

Luminescence Chamber Singers Inc

ABN 73 376 116 908

Financial Statements

For the Year Ended 31 December 2021

Luminescence Chamber Singers Inc

ABN 73 376 116 908

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For the Year Ended 31 December 2021

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Luminescence Chamber Singers Inc

ABN 73 376 116 908

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Luminescence Chamber Singers Inc

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwickes
Chartered Accountants

Bhaumik Bumia CA
Partner

Canberra



Luminescence Chamber Singers Inc

ABN 73 376 116 908

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|--------------|---------------|
| Revenue and other income | 3 | 115,116 | 93,862 |
| Advertising and marketing expense | | (3,511) | - |
| Artist fees | | (36,851) | (18,700) |
| Audit fees | | (2,500) | - |
| Commissions and fees | | - | (4,148) |
| Donations in kind expense | | (6,636) | - |
| Insurance | | (3,720) | (370) |
| Leave pay provision | | (1,561) | - |
| Other expenses | | (7,125) | (10,931) |
| Printing and stationery | | (1,099) | (110) |
| Postage | | (266) | - |
| Salaries & wages | | (28,583) | - |
| Superannuation contributions | | (1,953) | - |
| Telephone & internet expenses | | (1,161) | - |
| Travel costs | | (924) | (26) |
| Venue hire | | (15,283) | (27,365) |
| Surplus before income tax | | 3,943 | 32,212 |
| Income tax expense | 2(b) | - | - |
| Surplus for the year | | 3,943 | 32,212 |
| Other comprehensive income | | | |
| Total comprehensive income for the year | | 3,943 | 32,212 |

The accompanying notes form part of these financial statements.

Luminescence Chamber Singers Inc

ABN 73 376 116 908

Statement of Financial Position

As At 31 December 2021

| | Note | 2021 \$ | 2020 \$ |
|-----------------------------|------|---------------|---------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 72,974 | 50,253 |
| Trade and other receivables | 5 | 11,424 | 1,345 |
| TOTAL CURRENT ASSETS | | <u>84,398</u> | <u>51,598</u> |
| TOTAL ASSETS | | <u>84,398</u> | <u>51,598</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 6 | 32,143 | 3,286 |
| TOTAL CURRENT LIABILITIES | | <u>32,143</u> | <u>3,286</u> |
| TOTAL LIABILITIES | | <u>32,143</u> | <u>3,286</u> |
| NET ASSETS | | <u>52,255</u> | <u>48,312</u> |
| EQUITY | | | |
| Retained earnings | | <u>52,255</u> | <u>48,312</u> |
| TOTAL EQUITY | | <u>52,255</u> | <u>48,312</u> |

The accompanying notes form part of these financial statements.

Luminescence Chamber Singers Inc

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Statement of Changes in Equity For the Year Ended 31 December 2021

2021

| | Retained Earnings | Total |
|------------------------------------|----------------------|---------------|
| | \$ | \$ |
| Balance at 1 January 2021 | 48,312 | 48,312 |
| Surplus for the year | 3,943 | 3,943 |
| Balance at 31 December 2021 | 52,255 | 52,255 |

2020

| | Retained Earnings | Total |
|------------------------------------|----------------------|---------------|
| | \$ | \$ |
| Balance at 1 January 2020 | 16,100 | 16,100 |
| Surplus for the year | 32,212 | 32,212 |
| Balance at 31 December 2020 | 48,312 | 48,312 |

The accompanying notes form part of these financial statements.

Luminescence Chamber Singers Inc

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Statement of Cash Flows For the Year Ended 31 December 2021

| | 2021 |
|---|------------------------|
| Note | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from customers | 126,724 |
| Payments to suppliers and employees | <u>(104,003)</u> |
| Net cash provided by/(used in) operating activities | 9 <u>22,721</u> |
| Net increase in cash and cash equivalents held | 22,721 |
| Cash and cash equivalents at beginning of year | <u>50,253</u> |
| Cash and cash equivalents at end of financial year | 4 <u><u>72,974</u></u> |

The accompanying notes form part of these financial statements.

Luminescence Chamber Singers Inc

ABN 73 376 116 908

Notes to the Financial Statements For the Year Ended 31 December 2021

The financial report covers Luminescence Chamber Singers Inc as an individual entity. Luminescence Chamber Singers Inc is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Luminescence Chamber Singers Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

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

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

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

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

Operating grants

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

When the association receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 .

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the grant - recognises a contract liability for its obligations under the agreement;
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg, AASB 9 , AASB 16 , AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Sale of tickets

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Other income

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

(b) Income Tax

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

(c) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Association has no strategic investments in listed and unlisted entities.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Notes to the Financial Statements For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

The Association holds no assets that falls into this category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12

Notes to the Financial Statements

For the Year Ended 31 December 2021

2 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(e) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Luminescence Chamber Singers Inc

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Notes to the Financial Statements For the Year Ended 31 December 2021

3 Revenue and Other Income

Revenue from continuing operations

| | 2021 | 2020 |
|---|-----------------------|----------------------|
| | \$ | \$ |
| Revenue from contracts with customers (AASB 15) | | |
| - Ticket sales income | 33,358 | 75,525 |
| - Performance fees | 14,610 | - |
| - Other fees | 33,707 | - |
| | <u>81,675</u> | <u>75,525</u> |
| Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058) | | |
| - Other income | 555 | - |
| - Donations | 26,250 | 18,337 |
| - Donations in kind | 6,636 | - |
| | <u>33,441</u> | <u>18,337</u> |
| Total Revenue | <u><u>115,116</u></u> | <u><u>93,862</u></u> |

4 Cash and Cash Equivalents

| | 2021 | 2020 |
|--------------------------|---------------|---------------|
| Note | \$ | \$ |
| Cash at bank and in hand | 72,974 | 50,253 |
| | <u>72,974</u> | <u>50,253</u> |

5 Trade and Other Receivables

| | 2021 | 2020 |
|--|----------------------|---------------------|
| Note | \$ | \$ |
| CURRENT | | |
| Trade receivables | 7 3,500 | 1,345 |
| Prepayments | 7,924 | - |
| Total current trade and other receivables | <u><u>11,424</u></u> | <u><u>1,345</u></u> |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Luminescence Chamber Singers Inc

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Notes to the Financial Statements For the Year Ended 31 December 2021

6 Trade and Other Payables

| | 2021 | 2020 |
|----------------------------|---------------|--------------|
| | \$ | \$ |
| CURRENT | | |
| Accrued expenses | 7,090 | 3,286 |
| Other payables | 3,093 | - |
| Income received in advance | 20,399 | - |
| Annual leave provision | 1,561 | - |
| | <u>32,143</u> | <u>3,286</u> |

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

Income received in advance comprise grants received for commissions to be performed in the following years, and ticket sales for concerts in the following year.

7 Financial Risk Management

| | Note | 2021 | 2020 |
|-------------------------------|------|---------------|---------------|
| | | \$ | \$ |
| Financial assets | | | |
| Held at amortised cost | | | |
| Cash and cash equivalents | 4 | 72,974 | 50,253 |
| Trade and other receivables | 5 | 3,500 | 1,345 |
| Total financial assets | | <u>76,474</u> | <u>51,598</u> |

8 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2021.

9 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

| | 2021 |
|---|---------------|
| | \$ |
| (Loss) for the year | 3,943 |
| Changes in assets and liabilities: | |
| - (increase) in trade and other receivables | (10,079) |
| - increase/(decrease) in income in advance | 20,399 |
| - increase in trade and other payables | 6,897 |
| - increase in employee benefits | 1,561 |
| Cashflows from operations | <u>22,721</u> |

Luminescence Chamber Singers Inc

ABN 73 376 116 908

Notes to the Financial Statements

For the Year Ended 31 December 2021

10 Statutory Information

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

Luminescence Chamber Singers Inc
30 Elouera St
Braddon ACT 2612

Luminescence Chamber Singers Inc

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Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person Responsible person

Dated

Luminescence Chamber Singers Inc

Independent Audit Report to the members of Luminescence Chamber Singers Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Luminescence Chamber Singers Inc, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Luminescence Chamber Singers Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 31 December 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

The financial report for the year ended 31 December 2020 was not audited. Accordingly, we are not in a position to and do not express an opinion on the comparatives for 2020, except for the statement of financial position.



Luminescence Chamber Singers Inc

Independent Audit Report to the members of Luminescence Chamber Singers Inc

Responsibilities of Responsible Persons for the Financial Report

The responsible persons of the Association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Hardwickes

Chartered Accountants

Bhaumik Bumia CA
Partner

Canberra

