

**AUSPICIOUS ARTS PROJECTS
INCORPORATED**

ABN 40 322 643 843

**FINANCIAL REPORT
FOR THE YEAR ENDING
31st DECEMBER 2015**

Auspicious Arts Projects Incorporated
ABN 40 322 643 843

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Committee's Report

Your committee members present this report of Auspicious Arts Projects Incorporated for the financial year ended 31 December 2015.

Committee Members

The names of committee members throughout the year and to the date of this report were:

President	Salli Longmuir
Vice President	Suzanne Daley
Secretary	John Paul Fischbach
Treasurer	John Paxinos
Committee Member	Sue Hunt
Committee Member	Deirdre O'Brien
Committee Member	Selene Bateman

Each committee member has been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the entity during the financial year continued to be providing support to independent artists undertaking new creative developments and performances of existing works through the provision of a secure financial and managerial umbrella.

Significant Changes

No significant changes occurred in the nature of this activity during the year

Operating Result

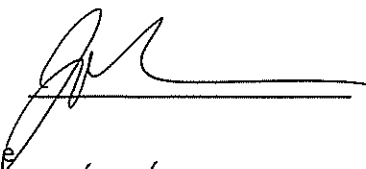
This was another big year for Auspicious Arts Projects. The number of artists who we worked with continued to grow and many of them are undertaking multiple projects during the year. This year we undertook over 300 different projects.

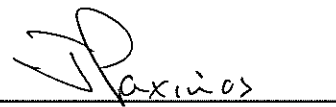
Our foundation philosophy of "offering assistance to obsessed", continues to guide the relationship we have with the artists who choose to work with us.

The surplus (deficit) for the year amounted to: \$ 30,158 Last Year: \$ 53,525

There were no abnormal items.

Signed in accordance with a resolution of the members of the Committee.


Date 19/04/16


19/4/16

Auspicious Arts Projects Incorporated
ABN 40 322 643 843

**Statement of Profit or Loss and Other Comprehensive Income
For The Year Ending 31 December 2015**

	Note	2015 \$	2014 \$
Revenue			
Funding		1,818,213	2,517,620
Local Government		2,712,673	2,076,623
Event Income		3,380,184	1,774,747
Reimbursements & Transfers		771,023	(435,794)
Total Revenue from Ordinary Activities	2	<u>8,682,093</u>	<u>5,933,196</u>
Expenses			
Salaries, Wages and Artist Fees		5,676,014	3,587,451
Wage Overheads & Allowances		741,922	474,000
Production Costs		1,295,133	1,125,049
Marketing		340,837	224,712
Overheads & Project Admin		598,030	468,459
Total Expenses from Ordinary Activities	3	<u>8,651,935</u>	<u>5,879,671</u>
Surplus/(Deficit) from Ordinary Activities before income tax		30,158	53,525
Income Tax Expense		0	0
Surplus/(Deficit) from Ordinary Activities after income tax		30,158	53,525
Other comprehensive income:			
Net Surplus/ (Deficit)		<u>30,158</u>	<u>53,525</u>

Auspicious Arts Projects Incorporated
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**Statement of Financial Position
For The Year Ending 31 December 2015**

	Note	2015 \$	2014 \$
Assets			
Current Assets			
Cash and Cash Equivalents	4	2,441,211	1,801,900
Trade and Other Receivables	5	913,370	1,064,928
Other Current Assets		49,032	30,421
<i>Total Current Assets</i>		<u>3,403,613</u>	<u>2,897,249</u>
Non-Current Assets			
Property, plant and equipment	6	12,149	13,638
<i>Total Non-Current Assets</i>		<u>12,149</u>	<u>13,638</u>
Total Assets		<u>3,415,762</u>	<u>2,910,887</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	7	378,343	201,803
Grant Funds Carried Forward		2,865,501	2,567,445
Short Term Provisions Payable		10,490	9,462
<i>Total Current Liabilities</i>		<u>3,254,334</u>	<u>2,778,710</u>
Non-Current Liabilities			
Long Term Provision Payable		10,465	11,372
<i>Total Non-Current Liabilities</i>		<u>10,465</u>	<u>11,372</u>
Total Liabilities		<u>3,264,799</u>	<u>2,790,082</u>
Net Assets		<u>150,963</u>	<u>120,805</u>
Equity			
Retained Earnings		150,963	120,805
Total Equity		<u>150,963</u>	<u>120,805</u>

Auspicious Arts Projects Incorporated
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Statement of Changes in Equity
For The Year Ending 31 December 2015

	Retained Earnings	Total Equity
2014		
Profit attributable to equity shareholders	53,525	53,525
Balance at end of financial year	<u>120,805</u>	<u>120,805</u>
2015		
Profit attributable to equity shareholders	30,158	30,158
Balance at end of financial year	<u>150,963</u>	<u>150,963</u>

Auspicious Arts Projects Incorporated
ABN 40 322 643 843

Statement of Cash Flows
For The Year Ending 31 December 2015

	Note	2015 \$	2014 \$
Cash Flow From Operating Activities			
Grants and Funding		2,166,748	1,738,681
Local Government		2,712,673	2,076,623
Event Income		3,380,186	1,774,747
Reimbursements & Transfers		771,022	(435,794)
Less Payments to Suppliers and Employees		<u>(8,386,510)</u>	<u>(4,553,842)</u>
Net Cash Generated (Used) by Operating Activities	12	<u>644,119</u>	<u>600,415</u>
Cash Flow From Investing Activities			
Proceeds from Sale of Plant		0	0
Payments for property, plant and equipment		<u>(4,808)</u>	<u>(9,868)</u>
Net Cash Generated (Used) by Investing Activities		<u>(4,808)</u>	<u>(9,868)</u>
Net increase (decrease) in cash held		639,311	590,547
Cash and cash equivalents at the beginning of the year		1,801,900	1,211,353
Cash and cash equivalents at the end of the year	4	<u><u>2,441,211</u></u>	<u><u>1,801,900</u></u>

Notes to the Financial Statements For The Year Ending 31 December 2015

The financial statements cover Auspicious Arts Projects Incorporated. It is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012. It is a Not-for-Profit Cultural Arts Organisation.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards, and the Associations Incorporation Reform Act 2012.

Australian Accounting Standards set out accounting policies the Australian Accounting Standards Board (AASB) has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Reporting Basis and Conventions

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

Accounting Policies

Revenue

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers.

Grants are recognized at fair value where there is a reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognized as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Goods and Services Tax (GST)

Revenue, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognized as part of the costs 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.

Notes to the Financial Statements For The Year Ending 31 December 2015

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component on investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

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

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognized in this financial year.

Income Taxation

The entity is a cultural arts organization. Therefore no income tax is payable by the entity.

Office Furniture and Equipment

Office furniture and equipment are carried at cost as the association has adopted the cost model under AASB116 property, plant and equipment Australian Accounting Standard, or fair value less, where applicable, any accumulated depreciation and impairment losses. All assets are depreciated over the estimated useful lives of the assets to the entity.

Depreciation

The depreciable amount of office furniture and equipment are depreciated on a written down value (WDV) or straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate	Method
Office Furniture and Equipment	25%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the Financial Statements For The Year Ending 31 December 2015

Gains and losses on disposals are determined by comparing proceeds received with the written down value of the asset. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the entity, are classified as finance leases.

Finance leases are capitalized by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including and guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the life of the lease term.

Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial Assets at Fair Value through Profit and Loss

A financial asset is classified in this category if acquire principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Derivatives are also categorized as held for trading unless they are designated as hedges. Realized and unrealized gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated amortized cost using the effective interest rate method.

Held-to-maturity Investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortized cost using the effective interest rate method.

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

Financial Liabilities

Non-derivative financial liabilities are recognized at amortized cost, comprising original debt less principal payments and amortization.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognized in the income statement.

As a not-for-profit entity the value in use of an asset may be equivalent to the depreciated replacement cost that asset when the future economic benefits of the asset is not primarily dependent on the asset's liability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Provisions

Provisions are recognized when the entity 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.

Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measure at the present value of the estimated future cash outflows to be made for those benefits.

Cash and Cash Equivalents

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

Unspent Grant Funds

Unspent grant funds available as revenue or liable to be returned to the grant provider in the following year are recognized as a current liability in the balance sheet. They are not treated as on operating surplus or profit.

Auspicious Arts Projects Incorporated
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**Notes to the Financial Statements
For The Year Ending 31 December 2015**

	Note	2015 \$	2014 \$
Note 2: Revenue			
Grants & Funding			
Federal		614,748	1,009,413
State		967,596	1,294,517
Other Funding		235,869	213,690
		1,818,213	2,517,620
Local Government			
Local Government		2,712,673	2,076,623
		2,712,673	2,076,623
Event Income			
Box Office		304,811	253,817
Performance Fees		2,134,223	968,260
Merchandise & Royalties		75,750	3,378
Activities & Services		469,061	283,467
Retail Income		14,245	1,802
Resources Income		-	(159)
Interest Earned		52,340	49,987
Fundraising		51,088	39,645
Fees and Donations		144,281	32,515
Sponsorship		6,895	2,500
Artist Contributions		127,492	139,535
		3,380,186	1,774,747
Reimbursements & Transfers			
Funds Brought Forward from Last Year		2,567,446	1,337,756
Funds Transferred to Next Year		(2,862,877)	(2,567,446)
Recoveries		1,072,960	789,114
Other Transfers		(6,507)	4,781
		771,022	(435,795)
Total Revenue		8,682,093	5,933,195

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

	Note	2015 \$	2014 \$
Note 3: Revenue and Expense Items			
Auditor's remuneration for			
Audit or review of financial statements		5,500	5,500
Other Services			-
		5,500	5,500
Bad and Doubtful Debts			
Receivables		-	-
Total bad and doubtful debts		-	-
Rental Expenses on Operating Leases			
Operating Lease Minimum Lease Payment		-	-
Significant Revenue and Expense Items from Prior Year			
The following significant revenue and expense changes are relevant in explaining the financial performance		'000	'000
Revenue			
Grants & Funding		(699)	1,320
Local Government		636	784
Event Income		1,605	(157)
Reimbursements & Transfers		1,207	(1,026)
Total Revenue		2,749	919
Expenses			
Salaries, Wages and Artist Fees		2,089	488
Wage Overheads & Allowances		268	21
Production Costs		170	300
Marketing		116	53
Overheads & Project Admin		130	35
Total Expenses		2,773	896
Surplus/ (Deficit)		(24)	24

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

	Note	2015 \$	2014 \$
Note 4: Cash and Cash Equivalents			
Reconciliation of Cash			
Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:			
Current Assets			
NAB Account		29,943	18,371
Cash Maximiser		904,117	128,175
Payments Holding Account		(602)	-
Petty Cash Advance		60,356	52,399
Term Deposits		1,450,000	1,602,955
ANZ Visa Card		(2,603)	
Total Cash		2,441,211	1,801,900

Note 5: Trade and Other Receivables

Current

Accounts Receivable		897,806	1,051,132
Accrued Income		13,490	13,778
GST Paid		2,074	17
Less: Provision for Impairment of Receivables			
Total Current Trade and Other Receivables		913,370	1,064,928

Provision for Impairment of Receivables

Current trade debtors are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts (if any)

Movement in the provision for impairment of receivables is as follows:-

Provision for Impairment

Balance at 31 st December 2013	0	0
Charge for year		
Balance at 31 st December 2014	0	0
Charge for year		
Balance at 31 st December 2015	0	0
Charge for year		

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

Credit Risk – Trade and Other Receivables

The entity does not have any material credit risk to any single receivable or group of receivables.

The following table details the entity's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the entity and the debtor party. A provision for impairment is assessed as mentioned above.

An assessment has been made that both debts within trading terms and debts that have not been impaired will be received.

There are no financial assets that would have been impaired or past due had they not been renegotiated.

	Gross Amount	Less impaired	Within Trading Terms	Past due but not impaired 31 - 60 days	Past due but not impaired 61 - 90 days	Past due but not impaired > 90 days
2015						
Trade and Term Receivables	897,806		645,999	180,789	9,881	61,137
Other Receivables	15,564		15,564			
Total	913,370	-	661,563	180,789	9,881	61,137
2014						
Trade and Term Receivables	1,051,132	-	384,436	536,863	85,399	44,434
Other Receivables	13,778	-	13,778	-	-	-
Total	1,064,910	-	398,214	536,863	85,399	44,434

Note 6: Property, Plant & Equipment

	2015	2014
	\$	\$
Office Furniture & Equipment	31,340	26,532
Less Accumulated Depreciation	(19,191)	(12,894)
Total Office Furniture & Equipment	12,149	13,638

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment.

	Office Furniture & Equipment	Total
2013		
Carrying Amount at end of year	10,349	10,349
2014		
Additions at Cost	9,867	9,867
Disposals	-	-
Depreciation Expense	(6,579)	(6,579)
Carrying Amount at end of year	13,638	13,638
2015		
Additions at Cost	4,808	4,808
Disposals	-	-
Depreciation Expense	(6,297)	(6,297)
Carrying Amount at end of year	12,149	12,149
	2015	2014
	\$	\$
Note 7: Trade and Other Payables		
Accounts Payable	307,053	201,803
GST Payable	217	
Workcover Payable	70,926	
ABN Withholdings payable	147	
	378,343	201,803
Note 8: Provisions		
Current Provisions		
Staff Annual Leave	10,490	9,462
Non-Current Provisions		
Provision for Long Service Leave	10,465	11,372
	20,955	20,833

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

Note 9: Capital And Leasing Commitments

Operating Lease Commitments

Non-cancellable operating lease contracted for but not capitalized in the financial statements

Payable – minimum lease payments

• No longer than one year	-	-
• Longer than one year but not longer than five years	-	-
• Greater than five years	-	-

Capital Expenditure Commitments

Capital Expenditure commitments contracted for:

• Plant & Expenditure purchases	-	-
• Capital Expenditure projects	-	-

Payable

• No longer than one year	-	-
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Note 10: Contingent Liabilities & Contingent Assets

Estimates of the potential financial effect of contingent liabilities

that may become payable are:

0 0

No contingent Liabilities or Assets exist.

Note 11: Events After The Balance Sheet Date

There have been no material non-adjusting events after the reporting date, nor has any information been received about conditions at reporting date that have not been included in this report.

2015	2014
\$	\$

Note 12: Cash Flow Information

Reconciliation of cash flow from operations to surplus (deficit) for the year

Operating profit (loss) after tax	30,158	53,525
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Add back non-cash items:

Depreciation	6,297	6,579
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Increase in Provisions	122	8,961
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Net cash provided by operating activities before changes in Assets and Liabilities	36,577	69,065
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Changes in assets and liabilities during the financial year:

(Increase) decrease in Prepayments	(18,611)	(3,921)
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(Increase) decrease in Trade & Other Receivables	151,558	(778,939)
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Increase (decrease) in Income in Advance		-
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Increase (decrease) in Payables and Accruals	176,539	86,094
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Increase (decrease) in Grants Carried Forward	298,056	1,228,116
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Net cash generated (used) by operating activities	644,119	600,415
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**Notes to the Financial Statements
For The Year Ending 31 December 2015**

Note 13: Economic Dependence

The entity is economically dependent on Commonwealth and State Government departments for grant funding. If funds are not spent in accordance with grant conditions, the departments can suspend future grants or reclaim all or part of the grant(s). The entity is dependent on the continued receipt of grants.

Note 14: Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans and borrowings and mortgages. The total for each category of financial instruments measured in accordance with AASB 139 is as follows:

	2015 \$	2014 \$
Financial Assets		
Cash and cash equivalents	2,441,211	1,801,900
Loans and receivables	913,370	1,064,928
Total financial assets	3,354,581	2,866,828
Financial Liabilities		
Financial liabilities at amortized cost		
Trade and other payables	378,343	201,803
Grants unspent and in advance	2,865,501	2,567,445
Total financial liabilities	3,243,844	2,769,248

Financial Risk Management Policies

The directors' overall risk management strategy is to assist the entity in meeting its financial targets, whilst minimizing potential adverse effects or financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk policies and future cash flow requirements. The entity does not have any derivative instruments at the end of the reporting period.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(A) Credit risk

Credit risk is the risk that parties that owe money do not pay it. The maximum exposure to credit risk excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount net of any provisions for impairment of those assets as disclosed in the statement of financial position and notes to financial statements. The entity does not have any significant concentration of credit risk exposure to any single or group of counter-parties under financial instruments entered into by the entity. A profile of credit risk appears above under the Note on 'Trade and Other Receivables'

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

(B) Liquidity Risk

Liquidity risk arises due to the possibility that the entity might encounter difficulty in settling its own debts or other liabilities. The entity manages this risk by managing credit risk on amounts owed to it, monitoring forecast cash flows and ensuring that adequate unutilized borrowing facilities are maintained. Financial liability and financial asset maturity analysis:

	Within 1 year		Over 1 year		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities due for payment						
Trade and other payables (excluding employee benefit provisions and deferred income)	378	202			378	202
Income in Advance	2,865	2,567			2,865	2,567
Total expected outflows	3,243	2,769			3,243	2,769
Financial assets - cash flows realizable						
Cash and cash equivalents	2,441	1,802			2,441	1,802
Trade and other receivables	913	1,065			913	1,065
Total anticipated inflows	3,354	2,867			3,354	2,867
Net inflows (outflows) on financial instruments	111	98			111	98

(C) Market Risk

Interest Rate Risk

Exposure to interest rate risk arises whereby future changes in interest rates will affect future cash flows or the fair value of financial assets and liabilities.

Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in their market price

Sensitivity Analysis

The following table illustrates sensitivities to the entity's exposure to interest rates and equity prices (if equities held). The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in any particular variable is dependent on other variables.

Auspicious Arts Projects Incorporated
ABN 40 322 643 843

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

	Profit	Equity
	\$	\$
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Year ended 31st December 2014		
+ or - 2% in interest rates	+/- 15,000	+/- 15,000
+ or - 10% in listed investments	-	-
 Year ended 31st December 2015		
+ or - 2% in interest rates	+/- 20,000	+/- 20,000
+ or - 10% in listed investments	-	-

(D) Foreign Currency Risk

The entity is not exposed to fluctuations in foreign currency.

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organized markets in standardized form other than listed investments.

The differences between fair values and carrying values of financial instruments with fixed interest rates are due to change in discount rates being applied by the market to those instruments since their initial recognition by the entity. Most of these instruments which are carried at amortised cost (e.g. trade receivables, loan liabilities) are to be held until maturity and therefore their current net fair values bear little relevance to the entity.

As appropriate the net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

Note 15: Key Management Personnel Compensation

	2015	2014
	\$	\$
<hr/>		
The total of remuneration paid to key management personnel (KMP) of the entity during the year is as follows:	147,912	129,043
Short term employee benefits		
Post-employee benefits	13,682	11,936
Other long-term benefits		
Termination benefits		
Total	<u>161,594</u>	<u>140,979</u>

Auspicious Arts Projects Incorporated
ABN 40 322 643 843

**Notes to the Financial Statements
For The Year Ending 31 December 2015**

Note 16: Related Party Transaction

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to the other parties unless otherwise stated.

During or since the end of the previous financial year, a Director/ Executive of the entity has not received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the

None of the Governing Committee received a salary from the association.

Note 17: Association Details

The registered office of the association is:

117 Sturt Street
Southbank VIC 3006

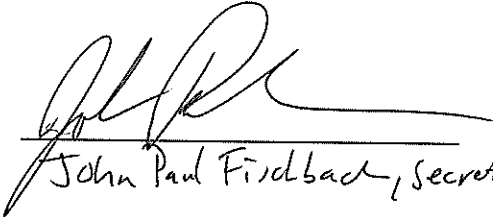
The principal place of business is: at the registered office.

Statement by Members of the Committee

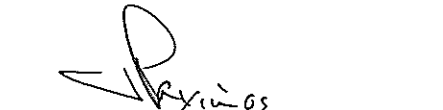
In the opinion of the committee, the financial report as set out on pages 4 to 21:

1. Presents fairly the financial position of Auspicious Arts Projects Incorporated, as at 31st December 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards and the Associations Incorporation Reform Act 2012.
2. At the date of this statement there are reasonable grounds to believe that Auspicious Arts Projects Incorporated will be able to pay its debts as and when they fall due.

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



John Paul Firdback, Secretary



John Paxino
Treasurer

Dated: 5th April 2016

Independent Auditor's Report to the Members of Auspicious Arts Projects Incorporated

Report on The Financial Report

I have audited the accompanying financial report of Auspicious Arts Projects Incorporated (the association), which comprises the Statement of Financial Position as at 31st December 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date comprising a summary of significant accounting policies, other explanatory notes and the statement of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and presentation of the financial report in accordance with the Australian Accounting Standards and the Associations Incorporation Reform Act 2012. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 entity's preparation and fair presentation of the financial report that gives a true and fair view, 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.

I believe that the audit evidence 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 pronouncements.

Auspicious Arts Projects Incorporated
ABN 40 322 643 843

**Independent Auditor's Report to the Members of
Auspicious Arts Projects Incorporated**

Auditor's Opinion

In my opinion:

The financial report of Auspicious Arts Projects Incorporated is in accordance with the Associations Incorporation Reform Act 2012, including:

- (i) giving a true and fair view of the company's financial position as at 31st December 2015 and its performance and its cash flows for the year ended on that date and
- (ii) complying with Australian Accounting Standards and the Associations Incorporation Reform Act 2012.

Name of firm E Townsend & Co

Name of auditor 

Address 15 Taylor Street
Ashburton VIC 3147

Dated 5th April 2016