



The West Australian Music Industry Association
Incorporated
Financial Statements
30 June 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of The West Australian Music Industry Association Incorporated

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of The West Australian Music Industry Association Incorporated ("the Association") which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph below, the accompanying financial report presents fairly, in all other material aspects, the financial position of the Association as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Act 2015* and the accounting policies set out in Note 1 to the financial report.

Basis for qualified 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 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.

The financial statements include an amount of \$113,101 which has been classified as "Grants received in Advance" and which relates to COVID Relief funding from Lotterywest received during the year. We do not consider that the terms of this funding contain performance obligations which are sufficiently specific as outlined in AASB 15 *Revenue from Contracts with Customers*. As a result, in our opinion, this funding should be brought to account as revenue in the year ended 30 June 2020.

Responsibilities of management and the Board for the financial report

Management is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Board is responsible for overseeing the Association's financial reporting process.

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Emphasis of matter – Basis of Accounting

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 financial reporting responsibilities under the *Associations Incorporation Act 2015* and the Association's Constitution. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia

9 March 2021



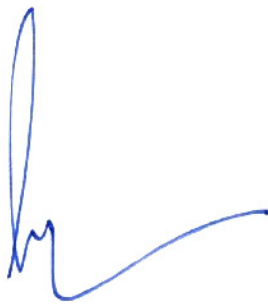
L Di Giallonardo
Partner

Declaration on Behalf of the Board

For the year ended 30 June 2020

I, Al Taylor, President of The West Australian Music Industry Association Incorporated declare on behalf of the Board of the Association, that in my opinion:

1. The attached financial statements and notes, give a true and fair view of the Association's financial position as at 30 June 2020, and of its operations for the year then ended.
2. The Association will be able to pay its debts as and when they become due and payable.



Al Taylor
President
The West Australian Music Industry Association Inc

Dated this 9th day of March 2021

Statement of Financial Position

As at 30 June 2020

	Note	30 June 2020 \$	30 June 2019 \$
Current Assets			
Cash		580,536	522,518
Receivables	2	126,483	117,293
Total Current Assets		707,019	639,811
Non-Current Assets			
Right-of-use asset	3	8,097	32,890
Property plant and equipment	4	31,126	54,612
Total Non-Current Assets		39,223	87,502
Total Assets		746,242	727,313
Current Liabilities			
Accounts payable	5	18,797	12,718
Provisions and accruals	6	188,059	209,893
Grants received in advance	8	322,390	320,495
Other deferred income		81,455	4,164
Financial liability current	9	8,097	24,527
Total Current Liabilities		618,798	571,797
Non-Current Liabilities			
Financial liability non-current	9	-	8,363
Total Non-Current Liabilities		-	8,363
Total Liabilities		618,798	580,160
Net Assets		127,444	147,153
Represented by:			
Accumulated funds			
Balance at beginning of period		147,153	144,434
Current period (deficit)/surplus		(19,709)	2,719
Accumulated Funds		127,444	147,153

Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	Year ended 30 June 2020 \$	6 months ended 30 June 2019 \$
Income			
Membership fees		27,179	24,139
Ticket sales		5,022	5,032
Participant fees		26,834	36,391
Project management fees		168,293	147,885
Sponsorship		82,820	17,474
Event funding		95,000	15,000
Grants and subsidies	10	879,167	408,197
Other income		147,082	9,145
Total income		1,431,397	663,263
Expenses			
Audit and compliance		5,697	5,500
Advertising and marketing		54,011	25,534
Bank charges/interest		1,513	1,261
Computer internet and telephone		13,432	13,626
Depreciation		36,295	22,902
Entertainment		3,695	2,681
Insurance		7,834	7,196
Other expenses		18,204	6,605
Other staff costs		3,823	3,040
Printing postage and stationery		3,526	1,894
Projects and events	11	560,390	217,636
Rent and outgoing		2,025	2,063
Repairs and maintenance		2,057	1,624
Salary and wages		664,782	295,124
Subscriptions		2,375	2,863
Travel and accommodation		9,323	21,501
Superannuation		59,653	27,894
Workers compensation		2,471	1,600
Total Expenditure		1,451,106	660,544
(Deficit)/Surplus		(19,709)	2,719

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	Year ended 30 June 2020 \$	6 months ended 30 June 2019 \$
Cash flows from operating activities			
Grants and sponsorship received		1,571,443	853,970
Other income		1,259	743
Payment to suppliers and employees		(1,514,684)	(692,543)
Net cash flows from operating activities	12	58,018	162,170
Cash flows from investing activities			
Payments for property plant and equipment		-	(7,646)
Net cash used in investing activities		-	(7,646)
Net increase in cash held		58,018	154,524
Cash at the beginning of the period		522,518	367,994
Cash at the end of the period		580,536	522,518

Notes to the Financial Statements

For the Year Ended 30 June 2020

Note 1 Summary of Significant Accounting Policies

This special purpose financial report has been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the Associations Incorporations Act 2015 and the Association's Constitution.

It is prepared in accordance with the historical cost convention. The accounting policies are consistent with those of the previous period. Comparative information is reclassified where appropriate to enhance comparability. During the previous period, the Association changed its balance date from 31 December to 30 June. As a result, the comparative period financial statements are presented for the period of six months ended 30 June 2019.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial statements.

- (a) *Depreciation of property, plant and equipment*
Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets.
- (b) *Taxation*
The Association is exempt from income tax by virtue of section 50-45 of the Income Tax Assessment Act (1997).
- (c) *Grants*
Grants received for specific projects are brought to account as income in the period to which they relate. Any grant monies received for specific projects in advance of the accounting period to which they relate are treated as a liability entitled "Grants Received in Advance".
- (d) *Cash*
For the purpose of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.
- (e) *Acquisition of Assets*
The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

Notes to the Financial Statements (cont)

For the Year Ended 30 June 2020

(f) *Recoverable Amount of Non-Current Assets*

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is impaired to its recoverable amount. Impairments are recognised as an expense in the statement of comprehensive income.

(g) *Employee Entitlements*

(i) *Wages, salaries and annual leave*

An accrual is made for the entity's short term employee benefits. Short term employee benefits are benefits that are expected to be paid before 12 months after the end of the annual reporting period in which the employees render services, including wages, salaries and annual leave.

(ii) *Long service leave*

The liability for long service leave is recognised as a provision and is measured as the present value of expected future payments made in respect of services provided by employees up to the balance date. Consideration is given to expected future wages and salary levels, experience of employee departures and period of service.

(h) *Leases*

All leases, except for short term and low value leases, are capitalised as "right of use" assets as well as a corresponding lease liability.

Right of use assets are depreciated on a straight line basis over the lease term. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(i) *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 benefit will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the Financial Statements (cont)

For the Year Ended 30 June 2020

(j) *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 statement of financial position.

(k) *Accounts Receivable and Other Debtors*

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. 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.

(l) *Comparative Figures*

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

When the Association retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(m) *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 company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements (cont)

For the Year Ended 30 June 2020

(n) *Adoption of new and revised standards*

In the year ended 30 June 2020, the Board has reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Association and effective for the current reporting period. None of these standards and interpretations have a material impact on the Association.

Notes to the Financial Statements (cont)

For the Year Ended 30 June 2020

	30 June 2020 \$	30 June 2019 \$
Note 2: Receivables		
Accounts receivable	89,355	109,582
Prepayments	37,128	7,711
	126,483	117,293
Note 3: Right of use asset		
Leased building	44,580	44,580
Less: Accumulated depreciation	(36,483)	(11,690)
	8,097	32,890
Reconciliation		
Opening net value at 1 January 2019	32,890	44,580
Depreciation charges	(24,793)	(11,690)
Closing net book amount	8,097	32,890

AASB 16 related amounts in the statement of profit and loss:

	30 June 2020 \$	6 months ended 30 June 2019 \$
Depreciation charge related to right of use assets	24,793	11,690
Interest expense on lease liabilities	126	993
Note 4: Property plant and equipment		
	30 June 2020 \$	30 June 2019 \$
Plant and equipment at cost	100,574	100,574
Less: Accumulated depreciation	(69,448)	(45,962)
	31,126	54,612

Notes to the Financial Statements (cont)

For the Year Ended 30 June 2020

Note 5: Accounts payable	30 June 2020 \$	30 June 2019 \$
Trade payables	18,797	12,718
	18,797	12,718

Note 6: Provisions and accruals

Accrued audit fees	5,500	5,500
Accrued superannuation	20,191	12,967
Accrued annual leave	41,673	23,690
Provision for long service leave	44,006	24,690
Other accruals	26,204	104,284
Accrued GST	50,485	38,762
	188,059	209,893

Note 7: Related party information

(a) Board of Directors

The names of the persons who held office as committee members of The West Australian Music Association Incorporated during the course of the financial period are as follows:

Al Taylor	President
Noah Shilkin	Vice President
Steven McCabe	Treasurer
Bel Skinner	Secretary
Toby Browne-Cooper	
Chris Edmondson	
Clive Hodson	
Kylie Thompson	
Geraldine Rey	(appointed 21 July 2020)
Aysha Amani	(term ended 21 July 2020)

(b) Related Party Transactions

There were no material transactions between the Association and any related parties during the period.

(c) Remuneration of Committee Members

The committee members receive no remuneration from the Association.

Notes to the Financial Statements (cont)

For the Year Ended 30 June 2020

Note 8: Grants received in advance

Grant	Grantor	30 June	30 June
		2020	2019
		\$	\$
Core funding	Australia Council	67,161	68,500
Girls Rock! WA	DLGSC	30,000	65,000
Regional Recording	DLGSC	24,800	92,500
Bush Bands scoping	Lotterywest	27,828	27,828
Audience Development	Healthway	36,000	-
Song of the Year	APRA	3,500	-
COVID Relief	Lotterywest & Australia Council	133,101	-
WAMCon	DLGSC	-	66,667
		322,390	320,495

Note 9: Financial liabilities

	30 June	30 June
	2020	2019
	\$	\$
Current lease liability	8,097	24,527
Non-current lease liability	-	8,363
	8,097	32,890
Reconciliation:		
Opening balance at 1 July 2020	32,890	44,580
Principal repaid	(24,919)	(12,683)
Finance charges	126	993
Closing net book amount	8,097	32,890

Notes to the Financial Statements (cont)

For the Year Ended 30 June 2020

Note 10: Grants and subsidies

	30 June 2020	6 months ended 30 June 2019
DLGSC Core	400,000	275,000
DLGSC Project	219,467	20,000
State government grants	178,600	97,652
Local government grants	40,000	-
Other national funding	41,100	15,545
	879,167	408,197

Note 11: Projects and events

	30 June 2020	6 months ended 30 June 2019
Artist fees	153,200	275,000
Production and equipment	177,581	20,000
Venue	45,519	97,652
Travel and accommodation	162,717	-
Other project costs	21,373	15,545
	560,390	408,197

Note 12: Reconciliation of cash flows from operating activities

	30 June 2020	6 months ended 30 June 2019
Net (deficit)/surplus for the period	(19,709)	2,719
<i>Non-cash flows in operating surplus:</i>		
Depreciation	23,486	22,902
Provision for employee benefits	39,437	(3,681)
<i>Net changes in working capital:</i>		
Net (increase)/decrease in receivables	(9,190)	9,918
Net increase in payables	21,725	43,744
Net increase in income in advance	2,269	86,568
Net cash flows from operating activities	58,018	162,170