

ARTS MARGARET RIVER PUBLIC FUND

Known as Heart of Margaret River Foundation

FINANCIAL REPORT

FOR THE YEAR ENDED

31st DECEMBER 2016

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Arts Margaret River Public Fund
Also known as Heart of Margaret River Foundation

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Assets

Cash on Hand	\$2,305.36
GST Refundable	\$227.27
(owed by Arts MR)	
	<u>\$2,532.63</u>

Liabilities

Loan from Arts MR	\$4,755.00
Net Assets	<u><u>-\$2,222.37</u></u>

Fund Equity	<u><u>-\$2,222.37</u></u>
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Statement of Income & Expenditure
from 1st January 2016 to 31st December 2016

Income

Loan	\$5,000.00
Interest	\$0.24
Total Income	<u><u>\$5,000.24</u></u>

Expenditure

Bank Charges	\$0.00
Repay Arts MR Loan	\$245.00
Marketing Material	\$2,500.00
Total Expenditure	<u><u>\$2,745.00</u></u>

Net Income	<u><u>\$2,255.24</u></u>
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Change in Bank Balance

Balance B/Forward	\$50.12
Net Income	\$2,255.24
Closing Bank Balance	<u><u>\$2,305.36</u></u>

ARTS MARGARET RIVER PUBLIC FUND
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 PUBLIC FUND

BOARD DECLARATION

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

The Board have determined that Arts Margaret River Public Fund 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 Public Fund 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 Public Fund Board



Board Chairman

Date 27 March 2017

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

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Arts Margaret River Public Fund, 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 PUBLIC FUND**

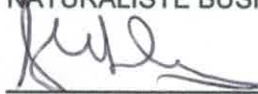
Auditor's Opinion

In my opinion:

- (a) the financial report of Arts Margaret River Public Fund 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 SERVICES PTY LTD

Name of Director:



STEPHEN DEAN

Address: 2 Culhane Road MARGARET RIVER

Dated this day of:

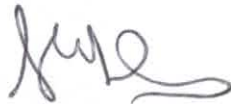
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE BOARD OF ARTS MARGARET RIVER PUBLIC FUND

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: