



# 2017 Audit Report

The Artists' Foundation of Western  
Australia Limited

**Prepared By:**

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# Financial Statements

The Artists Foundation Of Western Australia Limited  
ABN 83009181024  
For the year ended 31 December 2017

Prepared by PSZ Accounting

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# Board's Report

## The Artists Foundation Of Western Australia Limited For the year ended 31 December 2017

### Board's Report

Your Board members submit the financial report of The Artists' Foundation Of Western Australia Limited for the financial year ended 31 December 2017.

### Board Members

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

Board Members	Position
Penelope Bovell	Chair
Mal Di Giulio	Treasurer
Fred Chaney Jnr	Vice Chair
Rick Vermey	
Kingsley Burton	
Sarah Wilkinson	
Claire Bushby (June - October 2017)	

### Principal Activities

The principle activities of the company during the financial year were related to the provision of services to artists with a view to increasing their income earning capabilities within the arts industry. No significant change in the nature of these activities occurred during the financial year.

### Significant Changes

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

### After Balance Date Events

Artsource has received formal notification from DGSCI that the organisations OIP funding will not be renewed in 2019. Artsource has been advised that it will be able to apply for specific project grant funding in 2019. DLSCI has notified the Artsource Board that it will be able to apply for OIP funding for the year commencing 2020. This change in funding will change the level of service provision to members in 2019.

### Future Developments

The company will continue to focus on providing services to members within a restricted budget environment. This will result in the company focusing on increasing own-sourced revenue and the provision of services congruent to revised funding stream.

### Environmental Issues

The economic entity's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

## Operating Result

The deficit for the year amounted to \$(110,669.00).

## 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 cashflows 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 Board on:

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Penelope Bovell (Chair)

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Mal Di Giulio (Treasurer)

Dated: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

# Income and Expenditure Statement

## The Artists Foundation Of Western Australia Limited For the year ended 31 December 2017

	2017	2016
<b>Income</b>		
<b>Grants</b>		
Department of Culture & the Arts: General Purpose	525,535	388,266
Department of Culture & the Arts: Artist Residency Grants	40,231	42,500
<b>Total Grants</b>	<b>565,766</b>	<b>430,766</b>
<b>Sponsorship</b>		
Rio Tinto	1,198	30,497
<b>Total Sponsorship</b>	<b>1,198</b>	<b>30,497</b>
<b>Donations</b>		
Patrons & Small Donors	11,215	19,425
Plus 1 Program - Donations	-	8,600
Folio - Fee for Benefit	-	(15,000)
Folio - Sponsorship	9,196	20,000
Sundries	10,963	6,855
<b>Total Donations</b>	<b>31,374</b>	<b>39,880</b>
<b>Fee for Service</b>		
Consulting Management Fees	153,490	349,953
Membership Services Management Fees	-	21,106
Project Income	106,883	426,268
Event Registration Fees	-	1,284
Studio Rentals	222,740	219,125
<b>Total Fee for Service</b>	<b>483,113</b>	<b>1,017,737</b>
<b>Membership</b>		
Member Fees - Access	15,775	15,864
Member Fees - Plus	21,115	22,455
Member Fees - MAX	116,357	92,464
Artsource Associate Fees	7,691	9,118
<b>Total Membership</b>	<b>160,938</b>	<b>139,901</b>
Sundry Income	-	13,166
<b>Total Income</b>	<b>1,242,388</b>	<b>1,671,948</b>
<b>Expenditure</b>		
<b>Overhead Expenses</b>		
Legal, Finance & Governance	94,013	71,853
Consumable Resources	20,621	22,538
Communications	54,543	43,079
Marketing Expenses	22,205	23,371
Travel & Accomodation	8,796	9,789
Salaries & On-costs	749,780	838,038
<b>Total Overhead Expenses</b>	<b>949,958</b>	<b>1,008,669</b>

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

	2017	2016
<b>Program Expenses</b>		
Artist Fees & Commissions	65,936	426,439
Project Outgoing	116,608	68,493
Grant Payments to Artists	28,779	37,000
Studio Rents & Consumables	191,722	152,751
Sundry	55	245
<b>Total Program Expenses</b>	<b>403,100</b>	<b>684,929</b>
<b>Total Expenditure</b>	<b>1,353,058</b>	<b>1,693,598</b>
<b>Deficit for the year</b>	<b>(110,669)</b>	<b>(21,650)</b>

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

## The Artists Foundation Of Western Australia Limited As at 31 December 2017

	NOTES	31 DEC 2017	31 DEC 2016
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents		64,402	69,692
Trade and Other Receivables		202,692	245,160
Accrued Interest Earnings		473	473
Accrued Income		64,232	123,545
Rent on Premises Prepaid		2,806	2,576
Bond Paid		6,088	5,300
Prepayments		9,207	17,436
<b>Total Current Assets</b>		<b>349,900</b>	<b>464,183</b>
<b>Non-Current Assets</b>			
Art Collection		23,070	23,070
Plant and Equipment		40,946	75,972
<b>Total Non-Current Assets</b>		<b>64,016</b>	<b>99,042</b>
<b>Total Assets</b>		<b>413,916</b>	<b>563,224</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		175,965	208,976
Borrowings		1,305	2,661
Employee Benefits		28,798	27,918
Accrued Expenses		17,150	12,657
Donation - Residency Fund		20,250	-
Grants in Advance		163,641	151,835
Consulting Services in Advance		40,563	82,684
Studio Rent in Advance		15,444	15,026
<b>Total Current Liabilities</b>		<b>463,116</b>	<b>501,755</b>
<b>Total Liabilities</b>		<b>463,116</b>	<b>501,755</b>
<b>Net Assets</b>		<b>(49,201)</b>	<b>61,469</b>
<b>Member's Funds</b>			
Retained Earnings		(49,201)	61,469
<b>Total Member's Funds</b>		<b>(49,201)</b>	<b>61,469</b>

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

## The Artists Foundation Of Western Australia Limited For the year ended 31 December 2017

### 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 in Western Australia. The Board 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.

### Income Tax & Goods and Services Tax (GST)

The company is not liable for income tax on member income in accordance with the principle of mutuality, or by exempt taxation status. Non-member income of non-exempt entities is subject to taxation at corporate rates.

Revenues, 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 receivables or payables in the balance sheet.

### Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses. Plant and equipment is depreciated on a straight line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

The depreciation rates for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and Equipment	20% - 40%
Software	20% - 40%
Furniture and Fittings	20%

### 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.

### Employee Provisions

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

## 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.

## 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.

## 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.

# True and Fair Position

## The Artists Foundation Of Western Australia Limited For the year ended 31 December 2017

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

We, Penelope Bovell and Mal Di Giulio, being members of the Board of The Artists Foundation Of Western Australia Limited, certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of The Artists Foundation Of Western Australia Limited during and at the end of the financial year of the association ending on 31 December 2017.

Signed: \_\_\_\_\_

Penelope Bovell (Chair)

Signed: \_\_\_\_\_

Mal Di Giulio (Treasurer)

Dated: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

# Auditor's report

## The Artists Foundation Of Western Australia Limited For the year ended 31 December 2017

### Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of The Artists Foundation Of Western Australia Limited (the association), which comprises the balance sheet as at 31 December 2017, and the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

### Board's Responsibility for the Financial Report

The Board of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1987 and for such internal control as the committee determines 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we 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 auditors consider internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

### Auditors' Opinion

In our opinion, the financial report of The Artists Foundation Of Western Australia Limited presents fairly, in all material respects the financial position of The Artists Foundation Of Western Australia Limited as of 31 December 2017, and of its financial for the period then ended in accordance with the accounting policies described in Note 1 to the financial the Associations Incorporation Act 1987 (WA), and the ACNC Act 2012 (Cth).

### Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist The Artists Foundation Of Western Australia Limited to meet the requirements of the Associations Incorporation Act of Western Australia. As a result, the financial report may not be suitable for another purpose.

Name of Firm: PSZ Accounting  
CPA

Auditor: \_\_\_\_\_  
David Makowa  
Registered Company Auditor

Address: Unit 9 Subi Strand, 21 Roydhouse Street  
Subiaco WA 6008

Dated: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

## Certificate By Members of the Board

### The Artists Foundation Of Western Australia Limited For the year ended 31 December 2017

We, Penelope Bovell and Mal Di Giulio, certify that:

1. We attended the annual general meeting of the association held on \_\_\_\_ / \_\_\_\_ / \_\_\_\_ .
2. The financial statements for the year ended 31 December 2017 were submitted to the members of the association at its annual general meeting.

Signed: \_\_\_\_\_

Penelope Bovell (Chair)

Signed: \_\_\_\_\_

Mal Di Giulio (Treasurer)

Dated: \_\_\_\_ / \_\_\_\_ / \_\_\_\_