\$1,900
2-2200	Unexpended Sponsorships	\$0	\$864	-\$864

Arts Margaret River

Balance Sheet [Last Year Analysis]

13th Period 2016

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		This Year	Last Year	\$ Difference
2-2250	Unexpended Grants	\$0	\$15,000	-\$15,000
2-2360	Pre-paid venue hire	\$0	\$400	-\$400
	Total Current Liabilities	\$49,271	\$98,715	-\$49,444
2-2999	Non Current Liabilities			
2-3300	Westpac-Cinema Projector Loan	\$19,713	\$26,670	-\$6,957
2-3600	AMR Shire Programming Fund	\$40,000	\$40,000	\$0
	Total Liabilities	\$108,984	\$165,386	-\$56,402
	Net Assets	\$52,895	\$37,648	\$15,247
3-0000	Equity			
3-8000	Retained Earnings	\$37,598	\$32,156	\$5,441
3-9000	Current Year Earnings	\$15,297	\$5,491	\$9,806
	Total Equity	\$52,895	\$37,648	\$15,247

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Profit & Loss [Last Year Analysis]

January 2016 through 13th Period 2016

17/03/2017
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		This Year	Last Year	\$ Difference	% Difference
4-0000	Income				
4-0500	Shire Management Fee	\$238,576	\$235,980	\$2,596	1.1%
4-1000	Income General				
4-1001	Membership	\$12,715	\$12,321	\$394	3.2%
4-1050	Other Income	\$1,180	\$664	\$516	77.8%
4-1120	Kiosk	\$12,955	\$10,628	\$2,327	21.9%
4-1150	Bar Income	\$27,164	\$0	\$27,164	NA
4-2000	Event Income				
4-2001	Events - General	\$121,249	\$122,817	-\$1,568	(1.3%)
4-2400	Event-Readers&Writers2017	\$1,223	\$0	\$1,223	NA
4-3000	FoyerGallery/Visual Arts				
4-3020	VA Event commission on sales	\$4,056	\$2,376	\$1,681	70.7%
4-3040	VA Event - Other Income	\$200	\$792	-\$592	(74.7%)
4-3060	VA-ExhibitionOpeningBkgFee	\$240	\$0	\$240	NA
4-3500	VA Event Fundraisers	\$2,460	\$0	\$2,460	NA
4-3520	VA Fundraising Sales	\$6,142	\$0	\$6,142	NA
	Total FoyerGallery/Visual Arts	\$13,099	\$3,168	\$9,931	313.5%
4-5000	Cinema				
4-5080	Cinema Ticket Sales	\$83,956	\$49,270	\$34,686	70.4%
4-5085	Cinema-Bar Sales	\$0	\$727	-\$727	(100.0%)
4-5090	Cinema-ValueAddedIncome	\$0	\$1,435	-\$1,435	(100.0%)
4-5203	Cinema Gift Vouchers	\$325	\$102	\$224	219.6%
4-5204	Cinema-DigitalProjector Hire	\$750	\$3,405	-\$2,655	(78.0%)
4-5206	Cinema-Other Income	\$3,621	\$18	\$3,603	19,819.4%
	Total Cinema	\$88,653	\$54,956	\$33,696	61.3%
4-7000	Grant Income				
4-7025	LotteryWest 2014/2015	\$0	\$34,000	-\$34,000	(100.0%)
4-7028	Lotterywest Grant 2015/2016	\$52,000	\$22,000	\$30,000	136.4%
4-7029	Lotterywest-2016/2017	\$11,740	\$0	\$11,740	NA
4-7030	CARTSWA Grant incomeR&W	\$0	\$15,000	-\$15,000	(100.0%)
4-7031	CARTSRoyaltyforRegions	\$19,603	\$9,802	\$9,802	100.0%
4-7035	Country Arts PeakCoreFunding	\$30,397	\$30,397	\$0	0.0%
4-7041	SWDC-R&W17Grant	\$4,500	\$0	\$4,500	NA
4-7042	Tourism R&W 2017	\$10,000	\$0	\$10,000	NA
4-7044	Shire AMR R&W 2017	\$12,500	\$0	\$12,500	NA
4-7045	writingWAGrant-R&W2015	\$0	\$3,800	-\$3,800	(100.0%)
4-7061	Grant-Shire AMR	\$13,500	\$0	\$13,500	NA
4-7065	Grant SW Development Commissio	\$0	\$3,500	-\$3,500	(100.0%)
4-7070	Grant-Friends of SW-TechUpgrad	\$2,159	\$2,386	-\$227	(9.5%)
4-7075	Grant Lions Club Busselton	\$5,000	\$0	\$5,000	NA
4-7080	Grant-CopyrightAgency	\$10,000	\$0	\$10,000	NA
	Total Grant Income	\$171,399	\$120,885	\$50,515	41.8%
4-8000	Venue Hire				
4-8005	Venue Hire	\$498	\$264	\$234	88.3%
4-8010	Venue Hire - Cleaning	\$2,495	\$2,092	\$403	19.2%
4-8020	Venue Hire - Heating	\$0	\$120	-\$120	(100.0%)
4-8030	Venue Hire - Other	\$1,299	\$1,178	\$121	10.3%
4-8035	Venue Hire-Bar	\$0	\$3,803	-\$3,803	(100.0%)
4-8040	Venue Hire - Community	\$21,477	\$19,403	\$2,074	10.7%
4-8050	Venue Hire - Commercial	\$5,028	\$7,959	-\$2,931	(36.8%)
4-8070	Venue Hire-FrontOffHouseManager	\$240	\$1,152	-\$912	(79.2%)
4-8100	Venue Hire-Technical Services	\$4,525	\$6,913	-\$2,388	(34.5%)
4-8200	Venue Hire-Casual Tech Service	\$3,420	\$1,375	\$2,045	148.7%
4-8310	Equipment Hire-Audio PA System	\$1,010	\$1,486	-\$476	(32.0%)
4-8360	Equip Hire - Lighting Standard	\$1,306	\$0	\$1,306	NA
4-8370	Equipment Hire-VideoProjector	\$785	\$1,200	-\$415	(34.6%)
4-8400	Equipment Hire - Other	\$456	\$0	\$456	NA
	Total Venue Hire	\$42,539	\$46,946	-\$4,407	(9.4%)
4-9000	Sponsor/Donation/Funding/VI				
4-9010	Sponsorship Income	\$4,545	\$4,818	-\$273	(5.7%)
4-9020	Donations	\$1,968	\$6,078	-\$4,110	(67.6%)
4-9021	Donation - Rotary	\$0	\$5,000	-\$5,000	(100.0%)
4-9030	Collections-Sundowners	\$3,984	\$3,277	\$707	21.6%
4-9050	Fund Raising	\$1,127	\$15,377	-\$14,250	(92.7%)
4-9100	Volunteer labour Income	\$6,945	\$6,491	\$455	7.0%

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Arts Margaret River

Profit & Loss [Last Year Analysis]

January 2016 through 13th Period 2016

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		This Year	Last Year	\$ Difference	% Difference
	Total Sponsor/Donation/Funding/VI	\$18,570	\$41,042	-\$22,472	(54.8%)
4-9500	Interest Income				
4-9510	Interest Received - Arts Acc	\$13	\$12	\$1	8.4%
4-9530	IntRec'd -ReserveFundsAccount	\$1,311	\$1,228	\$83	6.7%
4-9538	Interest Recd-Programming Fund	\$241	\$360	-\$119	(33.1%)
4-9539	Interest Rec'd-Exp debit card	\$3	\$3	\$0	12.2%
	Total Interest Income	\$1,568	\$1,603	-\$35	(2.2%)
4-9540	Income adjustments				
4-9550	Sundry Income	\$0	\$60	-\$60	(100.0%)
	Total Income adjustments	\$0	\$60	-\$60	(100.0%)
4-9560	GST overpayment	\$0	\$4,498	-\$4,498	(100.0%)
	Total Income	\$750,891	\$655,567	\$95,323	14.5%
5-0000	Cost of Sales				
	Gross Profit	\$750,891	\$655,567	\$95,323	14.5%
6-0000	Expenses				
6-0500	Cinema				
6-0501	Cinema-OtherEquipment	\$1,136	\$113	\$1,024	908.6%
6-0504	Cinema-Freight	\$3,549	\$2,642	\$907	34.3%
6-0505	Cinema-FilmRoyalties	\$0	\$265	-\$265	(100.0%)
6-0506	Cinema-Projectionist	\$0	\$180	-\$180	(100.0%)
6-0507	Cinema-Film Hire	\$47,312	\$25,383	\$21,929	86.4%
6-0508	Cinema-ProjectorLoanInterestsP	\$1,295	\$1,295	\$0	0.0%
6-0509	Cinema - Depreciation	\$5,398	\$6,325	-\$927	(14.7%)
6-0515	Cinema-SABO	\$1,646	\$418	\$1,228	293.5%
6-0521	Cinema - Advertising/Productio	\$3,297	\$3,942	-\$644	(16.3%)
6-0570	Cinema - Other costs	\$5,115	\$406	\$4,709	1,159.5%
6-0574	Cinema-CasualTech	\$70	\$0	\$70	NA
	Total Cinema	\$68,820	\$40,969	\$27,851	68.0%
6-0700	Bar Expenditure				
6-0701	Bar Liquor Licence costs	\$1,795	\$6,516	-\$4,721	(72.5%)
6-0705	Bar-Equipment & consumables	\$341	\$0	\$341	NA
6-0710	Bar Manager	\$320	\$0	\$320	NA
6-0720	Bar Front of House Manager	\$2,008	\$1,818	\$190	10.5%
6-0730	Bar Opening Stock	\$571	\$0	\$571	NA
6-0740	Bar Stock Purchases	\$10,541	\$3,074	\$7,467	242.9%
6-0750	Less; Bar Closing Stock	-\$3,345	-\$571	-\$2,774	(486.0%)
	Total Bar Expenditure	\$12,230	\$10,836	\$1,394	12.9%
6-0800	Events Expenditure				
6-0802	Events - General	\$202,736	\$202,820	-\$84	0.0%
6-0900	R&W 2017 Event	\$1,065	\$0	\$1,065	NA
6-1103	FoyerGallery/VisualArts	\$4,614	\$3,263	\$1,351	41.4%
	Total Events Expenditure	\$208,415	\$206,083	\$2,332	1.1%
6-1400	Workshop Expenses				
6-1405	Workshop Costs	\$371	\$310	\$61	19.7%
6-1425	Fundraising Expenses	\$17	\$991	-\$974	(98.3%)
	Total Workshop Expenses	\$388	\$1,301	-\$913	(70.1%)
6-2000	Overhead Expenditure				
6-2002	General Expenditure	\$76,027	\$67,852	\$8,175	12.0%
6-3000	Staff Costs	\$339,543	\$281,422	\$58,121	20.7%
6-8000	Venue Costs				
6-8010	Cleaner Contract Services	\$2,860	\$13,575	-\$10,715	(78.9%)
6-8020	Cleaning Consumables	\$2,187	\$1,600	\$587	36.7%
6-8025	Rubbish Removal	\$1,238	\$1,203	\$35	2.9%
6-8600	Equipment Repairs & Maint	\$3,873	\$1,477	\$2,396	162.2%
6-8700	Building Maintenance	\$1,237	\$4,060	-\$2,823	(69.5%)
6-8750	Signage	\$0	\$2,475	-\$2,475	(100.0%)
6-8800	Equipment-Minor	\$5,295	\$4,325	\$970	22.4%
6-8850	Equipment-Major	\$0	\$1,341	-\$1,341	(100.0%)
6-8900	Equipment Consumables	\$6,343	\$5,504	\$839	15.2%
	Total Venue Costs	\$23,033	\$35,560	-\$12,528	(35.2%)
6-9800	Kiosk COGS				
6-9805	Opening Stock	\$660	\$732	-\$72	(9.8%)
6-9810	KIOSK- Supplies	\$6,897	\$5,980	\$918	15.3%
6-9815	Less; Closing Stock	-\$420	-\$660	\$241	36.4%

Arts Margaret River

Profit & Loss [Last Year Analysis]

January 2016 through 13th Period 2016

17/03/2017
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	This Year	Last Year	\$ Difference	% Difference
Total Kiosk COGS	\$7,138	\$6,051	\$1,087	18.0%
Total Expenses	\$735,594	\$650,076	\$85,518	13.2%
Operating Profit	\$15,297	\$5,491	\$9,806	178.6%
8-0000 Other Income				
9-0000 Other Expenses				
Net Profit / (Loss)	\$15,297	\$5,491	\$9,806	178.6%

Arts Margaret River Inc

Change in Equity

	2016	2015
Balance carried forward from previous year	\$37,647.77	\$32,156.43
Comprehensive Income		
Surplus (deficit) for the period	\$15,297.10	\$5,491.34
Contribution by Member's	\$ Nil	\$ Nil
Remove HEART Foundation from Accounts	-\$50.15	
Closing Balance as at 30th June	<u>\$52,894.72</u>	<u>\$37,647.77</u>

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Arts Margaret RiverPO Box 43
Margaret River**Statement of Cash Flow****January 2016 through 13th Period 2016**

17/03/2017

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Cash Flow from Operating Activities

Net Income	\$15,297.10	
1-1400 Trade Debtors	-\$1,007.60	
1-1460 Pre-paid 2016 events	\$13,850.00	
1-1480 Pre-paid advert, print, postMeal	\$2,014.35	
1-1500 Security Hire Deposit-Cinema	\$1,465.00	
1-1550 Pre-paid co-ordinators fees	\$24,000.00	
1-1610 Kiosk Stock on hand	\$240.56	
1-1620 Bar Stock on Hand	-\$2,773.81	
1-3010 Loan to HEART Foundation	-\$5,000.00	
1-3128 CinemaProjectorAccumDep'n	\$5,397.92	
1-3220 Office Equipment Accum Dep'n	\$1,222.96	
1-3320 Foyer Gallery Accum Deprec	\$549.55	
2-1200 Trade Creditors	\$9,078.16	
2-1260 Prepaid AH Membership	-\$1,409.97	
2-1310 GST Collected	\$8,314.00	
2-1330 GST Paid	-\$5,878.56	
2-1340 GST Payable from 2016	\$143.00	
2-1345 GST Owed to HEART Foundation	\$227.27	
2-1370 BAS Clearing Account	-\$13,362.01	
2-1420 PAYG Withholding Payable	\$4,619.00	
2-1430 Superannuation Guarantee	\$7,236.69	
2-1440 Super Clearing Acc	-\$5,344.48	
2-1445 Contracts Provision for Super	-\$7,493.01	
2-1450 Provision for Leave	\$2,748.55	
2-2050 UnexpGrantFriends of SWTechUpg	-\$2,159.25	
2-2075 Lotterywest-2015/2016	-\$28,000.00	
2-2100 Unexpended donations	-\$1,900.00	
2-2200 Unexpended Sponsorships	-\$863.64	
2-2250 Unexpended Grants	-\$15,000.00	
2-2360 Pre-paid venue hire	-\$400.00	
2-3300 Westpac-Cinema Projector Loan	-\$6,957.48	
3-8000 Retained Earnings	-\$50.15	
Net Cash Flows from Operating Activities		-\$1,195.85
Cash Flow from Investing Activities		
1-3210 Office Equipment at Cost	-\$5,617.00	
Net Cash Flows from Investing Activities		-\$5,617.00
Cash Flow from Financing Activities		
Net Cash Flows from Financing Activities		\$0.00
Net Increase/Decrease for the period		-\$6,812.85
Cash at the Beginning of the period		\$119,756.77
Cash at the End of the period		<u>\$112,943.92</u>

ARTS MARGARET RIVER Inc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2016

Statement of Significant Accounting Policies

The Board has determined that it is not a reporting entity.

These financial statements have been prepared in accordance with the recognition and measurement specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 "Presentation of Financial Statements", and AASB 107 "Statement of Cash Flows".

The financial report has been 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 values of non-current assets.

The following significant accounting policies, have been adopted in the preparation of this financial report.

Property, Plant and Equipment (PPE)

PPE are carried at current cost, selected assets are depreciated over their effective life. Some assets are retained at a cost based upon a reasonable estimate as to the cost to replace the asset. The Board has determined that the value of PPE as shown on the balance sheet presents a true and fair view as to the value of its assets at the end of the accounting period.

Inventories

Inventories are measured at cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Impairment of Assets

At the end of each reporting period, the Board assesses whether there is any indication that an asset may be impaired. The assessment will consider both the external and internal sources of information. If such indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in the profit or loss.

The Board has determined that there has been no impairment of assets and that their value as declared in the Balance Sheet reflects their current value.

Accounts Receivable and Other Receivables

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. 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.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the income and expenditure statement.

Accounts Payable and other Payables.

Accounts payable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Payables expected to be paid within 12 months of the end of the reporting period are classified as current liabilities. All other payables are classified as non-current liabilities.

Employee Benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits are presented as current liabilities in the balance sheet if the Board does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 101.

Provisions

Provisions are recognised when the Board 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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 rebate allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Recognition of income and expenditure relating to arts events is made in the accounting period in which the events occur; this includes the allocation of arts grants, sponsorships, and donations, which are made with reference to specific events.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to the ATO is included as part of the payables on the balance sheet.

ARTS MARGARET RIVER Inc BOARD

DECLARATION

In accordance with a resolution of the Board I, Fred Affleck, state that;

The Board have determined that Arts Margaret River Inc is not a reporting entity and that this Special Purpose Financial Report should be prepared in accordance with the accounting policies described in the notes to the financial statements.

In the opinion of the Board;

The financial statements and the accompanying notes to these financial statements;

1. Give a true and fair view of the Board's financial position as at 31st December 2016 and its performance for the year ended at that time; and
2. Comply with the Australian Accounting Standards as detailed in the notes to the financial statements.

There are reasonable grounds to be believe that Arts Margaret River Inc will be able to pay its debts as and when they become due and payable.

At the date of signing, the Board are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

On behalf of the Arts Margaret River Inc Board



Board Chairman

Date 27 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF ARTS MARGARET RIVER Inc

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Arts Margaret River Inc, which comprises the balance sheet as at 31st December 2016, profit and loss statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Board's declaration.

Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Board also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Board, would be in the same terms if given to the Board as at the time of this auditor's report.

Inherent Limitations

An audit is not designed to detect all weaknesses in the internal control procedures as it is not performed continuously throughout the year and the tests performed are on a sample basis only. The audit opinion expressed in this report has been formed on the above basis.

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF ARTS MARGARET RIVER Inc**

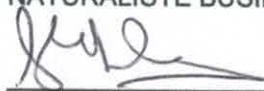
Auditor's Opinion

In my opinion:

- (a) the financial report of Arts Margaret River Inc is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Board 's financial position as a 31st December 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of Firm: NATURALISTE BUSINESS SERVCIES PTY LTD

Name of Director:



STEPHEN DEAN

Address: 2 Culhane Road MARGARET RIVER

Dated this day of: 17 March 2017

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE BOARD OF ARTS MARGARET RIVER Inc

I declare that, to the best of my knowledge and belief, during the year ended 31ST December 2016 there has been;

- (1) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (2) No contravention of any applicable code of professional conduct in relation to the audit.

Name of Firm; NATURALISTE BUSINESS SERVICES PTY LTD

Name of Director;



STEPHEN DEAN

Address: 2 Culhane Road MARGARET RIVER

Dated this day of:

17th March 2017

Arts Margaret River

PO Box 43

Margaret River

Profit & Loss [Last Year Analysis]

January 2016 through 13th Period 2016

17/03/2017

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		This Year	Last Year	\$ Difference	% Difference
4-0000	Income				
4-0500	Shire Management Fee	\$238,576	\$235,980	\$2,596	1.1%
4-1000	Income General				
4-1001	Membership				
4-1011	Arts Hub Membership	\$11,264	\$10,821	\$443	4.1%
4-1013	Corporate memberships	\$1,450	\$1,500	-\$50	(3.3%)
	Total Membership	\$12,715	\$12,321	\$394	3.2%
4-1050	Other Income				
4-1080	Workshops	\$700	\$618	\$82	13.2%
4-1090	Gift Vouchers Arts MR	\$480	\$45	\$435	956.1%
	Total Other Income	\$1,180	\$664	\$516	77.8%
4-1120	Kiosk				
4-1125	Kiosk	\$12,955	\$10,628	\$2,327	21.9%
	Total Kiosk	\$12,955	\$10,628	\$2,327	21.9%
4-1150	Bar Income				
4-1151	Bar Income	\$26,324	\$0	\$26,324	NA
4-1153	BarFrontOfHouseManager	\$840	\$0	\$840	NA
	Total Bar Income	\$27,164	\$0	\$27,164	NA
4-2000	Event Income				
4-2001	Events - General				
4-2010	Event Ticket Sales	\$105,003	\$103,195	\$1,808	1.8%
4-2015	Event - Bar Income	\$0	\$8,825	-\$8,825	(100.0%)
4-2025	Event-Donations	\$4,801	\$0	\$4,801	NA
4-2031	Event Sponsorship	\$6,864	\$5,682	\$1,182	20.8%
4-2035	Event - Merchandise Commission	\$84	\$27	\$57	208.4%
4-2040	Event - Other income	\$4,498	\$5,087	-\$590	(11.6%)
	Total Events - General	\$121,249	\$122,817	-\$1,568	(1.3%)
4-2400	Event-Readers&Writers2017				
4-2440	R&W17-Fundraising	\$1,008	\$0	\$1,008	NA
4-2442	R&W17-OtherIncome	\$215	\$0	\$215	NA
	Total Event-Readers&Writers2017	\$1,223	\$0	\$1,223	NA
4-3000	FoyerGallery/Visual Arts				
4-3020	VA Event commission on sales	\$4,056	\$2,376	\$1,681	70.7%
4-3040	VA Event - Other Income	\$200	\$792	-\$592	(74.7%)
4-3060	VA-ExhibitionOpeningBkgFee	\$240	\$0	\$240	NA
4-3500	VA Event Fundraisers	\$2,460	\$0	\$2,460	NA
4-3520	VA Fundraising Sales	\$6,142	\$0	\$6,142	NA
	Total FoyerGallery/Visual Arts	\$13,099	\$3,168	\$9,931	313.5%
4-5000	Cinema				
4-5080	Cinema Ticket Sales	\$83,956	\$49,270	\$34,686	70.4%
4-5085	Cinema-Bar Sales	\$0	\$727	-\$727	(100.0%)
4-5090	Cinema-ValueAddedIncome	\$0	\$1,435	-\$1,435	(100.0%)
4-5203	Cinema Gift Vouchers	\$325	\$102	\$224	219.6%
4-5204	Cinema-DigitalProjector Hire	\$750	\$3,405	-\$2,655	(78.0%)
4-5206	Cinema-Other Income	\$3,621	\$18	\$3,603	19,819.4%
	Total Cinema	\$88,653	\$54,956	\$33,696	61.3%
4-7000	Grant Income				
4-7002	Grant Income-Events				
4-7025	LotteryWest 2014/2015	\$0	\$34,000	-\$34,000	(100.0%)
4-7028	Lotterywest Grant 2015/2016	\$52,000	\$22,000	\$30,000	136.4%
4-7029	Lotterywest-2016/2017	\$11,740	\$0	\$11,740	NA
4-7030	CARTSWA Grant incomeR&W	\$0	\$15,000	-\$15,000	(100.0%)
4-7031	CARTSRoyaltyforRegions	\$19,603	\$9,802	\$9,802	100.0%
4-7035	Country Arts PeakCoreFunding	\$30,397	\$30,397	\$0	0.0%
4-7036	Grant Income - R&W17				
4-7041	SWDC-R&W17Grant	\$4,500	\$0	\$4,500	NA
4-7042	Tourism R&W 2017	\$10,000	\$0	\$10,000	NA
4-7044	Shire AMR R&W 2017	\$12,500	\$0	\$12,500	NA
4-7045	writingWAGrant-R&W2015	\$0	\$3,800	-\$3,800	(100.0%)
4-7051	Grant Income-Admin/Venue/Tech				
4-7061	Grant-Shire AMR	\$13,500	\$0	\$13,500	NA
4-7065	Grant SW Development Commissio	\$0	\$3,500	-\$3,500	(100.0%)
4-7070	Grant-Friends of SW-TechUpgrad	\$2,159	\$2,386	-\$227	(9.5%)
4-7075	Grant Lions Club Busseton	\$5,000	\$0	\$5,000	NA
4-7080	Grant-CopyrightAgency	\$10,000	\$0	\$10,000	NA

Arts Margaret River

Profit & Loss [Last Year Analysis]

January 2016 through 13th Period 2016

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		This Year	Last Year	\$ Difference	% Difference
	Total Grant Income	\$171,399	\$120,885	\$50,515	41.8%
4-8000	Venue Hire				
4-8005	Venue Hire	\$498	\$264	\$234	88.3%
4-8010	Venue Hire - Cleaning	\$2,495	\$2,092	\$403	19.2%
4-8020	Venue Hire - Heating	\$0	\$120	-\$120	(100.0%)
4-8030	Venue Hire - Other	\$1,299	\$1,178	\$121	10.3%
4-8035	Venue Hire-Bar	\$0	\$3,803	-\$3,803	(100.0%)
4-8040	Venue Hire - Community	\$21,477	\$19,403	\$2,074	10.7%
4-8050	Venue Hire - Commercial	\$5,028	\$7,959	-\$2,931	(36.8%)
4-8070	Venue Hire-FrontOfHouseManager	\$240	\$1,152	-\$912	(79.2%)
4-8100	Venue Hire-Technical Services	\$4,525	\$6,913	-\$2,388	(34.5%)
4-8200	Venue Hire-Casual Tech Service	\$3,420	\$1,375	\$2,045	148.7%
4-8310	Equipment Hire-Audio PA System	\$1,010	\$1,486	-\$476	(32.0%)
4-8360	Equip Hire - Lighting Standard	\$1,306	\$0	\$1,306	NA
4-8370	Equipment Hire-VideoProjector	\$785	\$1,200	-\$415	(34.6%)
4-8400	Equipment Hire - Other	\$456	\$0	\$456	NA
	Total Venue Hire	\$42,539	\$46,946	-\$4,407	(9.4%)
4-9000	Sponsor/Donation/Funding/VI				
4-9010	Sponsorship Income	\$4,545	\$4,818	-\$273	(5.7%)
4-9020	Donations	\$1,968	\$6,078	-\$4,110	(67.6%)
4-9021	Donation - Rotary	\$0	\$5,000	-\$5,000	(100.0%)
4-9030	Collections-Sundowners	\$3,984	\$3,277	\$707	21.6%
4-9050	Fund Raising	\$1,127	\$15,377	-\$14,250	(92.7%)
4-9100	Volunteer labour Income	\$6,945	\$6,491	\$455	7.0%
	Total Sponsor/Donation/Funding/VI	\$18,570	\$41,042	-\$22,472	(54.8%)
4-9500	Interest Income				
4-9510	Interest Received - Arts Acc	\$13	\$12	\$1	8.4%
4-9530	IntRec'd -ReserveFundsAccount	\$1,311	\$1,228	\$83	6.7%
4-9538	Interest Recd-Programming Fund	\$241	\$360	-\$119	(33.1%)
4-9539	Interest Rec'd-Exp debit card	\$3	\$3	\$0	12.2%
	Total Interest Income	\$1,568	\$1,603	-\$35	(2.2%)
4-9540	Income adjustments				
4-9550	Sundry Income	\$0	\$60	-\$60	(100.0%)
	Total Income adjustments	\$0	\$60	-\$60	(100.0%)
4-9560	GST overpayment	\$0	\$4,498	-\$4,498	(100.0%)
	Total Income	\$750,891	\$655,567	\$95,323	14.5%
5-0000	Cost of Sales				
	Gross Profit	\$750,891	\$655,567	\$95,323	14.5%
6-0000	Expenses				
6-0500	Cinema				
6-0501	Cinema-OtherEquipment	\$1,136	\$113	\$1,024	908.6%
6-0504	Cinema-Freight	\$3,549	\$2,642	\$907	34.3%
6-0505	Cinema-FilmRoyalties	\$0	\$265	-\$265	(100.0%)
6-0506	Cinema-Projectionist	\$0	\$180	-\$180	(100.0%)
6-0507	Cinema-Film Hire	\$47,312	\$25,383	\$21,929	86.4%
6-0508	Cinema-ProjectorLoanInterestsP	\$1,295	\$1,295	\$0	0.0%
6-0509	Cinema - Depreciation	\$5,398	\$6,325	-\$927	(14.7%)
6-0515	Cinema-SABO	\$1,646	\$418	\$1,228	293.5%
6-0521	Cinema - Advertising/Productio	\$3,297	\$3,942	-\$644	(16.3%)
6-0570	Cinema - Other costs	\$5,115	\$406	\$4,709	1,159.5%
6-0574	Cinema-CasualTech	\$70	\$0	\$70	NA
	Total Cinema	\$68,820	\$40,969	\$27,851	68.0%
6-0700	Bar Expenditure				
6-0701	Bar Liquor Licence costs	\$1,795	\$6,516	-\$4,721	(72.5%)
6-0705	Bar-Equipment & consumables	\$341	\$0	\$341	NA
6-0710	Bar Manager	\$320	\$0	\$320	NA
6-0720	Bar Front of House Manager	\$2,008	\$1,818	\$190	10.5%
6-0730	Bar Opening Stock	\$571	\$0	\$571	NA
6-0740	Bar Stock Purchases	\$10,541	\$3,074	\$7,467	242.9%
6-0750	Less; Bar Closing Stock	-\$3,345	-\$571	-\$2,774	(486.0%)
	Total Bar Expenditure	\$12,230	\$10,836	\$1,394	12.9%
6-0800	Events Expenditure				
6-0802	Events - General				
6-0804	Event Travel&AccomPerformerCos	\$9,827	\$2,950	\$6,877	233.1%

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Arts Margaret River

Profit & Loss [Last Year Analysis]

January 2016 through 13th Period 2016

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		This Year	Last Year	\$ Difference	% Difference
6-0805	Event Performance Fees	\$90,998	\$114,349	-\$23,350	(20.4%)
6-0806	Event Royalties	\$3,612	\$6,593	-\$2,980	(45.2%)
6-0807	Event costs - Other	\$6,496	\$15,984	-\$9,488	(59.4%)
6-0810	Event Advertising & Marketing	\$18,834	\$13,990	\$4,844	34.6%
6-0815	Event Coordinator Fees	\$58,300	\$30,800	\$27,500	89.3%
6-0816	Event - Shire Costs	\$95	\$1,317	-\$1,222	(92.8%)
6-0820	Event-Catering	\$580	\$0	\$580	NA
6-0830	Event Equip Supply & Hire Ext	\$4,280	\$1,921	\$2,360	122.9%
6-0835	Event Casual Tech Labour	\$6,789	\$10,979	-\$4,190	(38.2%)
6-0839	Event SABO costs	\$2,925	\$3,938	-\$1,014	(25.7%)
	Total Events - General	\$202,736	\$202,820	-\$84	0.0%
6-0900	R&W 2017 Event				
6-0904	R&W17Advertising &Marketing	\$988	\$0	\$988	NA
6-0905	R&W17-OtherCosts	\$77	\$0	\$77	NA
	Total R&W 2017 Event	\$1,065	\$0	\$1,065	NA
6-1103	FoyerGallery/VisualArts				
6-1125	VA-fund raising expense	\$965	\$0	\$965	NA
6-1130	VA Event Catering	\$37	\$0	\$37	NA
6-1170	Foyer Gallery Equip + R&M	\$1,226	\$2,488	-\$1,262	(50.7%)
6-1172	FoyerGallery- Advertising/Mark	\$1,004	\$0	\$1,004	NA
6-1173	Foyer Gallery-Art&CrafSupplies	\$833	\$0	\$833	NA
6-1175	Foyer Gall-Depreciation charge	\$550	\$775	-\$225	(29.1%)
	Total FoyerGallery/VisualArts	\$4,614	\$3,263	\$1,351	41.4%
	Total Events Expenditure	\$208,415	\$206,083	\$2,332	1.1%
6-1400	Workshop Expenses				
6-1405	Workshop Costs	\$371	\$310	\$61	19.7%
6-1425	Fundraising Expenses	\$17	\$991	-\$974	(98.3%)
	Total Workshop Expenses	\$388	\$1,301	-\$913	(70.1%)
6-2000	Overhead Expenditure				
6-2002	General Expenditure				
6-2010	Accounting/Audit Fees	\$2,000	\$2,000	\$0	0.0%
6-2030	Advertising/Marketing	\$16,695	\$13,375	\$3,321	24.8%
6-2040	Bank Charges	\$0	\$49	-\$49	(100.0%)
6-2041	Bank Token Fees	\$0	\$110	-\$110	(100.0%)
6-2043	Stripe Online charges AHM	\$36	\$0	\$36	NA
6-2050	Conference/Seminars	\$927	\$2,032	-\$1,105	(54.4%)
6-2051	Computer Expenses	\$1,346	\$958	\$388	40.5%
6-2055	Professional Development	\$82	\$2,726	-\$2,644	(97.0%)
6-2060	Electricity - Venue	\$4,580	\$4,170	\$410	9.8%
6-2062	Gas - Venue	\$2,428	\$924	\$1,504	162.8%
6-2066	Venue Hire - Other	\$4,998	\$1,261	\$3,737	296.3%
6-2069	TechServiceCasual-Venue Hire	\$4,218	\$2,543	\$1,675	65.9%
6-2070	Office Equipment & Maintenance	\$2,565	\$1,174	\$1,391	118.5%
6-2075	Office Equip Depr'n	\$1,223	\$7,645	-\$6,422	(84.0%)
6-2080	Insurance	\$12,758	\$11,451	\$1,307	11.4%
6-2100	Internet Fees	\$790	\$880	-\$91	(10.3%)
6-2105	Merchant Fees	\$2,115	\$1,590	\$525	33.0%
6-2106	Misc Admin Expenses	\$4,017	\$1,142	\$2,875	251.7%
6-2120	Postage, Printing & Stationery	\$4,430	\$4,920	-\$491	(10.0%)
6-2150	Subscriptions & Memberships	\$3,605	\$3,033	\$572	18.9%
6-2160	Telephone	\$1,908	\$2,354	-\$445	(18.9%)
6-2165	Mobile-R&W co-ordinator 2017	\$100	\$0	\$100	NA
6-2170	Travel/Accommodation/Meals	\$3,388	\$3,407	-\$19	(0.6%)
6-2190	T-Shirts	\$1,820	\$0	\$1,820	NA
6-2200	Volunteer Support Costs	\$0	\$111	-\$111	(100.0%)
	Total General Expenditure	\$76,027	\$67,852	\$8,175	12.0%
6-3000	Staff Costs				
6-3400	VolunteerCo-ordinatorOffic-IS	\$10,000	\$5,600	\$4,400	78.6%
6-3500	Grants Officer - contract-HA	\$0	\$14,500	-\$14,500	(100.0%)
6-3525	FacilitiesManager/Tech-PB	\$75,857	\$75,074	\$783	1.0%
6-3528	Technical Assistant-KHW	\$80	\$0	\$80	NA
6-3531	GeneralManager-AF	\$49,830	\$0	\$49,830	NA
6-3532	General Manager-SK	\$20,725	\$55,212	-\$34,487	(62.5%)
6-3533	R&WCo-ord/HEART-TP	\$18,176	\$0	\$18,176	NA
6-3535	Finance & Admin Manager-KC	\$34,944	\$33,992	\$953	2.8%
6-3536	Recept/Bkgs-DT	\$22,017	\$0	\$22,017	NA
6-3540	Operations Manager-HM	\$0	\$15,743	-\$15,743	(100.0%)

Arts Margaret River

Profit & Loss [Last Year Analysis]

January 2016 through 13th Period 2016

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		This Year	Last Year	\$ Difference	% Difference
6-3541	Arts Admin Assistant- DH	\$0	\$975	-\$975	(100.0%)
6-3543	Marketing Manager-SK	\$39,420	\$14,850	\$24,570	165.5%
6-3544	Receptionist/AdminAssistant-JB	\$8,212	\$23,853	-\$15,641	(65.6%)
6-3546	Cleaner/GeneralHand MB	\$19,163	\$0	\$19,163	NA
6-3550	Other Employer Expenses	\$989	\$1,899	-\$910	(47.9%)
6-3700	Superannuation	\$27,317	\$20,608	\$6,709	32.6%
6-3701	Contractors Super	\$6,016	\$7,640	-\$1,624	(21.3%)
6-3710	Provision for Leave	\$2,749	\$10,428	-\$7,680	(73.6%)
6-3720	Staff Relief Work-IS	\$4,050	\$1,050	\$3,000	285.7%
	Total Staff Costs	\$339,543	\$281,422	\$58,121	20.7%
6-8000	Venue Costs				
6-8010	Cleaner Contract Services	\$2,860	\$13,575	-\$10,715	(78.9%)
6-8020	Cleaning Consumables	\$2,187	\$1,600	\$587	36.7%
6-8025	Rubbish Removal	\$1,238	\$1,203	\$35	2.9%
6-8600	Equipment Repairs & Maint	\$3,873	\$1,477	\$2,396	162.2%
6-8700	Building Maintenance	\$1,237	\$4,060	-\$2,823	(69.5%)
6-8750	Signage	\$0	\$2,475	-\$2,475	(100.0%)
6-8800	Equipment-Minor	\$5,295	\$4,325	\$970	22.4%
6-8850	Equipment-Major	\$0	\$1,341	-\$1,341	(100.0%)
6-8900	Equipment Consumables	\$6,343	\$5,504	\$839	15.2%
	Total Venue Costs	\$23,033	\$35,560	-\$12,528	(35.2%)
6-9800	Kiosk COGS				
6-9805	Opening Stock	\$660	\$732	-\$72	(9.8%)
6-9810	KIOSK- Supplies	\$6,897	\$5,980	\$918	15.3%
6-9815	Less; Closing Stock	-\$420	-\$660	\$241	36.4%
	Total Kiosk COGS	\$7,138	\$6,051	\$1,087	18.0%
	Total Expenses	\$735,594	\$650,076	\$85,518	13.2%
	Operating Profit	\$15,297	\$5,491	\$9,806	178.6%
8-0000	Other Income				
9-0000	Other Expenses				
	Net Profit / (Loss)	\$15,297	\$5,491	\$9,806	178.6%

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