

SPECIAL PURPOSE FINANCIAL REPORT

for

DARWIN SYMPHONY ORCHESTRA INCORPORATED

for the year ended 31 December 2017

INDEX

Contents	Page
Statement by Members of the Management board	2
List of financial members for 2017	3
Independent Audit Report	4-6
Balance Sheet	7
Income & Expenditure Statement	8
Notes to the Financial Statement	9 to 14
Detailed Income & Expenditure Statement	15 to 16

Darwin Symphony Orchestra Incorporated
Statement by Members of the Management Board
As at 31 December 2017

Your Board members submit the financial report of Darwin Symphony Orchestra Incorporated (non-reporting) for the year ended 31 December 2017

Board Members

The Board members throughout the year 2017 were:

Dawn Lawrie	Chair	From 1 January	To 31 December
John Oakman	Vice Chairman	From 1 January	To 31 December
Pauline Tauschke	Treasurer & Public Officer	From 1 January	To 31 December
Nicholas Hayes	Secretary	From 1 January	To 17 February
David Price	Secretary	From 18 February	To 31 December
Megan Lawton	Director	From 8 June	To 31 December
Aaron Naselow	Director	From 9 May	To 31 December
Rhiannon Oakhill	Director	From 9 May	To 31 December
Ken Suter	Director	From 1 January	To 9 May
		From 22 May	To 31 December
Heather Brown	Director	From 1 January	To 9 May
Christina Spargo	Director	From 1 January	To 31 December
Paolo Fabris	Director	From 1 January	To 9 May
Graham Symons	Director	From 1 January	To 9 May

Principal Activities

The principal activities of the association are:

1. To offer quality orchestral musical experiences to musicians through performance, thereby creating an environment in which they can achieve their fullest potential.
2. To foster and promote the understanding, appreciation and enjoyment of orchestral music in the cultural life of the Northern Territory.
3. To provide an opportunity for training and skills development in all aspects of musicianship.

Significant Changes

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

Operating Result

The surplus for the year was \$75,183 (2016 deficit \$19,808)

Statement by the Board


The Board has determined that the Association is not a reporting entity and that this Special Purpose Report should be prepared in accordance with the accounting policies outlined in Note1 to the Financial Statements.

In the opinion of the Board, the financial report as set out on pages 7 to 16:

- (1) Presents fairly the financial position of the Darwin Symphony Orchestra Incorporated as at 31 December 2017 and its performance for the year ended on that date;
- (2) The Accounts of the Association have been prepared and are in accordance with the books of account of the Association; and
- (3) At the date of this statement there are reasonable grounds to believe that Darwin Symphony Orchestra Incorporated will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Members of the Board.

Signed Date 26 April 2018


Chairperson


Treasurer

**Darwin Symphony Orchestra Incorporated
Financial Members as at 31 December 2017**

PLAYERS

Annette
Cathy
Carol
Susi
Phillippa
Sonya
Paul
Kathy
Bruce
Melissa
Natalie
Elizabeth
Sally
Raul
Louis
Kathryn
Anna
Kathy
Lois
Mary
Rebecca
Nick
Kevin
Andy
Helen
Erna
Patricia
Pip
Sarah
Dorothy
Nita
Laura
Nicholas
Monica
Merran
Sam
Rhiannon
John
Andrew
Richard
Lachlan

Anderson
Applegate
Atkinson
Bertei
Binns
Bree
Burgess
Campbell
Cartwright
Chellis
Chin
Clarkson
Cutter
Daet
Elliott
Ezzy
Faehse
Fehringer
Fong
Frost
Harris
Hayes
Huang
Huang
Humphreys
Jarvis
Joy
Kirby
Lynar
Mackerras
McAuley
McCann
McGrath
Naselow
Neilsen
Newbury
Oakhill
Oakman
O'Connor
Parker
Peattie

Roslyn
Stephen
Denise
Anna
Ron
Vino
Judith
Cathy
Jessie
Christina
Julie-Ann
Mary
John
Neil
Matthew
Jenny

NON PLAYERS

Heather
David
Paolo
Katrina
Tanya
Wanda
Vanessa
Dawn
Megan
Aaron
Marie-Louise
David
David
Carlo
Clifford
Karen
Janis
Ken
Sylvia
Graham
Pauline

Perry
Pevely
Phelps
Ralph
Roberts
Sathianathan
Schultz
Shilton
Spargo
Spargo
Watson
Wheaton
Wilks
Williamson
Wood
Young

LIFE MEMBERS

Graham & Elizabeth Davidson
Kevin Davis AM
Trish Doyle
Celina Hodge
Diana Jarvis
Ian Kew
Pat King
Terry Knight
Jim McDonald
Bob O'Callahan
Adina Poole
Barbara Tiffin

INDEPENDENT AUDIT REPORT

To the members of
Darwin Symphony Orchestra Incorporated

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Darwin Symphony Orchestra Incorporated, which comprises the balance sheet as at 31 December 2017, income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the members of the management board.

Board's responsibility for the Financial Report

The board of the association is responsible for the preparation and presentation of the financial report and the information it contains and has determined that the accounting policies used and described in note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Associations Act (NT)* and are appropriate to meet the needs of the members. The board's responsibility also includes such internal control as the board determines is necessary to enable the preparation of the financial report that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. The audit has been conducted in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagement & plan & perform the audit to obtain reasonable assurance whether the financial report is free from material misstatements.

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 assessments of the risks of material misstatements 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 and fair presentation 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 association's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical requirements.

Basis for Qualified Auditor's Opinion

It is not practicable for Darwin Symphony Orchestra Incorporated to maintain an effective system of internal control over income, other than grant income, until their initial entry in the accounting records and bank account. My audit in relation to income other than grant income was limited to amounts recorded in the accounting records. Accordingly, I am unable to express an opinion on the completeness of income, other than grant income.

The detailed income and expenditure statement set out on pages 15-16 has been subject to my audit procedures on a sample testing basis. It will be appreciated therefore that no assurance can be given that transactions have been classified correctly in all instances.

The audit opinion expressed in this report has been formed on the above basis.

Qualified Auditor's Opinion

In my opinion, except for the effects on the financial report of such adjustments, if any as might have been determined to be necessary had the limitations referred to in the qualification paragraphs above not existed, the financial report of Darwin Symphony Orchestra Incorporated presents fairly, in all material respects the financial position of Darwin Symphony Orchestra Incorporated as of 31 December 2017, and of its financial performance for the year then ended in accordance with the accounting policies described in note 1 to the financial statements and the Associations Act (NT).

Basis of Accounting and Restriction on Distribution

Without modifying my opinion, I draw attention to note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Darwin Symphony Orchestra Incorporated to meet the requirements of the Associations' Acts (NT) and the Association's constitution. As a result, the financial report may not be suitable for another purpose.



Jyoti Vemuri, FCPA

Auditor

A member of CPA Australia

Date: 13/04/2018

Jyoti Vemuri
is a CPA Practice



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Standards Legislation.



DARWIN SYMPHONY ORCHESTRA INCORPORATED
BALANCE SHEET
AS AT 31 DECEMBER 2017

		Year ended 31/12/2017	Year ended 31/12/2016
	<i>Notes</i>		
CURRENT ASSETS			
Cash	(3)	\$155,610	\$129,128
Debtors and prepayment	(4)	<u>\$33,121</u>	<u>\$59,580</u>
Total Current Assets		<u>\$188,731</u>	<u>\$188,708</u>
NON CURRENT ASSETS			
Plant & equipment	(5)	<u>\$120,301</u>	<u>\$66,525</u>
Total Non-Current Assets		<u>\$120,301</u>	<u>\$66,525</u>
Total Assets		\$309,032	\$255,234
CURRENT LIABILITIES			
Payables	(6)	\$146,382	\$164,069
Provision	(7)	<u>\$23,834</u>	<u>\$27,532</u>
Total Current Liabilities		<u>\$170,216</u>	<u>\$191,601</u>
Total Liabilities		\$170,216	\$191,601
NET ASSETS		<u>\$138,816</u>	<u>\$63,633</u>
ACCUMULATED FUNDS	(8)	<u>\$138,816</u>	<u>\$63,633</u>

(The accompanying notes form part of this financial report.
This report is to be read in conjunction with the attached audit report)

**DARWIN SYMPHONY ORCHESTRA INCORPORATED
 INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2017**

	Year ended 31/12/2017	Year ended 31/12/2016
Revenue From Continuing Activities	<u>\$987,802</u>	<u>\$872,827</u>
Expenses From Continuing Activities	<u>\$912,619</u>	<u>\$892,635</u>
<i>Including Depreciation</i>	<u>\$22,893</u>	<u>\$10,290</u>
Surplus/Deficit	<u>\$75,183</u>	<u>-\$19,808</u>

(The accompanying notes form part of this financial report.
 This report is to be read in conjunction with the attached audlt report)

Darwin Symphony Orchestra Incorporated
Notes to the Financial Statements
for the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the association are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied except as otherwise indicated.

Reporting entity

The association is not a reporting entity because in the board's opinion there are unlikely to exist users, who are unable to command the preparation of reports tailored, so as to satisfy all of their information needs, and these accounts are therefore "special purpose accounts" that have been prepared solely to meet the requirements of the Constitution and the *Associations Act (NT)*.

Accounting policies

The financial report has been prepared under the historical cost conventions and on accrual basis and does not take into account changing money values except to the extent that they are reflected in the revaluation of certain assets.

In order for the financial report to present fairly the state of affairs of the association and the results of the association for the year, Australian Accounting Standards have been adopted to the extent disclosed in this note.

(The accompanying notes form part of the financial report. This report is to be read in conjunction with the attached audit report)

Darwin Symphony Orchestra Incorporated
Notes to the Financial Statements
for the Year Ended December 31, 2017

(a) Accounting for Donations and Grants

Donations and grants are recognised as income when the association obtains control over the assets comprising the contribution. Control over granted assets is normally obtained upon receipt or upon prior notification that a grant has been received.

Where grants or bequests are conditional, they are brought to account as income when the association obtains control over the assets and the condition attached to the grant or bequests is met.

(b) Fixed Assets and Depreciation

Depreciation has been charged at rates so as to write off assets on a straight-line basis over their estimated useful lives.

For the purpose of accountability, the Association maintains a fixed asset register.

(c) Music Notes

Music notes are depreciated on a straight line basis over 20 years.

(d) Economic Dependency

The association is largely dependent upon sponsorship from corporations and other third parties, including funds received from the Northern Territory and Federal Governments.

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Darwin Symphony Orchestra Incorporated
Notes to the Financial Statements
for the Year Ended December 31, 2017

(e) Income tax

The Association is of the opinion that it is not subject to income tax under the existing tax structure. Accordingly, no tax provision has been made in this financial report. In 2008, the Association obtained Charitable Organisation taxation status.

(f) Salaries and Associated Costs

The Artistic Director's salary and associated costs were paid by the Darwin Symphony Orchestra in 2017.

The General Manager's salary, the concert master's salary and associated costs and also those of the administrative staff are paid by the Darwin Symphony Orchestra. Other professional musicians are paid on a sessional basis.

(g) Accounting for In-kind Donations

In-kind donation of \$10,399 of tubular bells received by the Association has been recognised in the accounts.

(h) Revenue Recognition

Revenue is recognised when the Association gains control over it. Revenue arising from the contribution of assets is recognised when the Association gains control over the contribution or the right to receive the contribution.

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Darwin Symphony Orchestra Incorporated
Notes to the Financial Statements
for the Year Ended December 31, 2017

(i) GST

The Association has an ABN number and a GST return is lodged in its name with the Australian Taxation Office. The Charles Darwin University no longer accounts for the GST on behalf of the Association.

(j) Banking Arrangements

At this date, some financial transactions of the Association still continue to be processed by the Charles Darwin University. The net balance of transactions is recorded in the Association's account as a liability or asset as the case may be. As at 31 December 2017, the net balance held in trust by the Charles Darwin University was an overdraft of \$5,304.88. In addition, the Association now has bank accounts with two major banks.

(k) Payroll Tax

Refund of payroll tax for the last three years to the amount of \$48,135.25 was received during the year and has been recorded as a credit to payroll expense.

(l) LAND

The association does not own any land.

(The accompanying notes form part of the financial report. This report is to be read in conjunction with the attached audit report)

Darwin Symphony Orchestra Incorporated
Notes to the Financial Statements
For the year ended 31 December 2017

	Year ended 31/12/2017 \$	Year ended 31/12/2016 \$
Note 3 : Cash		
Cash on hand	0	0
Cash at Bank	<u>155,610</u>	<u>129,128</u>
	<u>155,610</u>	<u>129,128</u>
 Note: 4 Debtors & Prepayments		
CDU- Cash Balance held on Trust	-5,305	4,533
Sponsorship/Grants/Bonds/Prepayments	<u>38,426</u>	<u>55,047</u>
	<u>33,121</u>	<u>59,580</u>
 Note 5: Plant & Equipment		
Music Equipment at Cost	313,607	238,226
Less Accumulated Depreciation	-208,223	-191,821
Office Equipment at Cost	13,718	13,718
Less Accumulated Depreciation	-10,452	-9,080
Music Notes at Valuation	52,000	52,000.00
Less Accumulated Depreciation	-44,200	-41,600
Music Notes at Cost	3,441	2,154.00
Less Accumulated Depreciation	-2,965	-1,571
Works of art at Valuation	22,500	22,500
Less Accumulated Depreciation	<u>-19,125</u>	<u>-18,000</u>
	<u>120,301</u>	<u>66,525</u>

The works of art and the music notes valuations were reviewed by the Artistic Director and General Manager at 31 December 2006.

On 9 July 2001, the works of art were professionally valued by art dealer and appraiser, Brian Greenway.

On 15 March 2002, the music notes were professionally valued by Patricia Baillie, Registered Valuer for Taxation Incentives for the Arts Scheme.

Appropriate adjustments have been made for the works of art and music notes in relation to the valuation dated 9 July 2001 and 15 March 2002.

The management board reviewed the carrying value of all plant & equipment on 11 December 2007 and confirmed the current value and depreciation rates as appropriate.

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This report is to be read in conjunction with the attached audit report)

Darwin Symphony Orchestra Incorporated
Notes to the Financial Statements
For the year ended 31 December 2017

	Year ended 31/12/2017 \$	Year ended 31/12/2016 \$
Note: 6 Payable		
Sundry Creditors/Accruals	125,079	162,402
Creditor GST	6,158	721
Advance Deposits	15,145	945
	<u>146,382</u>	<u>164,069</u>
Note 7: Provisions		
<i>Current</i>		
Provision for Annual Leave	<u>23,834</u>	<u>27,532</u>
Note 8: Accumulated Funds		
Balance Brought Forward	50,844	70,652
Surplus/ (Deficit)	75,183	-19,808
	<u>126,027</u>	<u>50,844</u>
Asset Revaluation Reserve	<u>12,789</u>	<u>12,789</u>
Balance Carried Forward	<u>138,816</u>	<u>63,633</u>

(The accompanying notes form part of this financial report.
This report is to be read in conjunction with the attached audit report)

**DARWIN SYMPHONY ORCHESTRA INCORPORATED
 DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2017**

	Actual 2017 \$	Budget 2017 \$	Actual 2016 \$
INCOME			
Grants			
Federal Government	208,350	208,000	208,350
NT Government	243,352	250,000	220,214
Concert Proceeds	79,236	49,500	72,537
Sponsorship, Donations and Other			
FODSO	23,399	10,000	-
Sponsorship	222,050	238,500	212,700
DSO Membership Subscriptions	2,477	3,000	2,436
CDU Annual Sponsorship	100,000	100,000	100,000
Bequest	2,700	-	-
Other - Sundries	106,237	117,000	56,590
TOTAL INCOME	987,802	976,000	872,827

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**DARWIN SYMPHONY ORCHESTRA INCORPORATED
 DETAILED INCOME AND EXPENDITURE STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2017**

	Actual 2017 \$	Budget 2017 \$	Actual 2016 \$
EXPENSES			
Concert Expenses			
General Concert Expenses	375,051	383,125	428,342
Employment Expenses			
Salaries and Associated Costs	384,261	521,097	385,762
Consultancy	660	-	-
General Operating Expenses			
Audit and Accounting	5,860	5,000	5,876
Administration Expenses	53,040	13,000	24,768
Entertainment	-	-	308
Promotion	51,280	3,000	10,414
Motor Vehicle Expenses	1,873	-	3,451
Insurance	13,172	14,500	13,251
CDU Charges			
Equipment Leases and small purchases	1,815	4,400	5,062
Telephone and IT Charges	2,716	4,400	5,111
Orchestral Development			
Depreciation	22,893	-	10,290
TOTAL EXPENDITURE	<u>912,619</u>	<u>948,522</u>	<u>892,635</u>
OPERATING SURPLUS/DEFICIT	<u>75,183</u>	<u>27,478</u>	<u>-19,808</u>

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