

Financial Statements

South Australian Public (Primary) Schools Music Society
Incorporated

ABN 16 350 530 496

For the year ended 31 October 2022

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Income and Expenditure Statement

South Australian Public (Primary) Schools Music Society Incorporated For the year ended 31 October 2022

	2022	2021
Income		
Festival	863,307	728,958
Other	43,724	16,492
SAPPS	19,339	20,305
Total Income	926,371	765,754
Gross Surplus	926,371	765,754
Expenditure		
Depreciation	2,485	15,879
Employee Expenses	270,319	182,247
Festival	531,632	163,772
Motor Vehicles	9,289	8,038
Other	95,509	42,075
SAPPS	6,647	11,324
Leave Expense	2,158	-
Total Expenditure	918,038	423,336
Current Year Surplus/ (Deficit)	8,332	342,419

The accompanying notes form part of these financial statements.

Assets and Liabilities Statement

South Australian Public (Primary) Schools Music Society Incorporated As at 31 October 2022

	NOTES	31 OCT 2022	31 OCT 2021
Assets			
Current Assets			
Cash & Cash Equivalents	2	102,784	413,066
Term Deposits		784,403	534,412
Trade and Other Receivables	3	40,492	(6,240)
GST Receivable		6,811	8,572
Total Current Assets		934,490	949,810
Non-Current Assets			
Motor Vehicles	4	77,029	14,299
Total Non-Current Assets		77,029	14,299
Total Assets		1,011,519	964,109
Liabilities			
Current Liabilities			
Trade and Other Payables	5	6,598	57,064
Employee Entitlements	6	16,156	13,998
Total Current Liabilities		22,754	71,062
Other Current Liabilities			
Motor Vehicle Lease		87,387	-
Total Other Current Liabilities		87,387	-
Total Liabilities		110,140	71,062
Net Assets		901,379	893,047
Member's Funds			
Current Year Earnings		8,332	342,419
Retained Earnings		893,047	550,628
Total Member's Funds		901,379	893,047

The accompanying notes form part of these financial statements.

Movements in Equity

South Australian Public (Primary) Schools Music Society Incorporated For the year ended 31 October 2022

	2022	2021
Equity		
Opening Balance	893,047	550,628
Increases		
Surplus for the Period	8,332	342,419
Total Increases	8,332	342,419
Total Equity	901,379	893,047

The accompanying notes form part of these financial statements.

Statement of Cash Flows

South Australian Public (Primary) Schools Music Society Incorporated For the year ended 31 October 2022

2022

Statement of Cash Flows

Cash flows from operating activities

Receipts	881,400
Payments to suppliers and employees	(963,863)
Interest received	-
Net cash provided by/(used in) operating activities	(82,463)

Cash flows from investing activities

Proceeds from sale of property, plant and equipment	14,299
Purchase of property, plant and equipment	(79,514)
Net cash provided by/(used in) investing activities	(65,215)

Cash flows from financing activities

Proceeds from borrowing	87,387
Net cash provided by/(used in) financing activities	87,387

Net increase/(decrease) in cash held	(60,291)
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Cash on Hand

Cash on hand at beginning of financial year	947,478
Cash on hand at the end of financial year	887,187

Notes to the Financial Statements

South Australian Public (Primary) Schools Music Society Incorporated For the year ended 31 October 2022

1. Summary of Significant Accounting Policies

The financial report of the Association is a general purpose financial report prepared in accordance with Australian Accounting Standards - Simplified Disclosures requirements, the Associations Incorporation Act (SA)1985 and the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. The entity has adopted AASB 1060 from 1 November 2021. The standard provides a new tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SME's. As a result, there is increased disclosure in these financial statements for key management, related parties and auditor remuneration.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

Revenue and Other Income

Revenue is measured at the fair 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 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.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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 assets and liabilities statement.

These notes should be read in conjunction with the attached compilation report.

Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. 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.

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

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 association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Leases

The Association assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Association as a lessee:

The Association recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

These notes should be read in conjunction with the attached compilation report.

The Association recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset.

ii) Lease liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Association uses its incremental borrowing rate or the interest rate implicit in the lease.

As the impact on the income and expenditure statement is less than \$2,000 the right of use asset and corresponding lease liability of \$90,000 has not been accounted for.

Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

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 benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

New Accounting Standards

The Association applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Association are listed below. The Association has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

	2022	2021
2. Cash on Hand		
Equity Fund	-	12,618
Asset Rep	-	29,128
Leave Entitlements	-	27,147
VISA	-	7,867
GRANT	23,120	40,632
Transaction	4,584	295,283
CUSA - VISA	3,434	-
Everyday Trading	71,255	-
Petty Cash - SAPPS (Deb)	100	100
Petty Cash	292	292
Total Cash on Hand	102,784	413,066

These notes should be read in conjunction with the attached compilation report.

	2022	2021
3. Trade and Other Receivables		
Trade Receivables		
Accounts Receivable	40,492	(6,240)
Total Trade Receivables	40,492	(6,240)
Total Trade and Other Receivables	40,492	(6,240)
	2022	2021

4. Plant and Equipment, Motor Vehicles

Plant and Equipment		
Plant and Equipment at Cost	180,137	180,137
Accumulated Depreciation of Plant and Equipment	(180,137)	(180,137)
Total Plant and Equipment	-	-
Motor Vehicles		
Motor Vehicles at Cost	78,271	69,310
Accumulated Depreciation of Motor Vehicles	(1,242)	(55,011)
Total Motor Vehicles	77,029	14,299
Total Plant and Equipment, Motor Vehicles	77,029	14,299

Movement in carrying amount

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture & fittings	Motor Vehicles	Total
Balance at 1 July 2020	1,616	28,562	30,178
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	(1,616)	(14,263)	(15,879)
Balance at 30 June 2021	-	14,299	14,299
Additions	-	79,513	79,513
Disposals	-	(14,299)	(14,299)
Depreciation expense	-	(2,484)	(2,484)
Carrying amount at 30 June 2022	-	77,029	77,029

These notes should be read in conjunction with the attached compilation report.

	2022	2021
5. Trade and Other Payables		
Trade Payables		
Accounts Payable	700	48,004
PAYG Withholdings Payable	4,894	1,472
Superannuation Payable	1,004	7,587
Total Trade Payables	6,598	57,064
Total Trade and Other Payables	6,598	57,064
	2022	2021

6. Provisions

Leave Entitlement Provision	16,156	13,998
Total Provisions	16,156	13,998
	2022	2021

7. Cash Flow Information

Reconciliation of cash flow from operating activities with net current year surplus		
Current year surplus	8,332	-
Cash flows excluded from current year surplus	14,299	-
Non-cash flows in current year surplus		
Depreciation	2,484	-
Changes in assets & liabilities		
(Increase)/decrease in accounts receivable and other debtors	(44,971)	-
Increase/(decrease) in accounts payable and other payables	(50,466)	-
Increase/(decrease) in employee entitlements	2,158	-
Total Cash Flow Information	(68,164)	-

8. Financial Instruments

The association's financial instruments consist mainly of deposits with banks, local money market instruments, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

	2022	2021
Financial Instruments		
Financial Assets		
Cash on Hand	887,187	947,478
Accounts receivable & other debtors	40,492	(6,240)
Total Financial Assets	927,679	941,238
Financial Liabilities		
Financial liabilities at amortised cost:	87,387	-
Accounts payables & other payables	6,598	57,064
Total Financial Liabilities	93,985	57,064
Total Financial Instruments	1,021,664	998,302

Financial Risk Management Policies

The association's Management Team is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Management Team monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the Board of management.

The Management Team's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise assessed as being financially sound.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

These notes should be read in conjunction with the attached compilation report.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

b) Liquidity Risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities
- only investing surplus cash with major financial institutions

9. Business Segments

The entity has one business segment being musical education.

The entity's business segments are located in Australia.

The registered office and principal place of business of the association is:

28 Hay Street,
Klemzig SA 5087

Related Party Disclosures

South Australian Public (Primary) Schools Music Society Incorporated For the year ended 31 October 2022

Key Management Personnel

The Key Management Personnel of South Australian Public (Primary) Schools Music Society Incorporated includes the Board of Management, Chief Executive Officer and Senior Managers. The Chief Executive Officer and Senior Managers are paid by the Department for Education, South Australia.

Related Parties Transactions

The Department for Education, South Australia, pays the senior management as outlined above.

	2022	2021
Key Management Personnel		
Salaries, allowances & other short term benefits	-	-
Total Key Management Personnel	-	-

Certificate By Members of the Committee

South Australian Public (Primary) Schools Music Society Incorporated For the year ended 31 October 2022

In the opinion of the Board of Management, the financial report presents a true and fair view of the financial position of the South Australian Public (Primary) Schools Music Society Incorporated as at 31 October 2022 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

As 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.

During the financial year no:

- officers of the Association,
- firms of which an officer is a member,
- corporation in which an officer has a substantial financial interest,

have received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and the Association.

During the financial year the following officers received payments or benefits of pecuniary value as follows:

- Nil

Signed according to a resolution of the Board:



CATRIONA HENNING

Name of signing officer:



Name of signing officer:

Dated at Clovelly Park Primary 15/03/2023
(location)

South Australian Public (Primary) Schools Music Society Incorporated Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of the South Australian Public (Primary) Schools Music Society Incorporated (Association), for the year ended 31 October 2022.

Opinion

In our opinion, the financial statements of the Association are properly drawn up:

- a) to present fairly the financial position of the Association as at the 31 October 2022 and the results of its operations for the period then ended, and;
- b) according to applicable Australian Accounting Standards.

Basis for Opinion

For the audit of the Association we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the association to meet the requirements of Associations Incorporation Act (SA) 1985 and the requirements of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Associations Incorporation Act (SA) 1985 and the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule 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 judgment, including the assessment of the risks of material misstatement in 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.



Ian G McDonald FCA
Registered Company Auditor

Dated at Grange, 17 March 2023

Ian G McDonald FCA



South Australian Public (Primary) Schools Music Society Incorporated
Annual Financial Statements
for the year ended 31 October 2022

Audit Certificate of Audit Independence under section 60-40 of the
Australian Charities and Not For Profits Commission Act 2012

We confirm that, for the audit of the financial statements of South Australian Public (Primary) Schools Music Society Incorporated for the year ended 31 October 2022, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board and the Australian Charities and Not for Profits Commission Act 2012 (ACNC Act).

A handwritten signature in blue ink that reads 'Ian G McDonald'.

Ian G McDonald FCA

Date: 20/2/2023