

# **GUNNEDAH CONSERVATORIUM INC**

ABN 68 214 265 056

## **Financial Statements** **For the year ended 30 June 2019**

ERY Melrose

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12 September 2019

**Independent Audit Report to the Members of  
Gunnedah Conservatorium Inc  
ABN 66 214 265 056**

We have audited the accompanying financial report, being a special purpose financial report, of Gunnedah Conservatorium Inc, which comprises the statement of financial position as at 30 June 2019, the statement of income and expenditure and a balance sheet, statement in movements in equity, notes comprising a summary of significant accounting policies and other explanatory information and the Committee's assertion statement.

***The Committee's responsibility for the financial report***

The Committee are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010* and the needs of the members.

The Committee's responsibility also includes such internal control as the Committee determine is necessary to enable the preparation and fair presentation of a financial report that 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 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 Australian professional accounting bodies.

As Auditor of Gunnedah Conservatorium Inc for the financial year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of the code of conduct relating to independence in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board.

## ***Electronic publication of the audited financial report***

Responsibility for any electronic presentation of the financial report on the Gunnedah Conservatorium Inc website is that of those charged with governance of the Gunnedah Conservatorium Inc. The security and controls over information on the website should be addressed by the Gunnedah Conservatorium Inc to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial report on the Gunnedah Conservatorium Inc website is beyond the scope of the audit of the financial report.

## ***Opinion***

In our opinion, the financial report presents fairly, in all material respects, the financial position of Gunnedah Conservatorium Inc as at 30 June 2019 and of its financial performance and its cash flows for the year then ended on that date and complies with Australian Accounting Standards to the extent described in Note 1.

## ***Basis of Accounting***

Without modifying our opinion, 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 Committee's reporting responsibilities per Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010. As a result, the financial report may not be suitable for another purpose.

ERY Melrose  
Accountants & Business Advisors

Treena Daniells  
MPA CPA

# **GUNNEDAH CONSERVATORIUM INC**

## **Compilation Report**

### **For the Year ended 30 June 2019**

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We have compiled the accompanying special purpose financial statements of GUNNEDAH CONSERVATORIUM INC, which comprise the Balance Sheet as at 30 June 2019, the Statement of Profit or Loss for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in the Notes to the Financial Statements.

#### **The Responsibility Of The Directors**

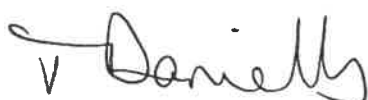
The Directors of GUNNEDAH CONSERVATORIUM INC are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the significant accounting policies used are appropriate to meet the needs of the director and for the purpose that the financial statements were prepared.

#### **Our Responsibility**

On the basis of information provided by the Directors, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies described in the Notes to the Financial Statements and APES 315: Compilation of Financial Information. We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the significant accounting policies described in the Notes to the Financial Statements. We have complied with the relevant ethical requirements of APES 110: Code of Ethics for Professional Accountants.

#### **Assurance Disclaimer**

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements. The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.



**ERY Melrose**  
CPA Registered Tax Agent  
203 Conadilly Street, Gunnedah NSW 2380

Treena Daniells  
12 September 2019

**GUNNEDAH CONSERVATORIUM INC**  
**ABN 68 214 265 056**  
**Committee's Report**  
**For the year ended 30 June 2019**

Your committee members submit the financial accounts of the GUNNEDAH CONSERVATORIUM INC for the financial year ended 30 June 2019.

**Committee Members**

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

- David Walker - President
- Lyn Pengilly - Vice President
- Megan Martin - Secretary
- Julie Glover - Treasurer
- Marg Kersley
- Mary Richard
- Kristie Farquhar

**Principal Activities**

The principal activities of the association during the financial year were: .

**Significant Changes**

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

**Operating Result**

The profit from ordinary activities after providing for income tax amounted to

Year ended 30 June 2018	Year ended 30 June 2019
\$ 63,487	\$ 8371

Signed in accordance with a resolution of the Members of the Committee on .....

\_\_\_\_\_  
David Walker – President

\_\_\_\_\_  
Julie Glover - Treasurer

**The accompanying notes form part of these financial statements.**

**GUNNEDAH CONSERVATORIUM INC**

**ABN 68 214 265 056**

**Statement by Members of the Committee**

**For the year ended 30 June 2019**

The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the Income and Expenditure Statement, Statement of Financial Position, and Notes to the Financial Statements:

1. Presents fairly the financial position of GUNNEDAH CONSERVATORIUM INC as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

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David Walker

President

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Julie Glover

Treasurer

**The accompanying notes form part of these financial statements.**

**GUNNEDAH CONSERVATORIUM INC**

**ABN 68 214 265 056**

**Certificate by Member of the Committee**

**For the year ended 30 June 2019**

I, David Walker- (President) of Gunnedah, and I, Julie Glover – (Treasurer) of Gunnedah certify that:

a. We attended the annual general meeting of the association held on 12<sup>th</sup> September 2019 and the Committee Meeting on .....

b. The financial statements for the year ended 30 June 2019 were not submitted to the members of the association at its annual general meeting, however, were submitted to the Committee Meeting on

..... and subsequently made available to all members.

Dated .....

Signed \_\_\_\_\_

David Walker - President

Committee Member

Signed \_\_\_\_\_

Julie Glover - Treasurer

Committee Member



**GUNNEDAH CONSERVATORIUM INC**  
**Statement of Changes in Equity**  
**For the Year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Opening Balance</b>	<b>158,723</b>	<b>95,236</b>
<b>Retained Earnings</b>		
Profit/(Loss) Attributable to Shareholders	8,371	63,487
<b>Closing Balance</b>	<u><b>167,094</b></u>	<u><b>158,723</b></u>
<b>Reconciliation Of Retained Earnings</b>		
Opening Balance	158,723	95,236
Profit/(Loss) Attributable to Shareholders	8,371	63,487
<b>Total Equity</b>	<u><b>167,094</b></u>	<u><b>158,723</b></u>

**GUNNEDAH CONSERVATORIUM INC**  
**Trading Statement**  
**For the Year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Sales	380	1,309
<b>Less Cost Of Sales</b>		
Opening Finished Goods	1,612	2,004
Purchases	574	986
Closing Finished Goods	(1,172)	(1,612)
	<u><b>1,014</b></u>	<u><b>1,378</b></u>
<b>Gross Loss</b>	<u><b>(634)</b></u>	<u><b>(69)</b></u>
<b>Gross Loss Margin</b>	<u><b>(166.8)%</b></u>	<u><b>(5.3)%</b></u>

**GUNNEDAH CONSERVATORIUM INC**  
**Profit and Loss Statement**  
**For the Year ended 30 June 2019**

	2019 \$	2018 \$
<b>Income</b>		
Tuition Income	203,252	219,622
Concert Series Ticket Sales	14,873	46,003
Curriculum Based Programs	16,300	19,000
Professional Development Income	300	175
Donations and Fundraising	4,283	4,181
Membership Fees	182	366
Events Income	3,412	10,816
Fees and Hire Income	12,561	8,446
<i>Interest Received</i>		
Interest Received	1,326	1,265
<i>Recoveries</i>		
- Insurance	1,267	-
<i>Government Subsidies</i>		
- NSW Dept of Ed and Communities Grants	237,684	220,936
- Gunnedah Shire Council Grant	-	3,500
- Gov't Employment Subsidy	2,000	-
Gross Loss from Trading	(634)	(69)
	<b>496,806</b>	<b>534,241</b>
<b>Expenditure</b>		
Administration Costs	-	45
Advertising and Promotion	6,065	2,990
<i>Audit and Accountancy Fees</i>		
Audit and Accountancy Fees	7,820	4,893
Bad Debts Written Off	3,195	931
Bank Fees and Charges	318	719
Cleaning	50	-
<i>Concert Expenses</i>		
- Accommodation Expenses	3,707	2,895
- Fees and Expenses	40,262	54,716
Depreciation and Amortisation	2,254	2,776
ECM Expenses	667	1,884
AMEB Exam expenses	4,176	-
Electricity and Water	-	1,838
Freight & Cartage	72	162
Fundraising	342	1,342
Hire of Instruments	-	949
Insurance	3,839	3,726
Legal Fees	-	886
<i>Music Expenses</i>		
- Instruments	1,251	1,759
- Studio Resources	8,319	3,191
- Workshops and Masterclasses	2,455	-
Office Equipment	3,463	2,138
Postage	1,724	115
Stationery and Office Supplies	2,807	2,617
Professional Development	5,279	806

*The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the attached Compilation Report.*

**GUNNEDAH CONSERVATORIUM INC**  
**Profit and Loss Statement**  
**For the Year ended 30 June 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Rent	21,682	14,085
Repairs & Maintenance	2,084	1,282
Scholarship and Bursary	6,405	4,592
Subscriptions and Memberships	9,007	3,689
Sundry Expenses	1,635	2,984
Telephone and Fax	3,272	2,337
Travelling Expenses	2,348	742
Website	1,155	1,270
Uniforms	360	-
<i>Wages</i>		
- Wages and Salaries	83,589	80,333
- Teachers Wages	221,425	223,798
- Teachers Travel	6,990	6,700
- Superannuation	28,443	28,896
- Workers Comp Insurance	2,959	2,252
- Provision Annual Leave	2,173	1,149
- Provision Long Service Leave	(3,157)	5,267
<b>Total Expenditure</b>	<b>488,435</b>	<b>470,754</b>
<b>Profit</b>	<b>8,371</b>	<b>63,487</b>

**GUNNEDAH CONSERVATORIUM INC**  
**Statement of Financial Position**  
**As at 30 June 2019**

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents	7	187,483	170,259
Trade and Other Receivables	8	34,731	35,520
Inventories	9	1,172	1,612
Other Current Assets	11	550	-
<b>Total Current Assets</b>		<b>223,936</b>	<b>207,391</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	12,158	14,412
<b>Total Non-Current Assets</b>		<b>12,158</b>	<b>14,412</b>
<b>Total Assets</b>		<b>236,094</b>	<b>221,803</b>
<b>Current Liabilities</b>			
Trade and Other Payables	13	13,123	14,875
Current Tax Liabilities	10	5,870	4,788
Short Term Provisions	14	50,007	43,417
<b>Total Current Liabilities</b>		<b>69,000</b>	<b>63,080</b>
<b>Total Liabilities</b>		<b>69,000</b>	<b>63,080</b>
<b>Net Assets</b>		<b>167,094</b>	<b>158,723</b>
<b>Equity</b>			
Retained Profits	15	167,094	158,723
<b>Total Equity</b>		<b>167,094</b>	<b>158,723</b>

*The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the attached Compilation Report.*

**GUNNEDAH CONSERVATORIUM INC**  
**Fixed Assets and Depreciation Schedule**  
**For the Year Ended 30 June 2019**

Asset	Cost Price	Opening W.D.V 01/07/18	Additions Disposals	Gain/Loss on Disposal	Capital Gains	-- Depreciation Rate	-- Depreciation \$	Accum Deprec 30/06/19	Closing W.D.V 30/06/19
<b>Assets</b>									
<b>Office Furniture &amp; Equipment</b>									
Various items on hand @ 30/6/15	47,348	10,221				20.0% DV	2,044	39,171	8,177
<b>Sub-Total</b>	<b>47,348</b>	<b>10,221</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>2,044</b>	<b>39,171</b>	<b>8,177</b>
<b>Musical Instruments</b>									
Piano	4,545	4,191				5.0% DV	210	564	3,981
	<b>51,894</b>	<b>14,413</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>2,254</b>	<b>39,735</b>	<b>12,159</b>

# **GUNNEDAH CONSERVATORIUM INC**

## **Notes to the Financial Statements**

### **For the Year ended 30 June 2019**

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#### **1 Significant Accounting Policies**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

#### **Basis Of Preparation**

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

#### **(a) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### **(b) Provisions**

Provisions are recognised when the company 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 using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### **(c) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

# **GUNNEDAH CONSERVATORIUM INC**

## **Notes to the Financial Statements**

### **For the Year ended 30 June 2019**

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(d) **Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or management valuation. All assets, excluding freehold land and buildings held for investment, are depreciated over their useful lives.

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by GUNNEDAH CONSERVATORIUM INC. Depreciation commences from the time the asset is held ready for use. Any leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable asset are considered to fall within standard parameters. Standard rates of depreciation have been used for each class of asset.

The carrying value of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

(e) **Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

(f) **Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment.

At the end of each reporting period, the carrying value of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the financial statements.

(g) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.



**GUNNEDAH CONSERVATORIUM INC**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2019**

(h) **Revenue and Other Income**

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue is measured at the 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 rate 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.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(i) **Trade and Other Payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. They are recognised at their transaction price.

(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). 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 in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

2	<b>Revenue</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Sales Revenue</b>		
	Sale of Goods	380	1,309
	Rendering of Services	239,190	289,347
		<b>239,570</b>	<b>290,656</b>
	<b>Other Income</b>		
	Events Income	3,412	10,816
	Fees and Hire Income	12,561	8,446
	Interest Received	1,326	1,265
	Recoveries	1,267	-
	Government Subsidies	239,684	224,436
		<b>258,250</b>	<b>244,963</b>
		<b>497,820</b>	<b>535,619</b>

**GUNNEDAH CONSERVATORIUM INC**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2019**

<b>3 Expenses</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Employee Benefits Expense	342,422	348,395
Depreciation and Amortisation Expenses	2,254	2,776
Advertising and Promotion	6,065	2,990
Bank Fees and Charges	318	719
Freight & Cartage	72	162
Insurance	3,839	3,726
Postage	1,724	115
Stationery and Office Supplies	2,807	2,617
Rent	21,682	14,085
Repairs & Maintenance	2,084	1,282
Telephone and Fax	3,272	2,337
Other Expenses	102,910	92,928
	<b>489,449</b>	<b>472,132</b>
<b>4 Income Details</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
<i>Interest Received</i>		
Interest Received	1,326	1,265
<i>Recoveries</i>		
- Insurance	1,267	-
<i>Government Subsidies</i>		
- NSW Dept of Ed and Communities Grants	237,684	220,936
- Gunnedah Shire Council Grant	-	3,500
- Gov't Employment Subsidy	2,000	-
	<b>239,684</b>	<b>224,436</b>

**GUNNEDAH CONSERVATORIUM INC**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2019**

5	<b>Expenses Details</b>	<b>2019</b> \$	<b>2018</b> \$
	<b>Overhead Expenses</b>		
	<i>Audit and Accountancy Fees</i>		
	Audit and Accountancy Fees	7,820	4,893
	<i>Concert Expenses</i>		
	- Accommodation Expenses	3,707	2,895
	- Fees and Expenses	40,262	54,716
		<u>43,969</u>	<u>57,611</u>
	<i>Music Expenses</i>		
	- Instruments	1,251	1,759
	- Studio Resources	8,319	3,191
	- Workshops and Masterclasses	2,455	-
		<u>12,025</u>	<u>4,950</u>
	<i>Wages</i>		
	- Wages and Salaries	83,589	80,333
	- Teachers Wages	221,425	223,798
	- Teachers Travel	6,990	6,700
	- Superannuation	28,443	28,896
	- Workers Comp Insurance	2,959	2,252
	- Provision Annual Leave	2,173	1,149
	- Provision Long Service Leave	(3,157)	5,267
		<u>342,422</u>	<u>348,395</u>
	<b>Total Overhead Expenses</b>	<u><b>406,236</b></u>	<u><b>415,849</b></u>
	<b>Total Expenses</b>	<u><b>406,236</b></u>	<u><b>415,849</b></u>
6	<b>Profit For The Year</b>	<b>2019</b> \$	<b>2018</b> \$
	Profit before income tax expense from continuing operations includes the following specific expenses:		
	<b>Charging As Expense :</b>		
	Cost of Goods Sold	1,014	1,378
	<b>Movements In Provisions :</b>		
	<b>Depreciation :</b>		
	- Property, Plant & Equipment	2,254	2,776
	<b>Bad &amp; Doubtful Debts :</b>		
	- Bad debts written off	3,195	931
	Research and Development Costs	<u>6,405</u>	<u>4,592</u>

*The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the attached Compilation Report.*

**GUNNEDAH CONSERVATORIUM INC**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2019**

7	<b>Cash and Cash Equivalents</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Cash And Cash Equivalents</b>		
	Petty Cash	53	59
	NAB Business Account 6543	5,092	10,190
	NAB Grants Account 7569	28,429	28,149
	NAB Invoice Account 6745	153,909	131,861
	<b>Total Cash And Cash Equivalents</b>	<b>187,483</b>	<b>170,259</b>
	<b>Cash Reconciliation</b>		
	Cash and Cash Equivalents	187,483	170,259
		<b>187,483</b>	<b>170,259</b>
8	<b>Trade and Other Receivables</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Current</b>		
	<b>Accounts Receivable</b>		
	Accounts Receivable	34,842	35,302
	- Debtor Accounts in Credit	(561)	(232)
	- Less Unallocated Monies Received	(50)	(50)
	Other Debtors	500	500
		<b>34,731</b>	<b>35,520</b>
	<b>Total Trade And Other Receivables</b>	<b>34,731</b>	<b>35,520</b>
9	<b>Inventories</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Current</b>		
	Inventories	1,172	1,612
		<b>1,172</b>	<b>1,612</b>
	<b>Total Inventories</b>	<b>1,172</b>	<b>1,612</b>
10	<b>Tax Assets and Liabilities</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Liabilities</b>		
	Amounts withheld from Salary and Wages	5,870	4,788
	<b>Net Tax Liabilities</b>	<b>(5,870)</b>	<b>(4,788)</b>

*The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the attached Compilation Report.*

**GUNNEDAH CONSERVATORIUM INC**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2019**

11	<b>Other Assets</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Current</b>		
	Accrued Income	550	-
		<u>550</u>	<u>-</u>
	<b>Total Other Assets</b>	<b>550</b>	<b>-</b>
12	<b>Property, Plant and Equipment</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	Office Equipment - at cost	47,348	47,348
	Less: Accumulated Depreciation	(39,171)	(37,127)
		<u>8,177</u>	<u>10,221</u>
	Musical Equipment - at cost	4,545	4,545
	Less: Accumulated Depreciation	(564)	(354)
		<u>3,981</u>	<u>4,191</u>
	<b>Total Plant And Equipment</b>	<b>12,158</b>	<b>14,412</b>
	<b>Total Property, Plant And Equipment</b>	<b>12,158</b>	<b>14,412</b>
13	<b>Trade and Other Payables</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Current</b>		
	Sundry Creditors	4,194	-
	Accounts Payable	258	7,795
	Provision for GST	8,671	7,080
		<u>13,123</u>	<u>14,875</u>
	<b>Total Trade And Other Payables</b>	<b>13,123</b>	<b>14,875</b>
14	<b>Provisions</b>	<b>2019</b>	<b>2018</b>
		\$	\$
	<b>Current</b>		
	<b>Provision For Annual Leave</b>		
	Provision for Annual Leave	12,085	9,912
	<b>Provision For Long Service Leave</b>		
	Provision for Long Service Leave	21,302	24,459
	<b>Superannuation Payable</b>		
	Superannuation Payable	16,620	9,046
		<u>50,007</u>	<u>43,417</u>
	<b>Total Provisions</b>	<b>50,007</b>	<b>43,417</b>

*The accompanying notes form part of these financial statements. These financial statements should be read in conjunction with the attached Compilation Report.*

**GUNNEDAH CONSERVATORIUM INC**  
**Notes to the Financial Statements**  
**For the Year ended 30 June 2019**

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15	<b>Retained Profits / Accumulated Losses</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
	Retained Profits at Beginning of Financial Year	158,723	95,236
	<b>Add</b>		
	Net profit attributable to members	8,371	63,487
	<b>Retained Profits At 30 June 2019</b>	<b>167,094</b>	<b>158,723</b>

16 **Company Details**

**The principal place of business is:**  
GUNNEDAH CONSERVATORIUM INC  
152 Conadilly Street Gunnedah NSW 2380



P O Box 121  
Gunnedah NSW 2380

(02) 6742 3998

12<sup>th</sup> September 2019

Ms Treena Daniells  
ERY Melrose  
203 Conadilly Street  
Gunnedah NSW 2380

Dear Ms Daniells

This representation letter is provided in connection with your audit of the financial report of Gunnedah Conservatorium Inc for the year ended 30 June 2019, for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the relevant Australian accounting standards and the Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010.

We confirm, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations made to you during your audit:

Financial report

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 15<sup>th</sup> March, 2016 for the preparation of the financial report in accordance with Australian Accounting Standards as per note 1; in particular the financial report is fairly presented in accordance therewith.
- We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.



### Information provided

- We have provided you with:
  - a) access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters.
  - b) all requested information, explanations and assistance for the purposes of the audit.
  - c) unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
  
- All transactions have been recorded in the accounting records and are reflected in the financial report.
  
- We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed them in accordance with the applicable financial reporting framework.

### General

- We have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.
  
- The association has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral that have not been disclosed in the financial report.
  
- There have been no known instances of non-compliance or suspected non-compliance with laws and regulations or contractual agreements whose effects should be considered in preparing the financial report.

### Fraud

- We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and confirm we have disclosed to you:
  - a) the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud
  - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
    - i. management;
    - ii. employees who have significant roles in internal controls; or
    - iii. others where the fraud could have a material effect in the financial report; and
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated to us by employees, former employees, analysts, regulators or others.

### Commitments

- There were no material commitments for goods or services at year end, other than those disclosed in the financial report.

### Impairment of assets

- We have considered the requirements of AASB 136 *Impairment of assets* when assessing the carrying values of assets and in ensuring that no assets within the scope of AASB 136 are stated in excess of their recoverable amount.





### Liabilities

- There are no financial guarantee contracts in place to third parties which could be called upon in the event of a default, other than those disclosed in the financial report.

### Inventory

- We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
- Provision has been made for material losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

### Property, plant and equipment

- Rates of depreciation, applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the association.
- Allowances for depreciation have been adjusted for all significant items of property, plant and equipment that have been abandoned or are otherwise unusable.
- The association has no 'make good' obligations in respect of its property, plant and equipment for which it would be required to make a restorative provision under AASB 137 *Provisions, contingent liabilities and contingent assets* which have not been included in the financial report.

### Taxation

- Adequate amounts have been accrued for all local taxes on income including amounts applicable to prior years not finally settled and paid.

### Electronic presentation of financial report

- With respect to any presentation of the financial report on our website, we acknowledge that:
  - a) we are responsible for the electronic presentation of the financial report;
  - b) we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version;
  - c) we will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation;
  - d) we have assessed the controls over the security and integrity of the data on the website and confirmed that adequate procedures are in place to ensure the integrity of the information presented;and
  - e) we will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely,

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Committee Executive Member  
Gunnedah Conservatorium Inc

