

SOUTHERN TABLELANDS ARTS (STARTS) INCORPORATED

ABN 67 208 214 681

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021



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Corporate Information

Committee Members

Susan Brindle
Michelle Storey
Rob Moran
Louise Wakefield
Mark Bradbury
Rose Marin
Joanne McCauley
Desmond Freeman

Registered office and principal place of business

P.O.Box 738
Goulburn
NSW 2580

Bankers

ANZ Bank
BDCU Alliance Bank

Auditors

CABEL Partners
Level 3, 1 James Place
North Sydney
NSW 2060

Committee Members' Report
For the year ended 31 December 2021

The committee members present their report on Southern Tablelands Arts (STARTS) Incorporated (the Association) for the financial year ended 31 December 2021.

Committee Members

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

Susan Brindle
Michelle Storey
Rob Moran
Louise Wakefield
Mark Bradbury
Rose Marin
Joanne McCauley
Desmond Freeman

Principal activities

The principal activities of the Association were to provide opportunities for surrounding communities and young people whilst increasing community engagement in arts and cultural activities.

No significant changes in the nature of the Association's activity occurred during the financial year.

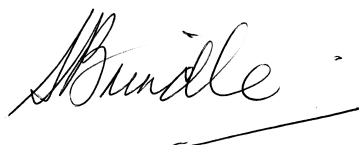
Operating results

The surplus after providing for income tax for the year ended 31 December 2021 is amount to \$63,163 (2020: \$37,697).

Auditor's independence declaration

A copy of Auditor's Independence Declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 22 of this financial report and forms part of this report.

Signed in accordance with a resolution of the members of the Committee.



Susan Brindle
Chairperson

Dated: 29 April 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue	5	87,799	87,632
Other income	6	407,490	232,092
Interest income		-	792
Employee benefits expense		(163,526)	(140,628)
Depreciation expense	11	(699)	(699)
Other operating expenses	7	(267,901)	(141,492)
Surplus before income tax		63,163	37,697
Income tax expense	3.3	-	-
Surplus after income tax		63,163	37,697
Other comprehensive income		-	-
Total comprehensive income for the year		63,163	37,697

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	325,535	228,118
Trade receivables	9	37,909	5,940
Other assets	10	153	293
TOTAL CURRENT ASSETS		363,597	234,351
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,317	2,016
TOTAL NON-CURRENT ASSETS		1,317	2,016
TOTAL ASSETS		364,914	236,367
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	21,225	29,199
Employee benefits	13	11,700	10,738
Other liabilities	14	104,419	32,023
TOTAL CURRENT LIABILITIES		137,344	71,960
NON-CURRENT LIABILITIES			
Other liabilities	14	13,607	13,607
TOTAL NON-CURRENT LIABILITIES		13,607	13,607
TOTAL LIABILITIES		150,951	85,567
NET ASSETS		213,963	150,800
EQUITY			
Retained surplus		213,963	150,800
TOTAL EQUITY		213,963	150,800

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained surplus \$	Total equity \$
Balance as at 1 January 2020	<u>113,103</u>	<u>113,103</u>
Comprehensive income		
Surplus for the year	37,697	37,697
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>37,697</u>	<u>37,697</u>
Balance as at 31 December 2020	<u>150,800</u>	<u>150,800</u>
Comprehensive income		
Surplus for the year	63,163	63,163
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>63,163</u>	<u>63,163</u>
Balance as at 31 December 2021	<u><u>213,963</u></u>	<u><u>213,963</u></u>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		\$	\$
		Inflows	Inflows
		(Outflows)	(Outflows)
Cash flows from operating activities			
Receipts from customers and fundings		463,460	317,221
Interest received		-	792
Payments to suppliers, contractors and employees		(366,043)	(424,904)
Net cash provided by / (used in) operating activities	16	97,417	(106,891)
Net increase in cash and cash equivalents		97,417	(106,891)
Cash and cash equivalent at the beginning of the year		228,118	335,009
Cash and cash equivalent at the end of the year	8	325,535	228,118

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

These financial statements are for Southern Tablelands Arts (STARTS) Incorporated (“the Association”) as an individual entity. Southern Tablelands Arts (STARTS) Incorporated is a not-for-profit association, incorporated in New South Wales under the Association Incorporation Act (NSW) 2009 and Associations Incorporation Regulations (NSW) 2016.

The functional and presentation currency of the Association is Australian dollars and all values are rounded to the nearest dollar.

The financial statements for the year ended 31 December 2021 were approved and authorised for issuance by the Committee Members on 29 April 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

Committee Members have prepared the special-purpose financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general-purpose financial statements. These financial statements are prepared to meet the reporting requirements of the Association.

The financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards, the Australian Charities and Not for Profits Commission Act 2012, the Australian Charities Not for Profits Commission Regulations 2013, the Association Incorporation Act (NSW) 2009 and Associations Incorporation Regulations (NSW) 2016. The Association is a not-for-profit entity for the purposes of preparing the financial statements.

2 Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 31 December 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

3 Summary of significant accounting policies

These financial statements have been prepared in accordance with the significant accounting policies disclosed below, which have been determined appropriate to meet the purposes of preparation by the Committee Members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical cost unless otherwise stated in the notes.

The significant accounting policies that have been adopted in the preparation of the statements are as follows:

3.1 Revenue and other income

(a) Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.1 Revenue and other income (continued)

(a) Revenue from contracts with customers (continued)

Revenue is recognised by applying a five-step model as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligation; and
- v) Recognise revenue as and when control of the performance obligations is transferred.

Generally, the timing of the rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

(b) Interest income

Interest income is recognised as it accrues using the effective interest method.

(c) Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

3.2 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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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 statement of financial position.

3.3 Income tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

3.4 Operating expenses

Operating expenses are recognised in the statement of profit or loss and other comprehensive income upon utilisation of the service or at the date of their origin.

3.5 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.6 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or fair value of contributions received including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Property, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these 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 property, 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 (refer to Note 3.7 for details of impairment).

Property, plant and equipment are depreciated on a straight-line basis over the assets' useful life to the Association, commencing when the asset is ready to use.

The depreciation rates used for each class of depreciable assets are:

<u>Class</u>	<u>Rate per annum</u>
Plant and equipment	20%

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in statement of profit or loss and other comprehensive income.

3.7 Impairment of assets

At the end of each reporting period, the Association 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, the recoverable amount of the asset, being the higher of the asset's fair amount less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.7 Impairment of assets (continued)

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

3.8 Leases

At inception of a contract, the Association assesses whether a lease exists - i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e., decision-making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The estimated life of the right-of-use assets is based on those of property, plant and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date (refer to Note 3.7 for details of impairment).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.8 Leases (continued)

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.9 Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt instrument (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade receivables, other assets and cash and cash equivalents in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.9 Financial instruments (continued)

Financial assets (continued)

Amortised cost (continued)

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in the statement of profit or loss and other comprehensive income. Gain or loss on derecognition is recognised in the statement of profit or loss and other comprehensive income.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of financial assets has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk. The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade and other receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.9 Financial instruments (continued)

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Association comprise trade and other payables.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Association can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of a present obligation is not probable.

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 benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

3.11 Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

4 Economic dependence

Southern Tablelands Arts Incorporated is dependent on Create New South Wales for the majority of its revenue used to operate the business. At the date of this report the Committee have no reason to believe Arts New South Wales will not continue to support Southern Tableland Arts Incorporated.

In the opinion of the Committee, the Association has sufficient levels of cash and cash equivalent to service its debts as and when they fall due for at least the next 12-month period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
5 Revenue			
Service income		<u>87,799</u>	<u>87,632</u>
6 Other income			
Create NSW funding		168,000	140,000
Projects and event fundings		220,290	36,462
COVID-19 cashflow boost		-	32,530
Job-keeper subsidy		<u>19,200</u>	<u>23,100</u>
		<u>407,490</u>	<u>232,092</u>
7 Other operating expenses			
Projects and event expenses		223,821	41,666
Consultancy fees		12,423	39,828
Rent and short-term leases	7.1	7,394	17,601
Motor vehicle expenses		4,637	3,677
Accounting and audit fees		4,300	5,994
Insurance		4,108	8,104
Advertising and marketing		2,666	830
Postage, telephone and office supplies		2,282	3,058
Subscription and memberships		1,966	3,859
Administration and recruitment cost		1,415	3,695
IT related expenses		942	2,075
Refunds and reimbursements		318	1,770
Conferences expenses		244	2,419
Logistics arrangements		134	2,688
Legal fees		-	2,025
Other expenses		<u>1,251</u>	<u>2,203</u>
		<u>267,901</u>	<u>141,492</u>

7.1 The Association elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognised the payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021 \$	2020 \$
8 Cash and cash equivalents		
Cash on hand	300	300
Cash at bank	<u>325,235</u>	<u>227,818</u>
	<u>325,535</u>	<u>228,118</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
9 Trade receivables		
<i>Current</i>		
Trade receivables	57,822	25,853
Provision for doubtful debts	(19,913)	(19,913)
	<u>37,909</u>	<u>5,940</u>
10 Other assets		
<i>Current</i>		
Key deposits	110	110
Goulburn Film Group	43	183
	<u>153</u>	<u>293</u>
11 Property, plant and equipment		
<i>Plant and equipment</i>		
<i>Cost</i>	<u>3,495</u>	<u>3,495</u>
<i>Accumulated depreciation and impairment</i>		
Opening	1,479	780
Charge for the year	699	699
	<u>2,178</u>	<u>1,479</u>
<i>Net carrying value</i>	<u>1,317</u>	<u>2,016</u>
12 Trade and other payables		
<i>Current</i>		
Trade payables	11,153	13,768
GST payable	2,583	724
Superannuation payable	3,088	2,621
PAYG withholding payable	1	8,371
Accrued expenses	4,400	3,300
Sundry expenses	-	415
	<u>21,225</u>	<u>29,199</u>
13 Employee benefits		
<i>Current</i>		
Provision for annual leave	<u>11,700</u>	<u>10,738</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
14 Other liabilities			
<i>Current</i>			
Grants in advance		1,448	-
Project income in advance		102,971	32,023
		<u>104,419</u>	<u>32,023</u>
<i>Non-current</i>			
Goulburn Film Group Reserve	14.1	13,607	13,607
		<u>13,607</u>	<u>13,607</u>
		<u>118,026</u>	<u>45,630</u>

14.1 The Goulburn Film Group Reserve established to provide for future costs associated with holding film events.

15 Financial risk management

The Association's financial instruments consist mainly of deposits with banks, trade receivables, other assets, and trade and other payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial report are as follows:

	Note	2021 \$	2020 \$
Financial assets			
<u>At amortised cost</u>			
Cash and cash equivalents	8	325,535	228,118
Trade receivables	9	37,909	5,940
Other assets	10	153	293
		<u>363,597</u>	<u>234,351</u>
Financial liabilities			
<u>At amortised cost</u>			
Trade and other payables	12	21,225	29,199
		<u>21,225</u>	<u>29,199</u>

16 Cash flow statement information

Reconciliation of cash:

Cash and cash equivalents	8	<u>325,535</u>	<u>228,118</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
16 Cash flow statement information (continued)		
<i>Reconciliation of net cash provided by / (used in) operating activities to surplus after income tax:</i>		
Surplus after income tax	63,163	37,697
<i>Non-cash flows in surplus after income tax</i>		
Depreciation expense	699	699
<i>Changes in assets and liabilities</i>		
Increase in trade receivables	(31,969)	(5,940)
Decrease in other assets	140	3,437
Decrease in trade and other payables	(7,974)	(10,237)
Increase / (decrease) in employee benefits	962	(32,941)
Increase / (decrease) in other liabilities	72,396	(99,606)
Net cash provided by / (used in) operating activities	97,417	(106,891)

17 Related party transactions

The Association's related parties' transactions include transactions as described below:

17.1 Key management personnel remuneration:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including any committee members (whether executive or otherwise) of the Association is considered key management personnel.

	2021 \$	2020 \$
Key management personnel remuneration	100,013	75,763

17.2 Other transactions

There are no other financial transactions with related parties.

18 Contingencies and commitments

In the opinion of the Committee Members, the Association did not have any contingencies and commitments at 31 December 2021 (2020: None).

19 Subsequent 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 Association, the results of those operations or the state of affairs of the Association in future financial years.

RESPONSIBLE PERSONS' DECLARATION

The responsible persons declare that in the responsible persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of *the Australian Charities and Not-for-profits Commission Act 2012* .

Signed in accordance with subsection 60.15(2) of *the Australian Charities and Not-for-profits Commission Regulations 2013* .



Susan Brindle
Chairperson

Dated: 29 April 2022

INDEPENDENT AUDIT REPORT TO THE COMMITTEE MEMBERS OF SOUTHERN TABLELANDS ARTS (STARTS) INCORPORATED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Southern Tablelands Arts (STARTS) Incorporated ("the Association"), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Division 60 of *the Australian Charities and Not for Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Association's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of *the Australian Charities and Not for Profits Commission Regulations 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Report** section of our report. We are independent of the Association in accordance with the auditor independence requirements of *the Australian Charities and Not for Profits Commission Act 2012* (ACNC Act) and the ethical requirements of *the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under *the ACNC Act*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDIT REPORT TO THE COMMITTEE MEMBERS OF SOUTHERN TABLELANDS ARTS (STARTS) INCORPORATED (CONTINUED)

Other Information

The Committee Members of the Association are responsible for the other information. The other information comprises the information included in the Association's financial report (such as Committee Members' Report) for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of *the ACNC Act*. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

INDEPENDENT AUDIT REPORT TO THE COMMITTEE MEMBERS OF SOUTHERN TABLELANDS ARTS (STARTS) INCORPORATED (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report (continued)

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We communicate with the responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ray Khalil | Partner
CABEL Partners

Date: 29 April 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE COMMITTEE MEMBERS OF SOUTHERN TABLELANDS ARTS (STARTS) INCORPORATED

I declare that, to the best of my knowledge and belief for the year ended 31 December 2021, there have been:

- (i) no contraventions of the auditor independence requirements of *the Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Ray Khalil | Partner
CABEL Partners

Date: 29 April 2022

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