

South East Arts (NSW) Incorporated

ABN: 91 633 041 645

Financial Statements

For the year ended 31 December 2024

South East Arts (NSW) Incorporated

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South East Arts (NSW) Incorporated

Statement of income and retained earnings

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Revenue	3		
Merchandise sales		3,040	11,750
Fundraising income - donations		23,160	28,538
ArtsNSW core funding		200,000	200,000
CASP		17,000	17,000
Grants - other		1,763	7,050
Local Government contributions		60,574	57,817
Interest income		6,014	4,692
Project management		22,850	58,536
Ticket sales		80,358	79,758
Project income		526,197	470,005
Sundry income		424	31,688
Prizes & sponsorship		13,000	1,000
Total income		954,380	967,834
Expenses			
Accounting and audit fees		6,690	6,655
Advertising and marketing		1,865	248
Artist fees		129,054	145,784
Bad debt		6,681	-
Bank fees		238	324
Contractors/Consultants		158,190	81,255
Computer costs		95	1,573
CASP		18,000	19,741
Depreciation and amortisation		23,905	21,232
Insurance - general		3,173	4,747
Internet and website expenses		2,493	2,568
Inventory costs		7,975	2,159
Marketing expenses		3,747	964

The accompanying notes form part of these financial statements.

South East Arts (NSW) Incorporated

Statement of income and retained earnings

For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Merchant fees		3,231	5,199
Membership/Subscriptions		14,189	11,842
Micro grants		22,000	-
Motor vehicle expenses		6,789	8,449
Office equipment		-	1,362
Project expenses		174,432	222,999
Rent		15,966	14,577
Sponsorship		-	1,000
Staff amenities		7	337
Staff-professional development		5,045	-
Sundry expenses		5,240	2,543
Telephone, internet and mobile expenses		3,520	3,036
Travel and accommodation artists		75,984	82,242
Loss on disposal of asset		(4,747)	-
Travel expenses		748	435
Employee benefit expenses		339,546	308,245
Total expenses		1,033,550	949,516
(Deficit) / Surplus before income tax		(79,170)	18,318
Income tax	2.a	-	-
(Deficit) / Surplus for the year		(79,170)	18,318
Retained earnings			
(Deficit) / Surplus for the year		(79,170)	18,318
Opening balance		89,368	81,047
Retained earnings at the end of the year		10,198	99,365

The accompanying notes form part of these financial statements.

South East Arts (NSW) Incorporated

Statement of financial position

As at 31 December 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	341,734	445,224
Trade and other receivables		176,152	71,677
Inventories		-	7,975
Rent in advance		9,461	9,208
Total current assets		527,347	534,084
Non-current assets			
Property, plant and equipment	5	32,090	57,927
Total non-current assets		32,090	57,927
Total assets		559,437	592,011
Liabilities			
Current liabilities			
Current lease liabilities	6	15,305	14,344
Trade and other payables	7	40,293	60,664
Employee benefits	8	74,903	54,317
Income in advance		378,052	292,330
Total current liabilities		508,553	421,655
Non-current liabilities			
Non-current lease liabilities	6	10,769	26,074
Total non-current liabilities		10,769	26,074
Total liabilities		519,322	447,729
Net assets		40,115	144,282
Equity			
Retained earnings		10,198	99,365
Reserves		29,917	44,917
Total equity		40,115	144,282

The accompanying notes form part of these financial statements.

South East Arts (NSW) Incorporated

Statement of cash flows
For the year ended 31 December 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities:			
Receipts from customers		989,018	1,171,981
Payments to suppliers and employees		(1,081,362)	(974,988)
Interest received		6,014	4,692
Net cash flows from/(used in) operating activities		(86,330)	201,685
Cash flows from investing activities:			
Purchase of property, plant and equipment		(2,816)	(18,355)
Cash flows from financing activities:			
Repayment of operating lease liabilities		(13,344)	(13,711)
Net increase/(decrease) in cash and cash equivalents		(102,490)	169,619
Cash and cash equivalents at beginning of year		445,224	275,605
Cash and cash equivalents at end of financial year	4.a	342,734	445,224

The accompanying notes form part of these financial statements.

South East Arts (NSW) Incorporated

Notes to the financial statements

For the year ended 31 December 2024

1. Basis of preparation

The association was incorporated under the Associations Incorporated Act, 1984, NSW as South East Arts Region Incorporated (# INC9877584). The Association changed its legal name to South East Arts (NSW) Incorporated. It is registered with the Australian Business Register - Australian Business Number 91 633 041 645. The association is registered for the Goods and Services Tax purposes. The Association is registered as an income tax exempt charity and as a deductible gift recipient and is registered as a charity with the Australian Charities and Not-for-profits Commission. The Association holds an authority to fundraise for charitable purposes under the Charitable Fundraising Act 1991 (#CFN24177). This authority remains in force until 30 July 2028.

In the opinion of the Board, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 ("the Act"). The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 124 Related Party Disclosures and AASB 1054 Australian Additional Disclosures.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Material accounting policy information

a. Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

b. Going concern basis

The accounts have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Association has booked considerable liabilities for funding and contributions to be utilised in future periods. The Association has sufficient cash reserves to cover these liabilities.

South East Arts (NSW) Incorporated

Notes to the financial statements

For the year ended 31 December 2024

2. Material accounting policy information (continued)

c. Ongoing government financial support

The accounts have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Association is dependent on government grants and contributions as a continuing source of revenue. In the event that current government contracts and funding were to cease, the association would have to significantly restructure its operations to meet its commitments.

d. Information and declarations to be furnished under the Charitable Fundraising Act 1991

During the year the organisation obtained gross income of \$23,160 for charitable purposes from donations. This income was used for the charitable objectives of South East Arts (NSW) Incorporated.

3. Revenue and other income

a. Accounting policy

i. 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.

Generally, the timing of the payment for sale of goods and 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.

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Grant Revenue:

Government and other grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The Association considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

South East Arts (NSW) Incorporated

Notes to the financial statements
For the year ended 31 December 2024

3. Revenue and other income (continued)

a. Accounting policy (continued)

ii. Specific revenue streams (continued)

Revenue from projects

Revenue from projects deferred until the project begins and is taken up on a percentage of completion basis until the project is completed.

iii. Other income

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

4. Cash and cash equivalents

a. Cash and cash equivalent details

	2024	2023
	\$	\$
Cash at bank	311,817	400,307
Public Fund bank account	29,917	44,917
	341,734	445,224

5. Plant and equipment

a. Accounting policy

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

i. Depreciation

Plant and equipment is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant & Equipment	3 years
Furniture & Fixtures	5 years
Stage Costs	10 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

South East Arts (NSW) Incorporated

Notes to the financial statements
For the year ended 31 December 2024

5. Plant and equipment (continued)

b. Property, plant and equipment details

Summary	2024	2023
	\$	\$
Office equipment		
Computer / Off. Equip. at Cost	22,633	19,817
Comp. / Off. Equip. Accum Dep	(18,567)	(15,652)
Total Office equipment	4,066	4,165
Furniture, fixtures and fittings		
Furniture & Fixtures at Cost	8,361	8,361
Furniture & Fixtures Accum Dep	(6,390)	(5,144)
Total Furniture, fixtures and fittings	1,971	3,217
Motor vehicles		
Motor Vehicle under Lease	44,996	44,996
MV Under Lease - Accum Amortisation	(18,943)	(3,944)
Total Motor vehicles	26,053	41,052
Plant and equipment		
Stage Costs	-	14,239
Stage Deprn	-	(4,746)
Total Plant and equipment	-	9,493
	32,090	57,927

6. Leases

a. Accounting policy

At inception of a contract, the Association assesses whether a lease exists.

i. Lessee accounting

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 received.

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 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.

South East Arts (NSW) Incorporated

Notes to the financial statements
For the year ended 31 December 2024

6. Leases (continued)

a. Accounting policy (continued)

i. Lessee accounting (continued)

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.

1) Exceptions to lease accounting

The Association has 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 recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

b. Association as a lessee

The Association has an operating lease over a motor vehicle which has a term of 3 years.

The Association has a lease over office space which has not been accounted for under AASB 16 Leases. Due to the lease terms and the nature of the Association's operations, accounting for the rental payments as expenses when incurred is considered the most appropriate accounting policy for the office lease.

i. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2024	2023
	\$	\$
< 1 year	15,305	14,344
1 - 5 years	10,769	26,074
Total undiscounted lease liabilities	26,074	40,418
Lease liabilities included in the statement of financial position	26,074	40,418

South East Arts (NSW) Incorporated

Notes to the financial statements
For the year ended 31 December 2024

7. Trade and other payables

Current	2024	2023
	\$	\$
Trade Creditors	40,091	54,692
Visa - St George	1,083	(7,019)
GST receivable	(1,005)	-
Other trade and other payables		
Artist Payments	124	1,071
Accrued Expenses	-	11,920
Total Other trade and other payables	124	12,991
	40,293	60,664

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

8. Employee benefits

a. Accounting policy

Provisions are made for the Association's liability for employee benefits, those 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, plus related on-costs.

b. Employee benefit details

Current	2024	2023
	\$	\$
Long service leave	29,714	23,008
Annual leave	35,189	21,309
Personal leave	10,000	10,000
	74,903	54,317

South East Arts (NSW) Incorporated

Statement by the board
For the year ended 31 December 2024

In the opinion of the board:


1. the attached financial statements and notes comply with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991;
2. the attached financial statements and notes give a true and fair view of South East Arts (NSW) Incorporated's financial position as at 31 December, 2024 and of its performance for the financial year ended on that date;
3. there are reasonable grounds to believe that South East Arts (NSW) Incorporated will be able to pay its debts as and when they become due and payable;
4. the internal controls exercised by South East Arts (NSW) Incorporated are appropriate and effective in accounting for all income received and applied by South East Arts (NSW) Incorporated from all fundraising appeals;
5. the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2022.



Member: Denise M. FERRIS

Dated: 19.05.2025



Member: SILAS DUNSTAN

19.05.2025.

South East Arts (NSW) Incorporated

Statement by the board
For the year ended 31 December 2024

In the opinion of the board:

1. the attached financial statements and notes comply with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991;
2. the attached financial statements and notes give a true and fair view of South East Arts (NSW) Incorporated's financial position as at 31 December, 2024 and of its performance for the financial year ended on that date;
3. there are reasonable grounds to believe that South East Arts (NSW) Incorporated will be able to pay its debts as and when they become due and payable;
4. the internal controls exercised by South East Arts (NSW) Incorporated are appropriate and effective in accounting for all income received and applied by South East Arts (NSW) Incorporated from all fundraising appeals;
5. the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2022.

Member:

Member:

Dated:



Auditor's Independence Declaration to the Directors of South East Arts (NSW) Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

KOTHES ACCOUNTING GROUP

SIMON BYRNE
Partner
Registered Company Auditor #153624

BEGA
16 May 2025



Chartered Accountants
Australia & New Zealand
Liability limited by a scheme
approved under Professional
Standards Legislation

Directors

Simon Byrne
Fiona Dunham
Ben Marshman
Kevin Phillistin
Gary Skelton
Deni Tomat

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Independent Audit Report to the members of South East Arts (NSW) Incorporated (Non-Reporting)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of South East Arts (NSW) Incorporated (the Entity), which comprises the statement of financial position as at 31 December 2024, the statement of income and retained earnings and the statement of cash flows for the year then ended, notes to the financial statements including material accounting policies, and the statement by the board.

In our opinion, the accompanying financial report of the Entity is prepared, in all material respects, in accordance with the Division 60 of the *Australian Charities and Not for profits Commission Act 2012* and the *Charitable Fundraising Act, 1991*.

Report on Other Legal and Regulatory Requirements

We report that:

- (a) the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- (b) the accounting and associated records have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991 (NSW)* and regulations (as amended);
- (c) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)*, and regulations (as amended); and
- (d) at the date of this report, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

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 Entity in accordance with 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 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 - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the association in complying with the *Australian Charities and Not for profits Commission Act 2012* and the *Charitable Fundraising Act, 1991*. As a result, the financial report may not be suitable for another purpose.



INFECTOPS

Simon Byrne
Fiona Dunham
Ben Marshman
Kevin Philistin
Gary Skelton
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Independent Audit Report to the members of South East Arts (NSW) Incorporated (Non-Reporting) (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Report

The Board and Management is responsible for the preparation of the financial report in accordance with the Division 60 of the *Australian Charities and Not for profits Commission Act 2012* and the *Charitable Fundraising Act, 1991*, 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

and error. In preparing the financial report, management is responsible for assessing the Entity'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 intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

KOTHES ACCOUNTING GROUP



SIMON BYRNE
Partner
Registered Company Auditor #153624

BEGA
16 May 2025