

**Australian Music Centre Ltd  
(a Company limited by guarantee)  
ABN 52 001 25 595**

**Annual financial report  
31 December 2021**

## Australian Music Centre Ltd Directors' report

For the year ended 31 December 2021

The directors present their report together with the financial report of the Australian Music Centre Ltd ("the Company") for the year ended 31 December 2021 and the auditor's report thereon.

### 1. Directors

The directors in office, at any time during or since the end of the financial year until the date of this report, and their qualifications are noted in the table below. The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are also noted:

Directors Meetings		
Name	Held *	Attended
Marshall McGuire Artistic director/performer AMC Chair, Member of Audit, Governance and Finance Committee Director since July 2021	3	3
Genevieve Lacey - Former Chairperson Artistic Director/Musician Director December 2013 to July 2021	3	3
Prof Margaret Barrett Head of School, University of Queensland School of Music Director December 2013 to November 2021	5	4
Brad Cohen Conductor, Artistic Director, Technologist Member of Nominations Committee Director since December 2017	5	5
David Francis CEO of Wollongong Conservatorium Member of Audit, Governance and Finance Committee Director since December 2015	5	5
Jana Gibson Head of Member Services, APRA AMCOS Director December 2018 to November 2021	5	5
Martel Ollerenshaw Director, Arts & Parts Member of Nominations Committee Director since August 2017	5	5
Tracey Morgan MBA (Macq.), GAICD, CAHRI - Chief Executive Officer, World Hope International Treasurer, Chair of Audit, Governance and Finance Committee Director since November 2021	1	1
Alison Wright Head of Membership, APRA AMCOS Chair of Nominations Committee Director since November 2021	1	1
Gina Williams Composer/Performer Director since November 2021	1	1

\* Number of meetings held while director was in office.

## Australian Music Centre Ltd Directors' report (continued)

**For the year ended 31 December 2021**

### **2. Company Secretary**

Chris Gardoll held the position of Company Secretary throughout the year until his resignation at the AGM on 30 June 2021. Paul Mason then acted in the Company Secretary role as "consultant" until Laura Capel appointment as Company Secretary on 17 September 2021.

### **3. Principal activities**

The principal activity of the Company during the course of the financial year was to foster Australian composition by working with and on behalf of Australian composers and creative musicians to advance the dissemination of their work.

### **4. Operating and financial review**

#### **Key Performance Indicator**

The Australian Music Centre is a non-profit company. During the year the Company's net profit was \$99,004 (2020: \$175,593).

#### **Objectives**

The Company is the national service organisation dedicated to the promotion and support of both the art form of music and the creators and performers of contemporary classical, improvised jazz, experimental music and sound art in Australia.

The Company's aims are to increase the profile and sustainability of the sector and to facilitate the performance, awareness and appreciation of Australian music for diverse audiences across Australia and internationally.

### **5. Members Guarantee**

The Company is limited by guarantee. The guarantee of members in the event of winding up is nil per life member and \$20 per ordinary member. The guarantee of the Copyright Collecting Society Member (see Note 24) in the event of winding up is \$20. As at 31 December 2021, the membership consisted of 18 life members (2020: 19), 1,105 ordinary members (2019: 1,139) and 1 Copyright Collecting Society Member (2020: 1). The total guarantee therefore was \$22,120 (2020: \$22,800).

### **6. Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

**Australian Music Centre Ltd  
Directors' report (continued)**

**For the year ended 31 December 2021**

**7. Events subsequent to reporting date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors, to effect significantly the operations of the Company, the results of these operations, or the state of affairs of the Company in subsequent financial years.

**8. Indemnification and insurance of officers and auditors**

**Indemnification**

Since the end of the previous financial year, The Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

**Insurance premiums**

During the financial year the Company has paid premiums totalling \$2,295 (2020: \$2,009) in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2021 and since the financial year, the Company has paid or agreed to pay on behalf of the Company, premiums in respect of such insurance contracts for the 31 December 2022. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

**9. Auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 24 and forms part of the directors' report for the financial year ended 31 December 2021.

This report is made with a resolution of the Directors:

  
\_\_\_\_\_  
Director

Dated at Sydney this 12 day of May 2022.

Australian Music Centre Ltd  
Statement of profit or loss and other comprehensive income  
For the year ended 31 December 2021

		2021 \$	2020 \$
	Note		
Revenue	4	804,809	1,070,528
Changes in inventories of finished goods and raw materials		(410)	(285)
Finished goods and raw materials purchased		(17,903)	(24,930)
Depreciation and amortisation expense	11,12,13	(15,361)	(22,041)
Employee expense		(514,835)	(534,774)
Maintenance costs	3	(7,065)	(11,750)
Expenses related to short-term leases		(11,037)	(11,586)
Specific grant expenditure		(17,928)	(113,493)
Administration costs		(29,258)	(82,736)
Other expenses from ordinary activities	5	(85,683)	(85,187)
<b>Profit before financing costs</b>		<b>105,329</b>	<b>183,746</b>
Financial income		213	989
Financial expenses		(6,538)	(9,142)
<b>Net financing costs</b>	7	<b>(6,325)</b>	<b>(8,153)</b>
<b>Profit before tax</b>		<b>99,004</b>	<b>175,593</b>
Income tax expense		-	-
<b>Profit for the period</b>		<b>99,004</b>	<b>175,593</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>99,004</b>	<b>175,593</b>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes on the financial statements set out on pages 9 to 22.

**Australian Music Centre Ltd**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>
Balance 1st January 2021	424,023	424,023
Profit for the year	99,004	99,004
Total transactions with owners	-	-
Balance 31st December 2021	<u>523,027</u>	<u>523,027</u>

**For the year ended 31 December 2020**

	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>
Balance 1st January 2020	248,430	248,430
Profit for the year	175,593	175,593
Total transactions with owners	-	-
Balance 31st December 2020	<u>424,023</u>	<u>424,023</u>

The statement of changes in equity is to be read in conjunction with the notes on the financial statements set out on pages 9 to 22.

Australian Music Centre Ltd  
Statement of financial position  
As at 31 December 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
Cash and cash equivalents	8	868,198	836,914
Trade and other receivables	9	14,094	51,695
Inventories	10	5,228	5,638
<b>Total current assets</b>		<b>887,520</b>	<b>894,247</b>
Plant and equipment	11	2,137	7,495
Right-of-use asset	12	30,942	8,373
Intangible assets	13	-	-
<b>Total non-current assets</b>		<b>33,079</b>	<b>15,868</b>
<b>Total assets</b>		<b>920,599</b>	<b>910,115</b>
<b>Liabilities</b>			
Trade and other payables	14	118,735	146,322
Employee benefits	15	20,661	97,498
Deferred income	16	227,000	231,709
Lease liability	12	5,807	8,876
<b>Total current liabilities</b>		<b>372,203</b>	<b>484,405</b>
<b>Non-Current Liabilities</b>			
Employee benefits	15	-	1,687
Lease liability	12	25,369	-
<b>Total non-current liabilities</b>		<b>25,369</b>	<b>1,687</b>
<b>Total liabilities</b>		<b>397,572</b>	<b>486,092</b>
<b>Net assets</b>		<b>523,027</b>	<b>424,023</b>
<b>Equity</b>			
Retained earnings	17	523,027	424,023
<b>Total equity</b>		<b>523,027</b>	<b>424,023</b>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes on the financial statements set out on pages 9 to 22.

**Australian Music Centre Ltd**  
**Statement of cash flows**  
**For the year ended 31 December 2021**

	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Cash receipts from customers and grants		903,015	1,182,976
Cash paid to suppliers, employees and members		(860,881)	(918,396)
Interest received	7	213	989
<b>Net cash provided by operating activities</b>	19	<u>42,347</u>	<u>265,569</u>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	11	-	(3,526)
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(3,526)</u>
<b>Cash Flow from Financing Activities</b>			
Lease payments	12	<u>(11,063)</u>	<u>(10,988)</u>
<b>Net cash used in financing activities</b>		<u>(11,063)</u>	<u>(10,988)</u>
Net increase in cash and cash equivalents		31,284	251,055
Cash and cash equivalents at 1 January		<u>836,914</u>	<u>585,859</u>
<b>Cash and cash equivalents at 31 December</b>	8	<u><b>868,198</b></u>	<u><b>836,914</b></u>

The statement of cash flows is to be read in conjunction with the notes on the financial statements set out on pages 9 to 22.



## Australian Music Centre Ltd

### Notes to the financial statements

#### 1. Reporting entity

The Australian Music Centre Ltd (the "Company") is a non-profit Company limited by guarantee, domiciled in Australia. The address of the Company's registered office is: 16 Mountain Street, Ultimo, NSW 2007.

#### 2. Basis of preparation

##### (a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act).

The financial statements were authorised for issue by the directors on the 13th day of May 2022.

##### (b) Basis of measurement

The financial statements are prepared on the historical cost basis, except as noted in the significant accounting policies.

##### (c) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Company's functional currency.

##### (d) Use of estimates and judgement

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### (e) Economic dependency and going concern

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities, the realisation of assets, and the settlement of liabilities in the ordinary course of business.

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities, the realisation of assets, and the settlement of liabilities in the ordinary course of business.

The Company made a net profit of \$99,004 during the year ended 31 December 2021 (2020: \$175,593) and as of that date the Company's net asset surplus is \$523,027 (2020: \$424,023). The retained earnings as at 31 December 2021 are \$523,027 (2020: \$424,023). The Company also has current assets of \$887,520 (2020: \$894,247) and current liabilities of \$372,203 (2020: \$484,405).

## Australian Music Centre Ltd

### Notes to the financial statements

#### 2. Basis of preparation (continued)

##### (e) Economic dependency and going concern (continued)

The ability of the Company to pay its debts as and when they fall due and to continue as a going concern is dependent on the continuation of grant funding currently provided by external parties, with particular emphasis to the Australia Council. The Australia Council has provided the Company with core funding for many years, and the directors are not aware of any reason why this funding should not continue in the foreseeable future.

#### 3. Significant accounting policies

##### (a) Plant and equipment

###### (i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Costs include expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

###### (ii) Subsequent costs

The Company recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

###### (iii) Depreciation

Depreciation is charged to the Statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Plant and equipment	3 - 5 years
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The residual value, if significant is reassessed annually.

##### (b) Intangible assets

###### (i) Software

Computer software that is not an integral part of the related hardware is recognised as an intangible asset.

## Australian Music Centre Ltd

### Notes to the financial statements

#### 3. Significant accounting policies (continued)

##### (b) Intangible assets (continued)

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

##### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

##### (iii) Amortisation

Amortisation is charged to the Statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives in the current and comparative periods are as follows:

Software	3 years
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##### (c) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

##### (d) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves The use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represents substantially all of The capacity of a physically distinct asset. If The supplier has a substantive substitution right, then The asset is not identified.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - The Company has the right to operate the assets; or
  - The Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

## Australian Music Centre Ltd

### Notes to the financial statements

#### 3. Significant accounting policies (continued)

##### (d) Leases (continued)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee.

The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

##### (e) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

##### (f) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short term deposits which are carried at fair value of the amounts deposited.

## Australian Music Centre Ltd

### Notes to the financial statements

#### 3. Significant accounting policies (continued)

##### (g) Impairment

The carrying amounts of the Company's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of profit or loss and other comprehensive income.

##### (i) Calculation of recoverable amount

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

##### (ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### (h) Employee benefits

##### (i) Defined contribution plans

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the statement of profit or loss and other comprehensive income as incurred.

##### (ii) Long-term service benefits

The provision for employee benefits to long service leave represents the amount of future benefit that employees have earned for their service in the current and prior periods.

##### (iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation, superannuation and payroll tax.

## Australian Music Centre Ltd

### Notes to the financial statements

#### 3. Significant accounting policies (continued)

##### (i) Trade and other payables

Trade and other payables are recognised for amounts to be paid in the future for goods and services. The carrying amount of accounts payable approximates net fair value.

##### (j) Royalties payable

Royalties are accrued to composers when their compositions are sold. The royalty amount is determined by written agreements with each composer. An accrual is raised for royalties payable and is calculated using actual sales, where necessary.

##### (k) Revenue and other income

###### (i) Goods sold

Revenue is measured based on the consideration specified in a contract with a customer, which is mainly upon arrival to the customer, recovery of the consideration is probable, the associated costs and possible return of goods and the amount of revenue could be measured reliably. Revenue excludes amounts collected on behalf of third parties, including duties and taxes, and is net of returns, trade discounts and rebates. The company recognises revenue when it transfers control over a product or service to a customer which is usually at a point in time for when the goods are supplied to the customers.

###### (ii) Services

Revenue from services relates to administrative and other services performed by the Company on behalf of clients. Revenue from the rendering of services are recognised over time as the services are performed. The stage of completion for determining the amount of revenue to recognise is assessed based on surveys of work performed. These services include the contribution to the provision of awards functions, hire of parts and advertising.

###### (iii) Grants

Grants are recognised in the statement of profit or loss and other comprehensive income when received unless there is a return obligation. Where a return obligation exists the grant is deferred over the period of the return obligation.

###### (iv) Sale of non-current assets

The net gain or loss on sale of non-current assets is included in other income or expenses at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

###### (v) Membership fees

Membership fees are recognised as revenue when the member acknowledges their intent to renew membership which coincides with the start of the membership period. Membership fees are non-refundable and cover a 12 month membership period.

###### (vi) Unexpended specific grants

Grants received for specific purposes remaining unspent at year end and for which a return obligation exists are separately disclosed in the statement of financial position as current liabilities.

## Australian Music Centre Ltd

### Notes to the financial statements

#### 3. Significant accounting policies (continued)

##### (l) Expenses

###### *(i) Net financing costs*

Net financing costs comprise interest payable on loans calculated using the effective interest method and interest income on funds invested.

Interest income is recognised in the Statement of profit or loss and other comprehensive income as it accrues, taking into account the effective yield on the financial asset, using the effective interest method.

###### **(m) Income tax**

As the Company is a kind referred to in Division 50-5 of the Income Tax Assessment Act 1997, its income is exempt from income tax.

###### **(n) Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

###### **(o) Financial instruments - Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Cash and cash equivalents comprise of cash balances and call deposits.

###### **(p) New and amended standards adopted**

There were no new or amended accounting standards that were applied during the year.

Australian Music Centre Ltd  
Notes to the financial statements

	2021 \$	2020 \$
4. Revenue		
Revenue from sale of goods:	121,506	122,907
Revenue from rendering services:		
Advertising	1,657	-
Donations	29,628	54,330
Grants received	421,709	395,859
Hire of parts	6,477	3,011
Membership fees	99,667	105,822
Photocopier income	227	49
Postage income	12,666	16,675
Subsidies received	92,497	346,051
Other service revenue	18,775	25,824
	<u>683,303</u>	<u>947,621</u>
Total revenue	<u>804,809</u>	<u>1,070,528</u>
Note: Subsidies received in the 2020 and 2021 years represents Job Keeper, Job Saver and Cashflow Boost allowances provided by the Federal and State Governments.		
5. Other expenses		
General expenses	37,201	40,707
Subscriptions	2,329	3,861
Directors insurance	2,295	2,009
Royalties	42,846	35,087
Travel and accommodation	1,012	3,523
	<u>85,683</u>	<u>85,187</u>
6. Auditor's remuneration		
Audit services		
- Audit and review of financial reports	6,000	19,800
7. Financing costs		
Interest income	213	989
Financial income	<u>213</u>	<u>989</u>
Interest expense - leases	791	983
Bank charges	5,747	8,159
Financial expenses	<u>6,538</u>	<u>9,142</u>
Net financing costs	<u>6,325</u>	<u>8,153</u>
8. Cash and cash equivalents		
Cash on hand	50	50
Bank balances	817,792	482,195
Short term deposits	50,356	354,669
	<u>868,198</u>	<u>836,914</u>



Australian Music Centre Ltd  
Notes to the financial statements

	2021 \$	2020 \$
<b>9. Trade and other receivables - current</b>		
Trade receivables	11,194	8,853
Less: Impairment losses	(3,744)	(4,313)
	7,450	4,540
Other receivables and prepayments	6,644	47,155
	14,094	51,695
<b>10. Inventories</b>		
Finished goods	5,228	5,638
	5,228	5,638
<b>11. Plant and equipment</b>		
<b>Cost</b>		
Balance at 1 January	51,523	47,997
Acquisitions	-	3,526
Disposals	-	-
Balance at 31 December	51,523	51,523
<b>Depreciation</b>		
Balance at 1 January	(44,028)	(32,347)
Depreciation charge for the year	(5,358)	(11,681)
Disposals	-	-
Balance at 31 December	(49,386)	(44,028)
<b>Total carrying amounts of plant and equipment</b>		
As 1 January	7,495	15,650
As 31 December	2,137	7,495
<b>12. Leases</b>		
<b>Right-of-use assets</b>		
Balance at 1 January	8,373	13,505
Additions	32,571	-
Modifications	-	4,917
Depreciation charge for the year	(10,002)	(10,049)
Balance at 31 December	30,942	8,373
<b>Lease liabilities</b>		
<b>Maturity analysis-contractual undiscounted cash flows</b>		
Less than one year	7,620	9,157
One to two years	7,620	-
More than three years	20,955	-
	36,195	9,157
<b>Lease liabilities included in the statement of financial position at 31 December</b>		
Current	5,807	8,876
Non-current	25,369	-
	31,176	8,876

Australian Music Centre Ltd  
Notes to the financial statements

	2021 \$	2020 \$
12. Leases (continued)		
<b>Amounts recognised in the profit and loss</b>		
Interest on lease liabilities	791	983
<b>Amounts recognised in the statement of cash flows</b>		
Total cash outflows for leases	11,063	10,988
13. Intangible assets		
<b>Software</b>		
<b>Cost</b>		
Balance at 1 January	1,249	1,249
Acquisitions	-	-
Disposals	-	-
Balance at 31 December	<u>1,249</u>	<u>1,249</u>
<b>Amortisation and impairment losses</b>		
Balance at 1 January	(1,249)	(938)
Depreciation charge for the year	-	(311)
Disposals	-	-
Balance at 31 December	<u>(1,249)</u>	<u>(1,249)</u>
<b>Total carrying amounts of software</b>		
As 1 January	<u>-</u>	<u>311</u>
As 31 December	<u>-</u>	<u>-</u>
<b>Total carrying amounts of intangible assets</b>		
As 1 January	<u>-</u>	<u>311</u>
As 31 December	<u>-</u>	<u>-</u>

Australian Music Centre Ltd  
Notes to the financial statements

	2021 \$	2020 \$
14. Trade and other payables		
Trade payables	5,628	13,061
Other creditors and accruals	113,107	133,261
	<u>118,735</u>	<u>146,322</u>
Included in other creditors and accruals are \$51,029 (2020: \$56,306) of royalties to be distributed to members in future periods.		
15. Employee benefits		
Current		
Liability for annual leave	16,887	46,887
Liability for long-service leave	3,774	50,611
	<u>20,661</u>	<u>97,498</u>
Non-current		
Liability for long-service leave	-	1,687
16. Deferred income		
Grants in advance	<u>227,000</u>	<u>231,709</u>
17. Retained earnings		
Reconciliation of movement		
Balance at 1 January	424,023	248,430
Profit for year	99,004	175,593
Balance at 31 December	<u>523,027</u>	<u>424,023</u>

18. Financial instruments  
Financial risk management

**Overview**

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks. Further quantitative disclosures are included throughout this financial report.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and location in which customers operate, has less of an influence on credit risk.

## Australian Music Centre Ltd

### Notes to the financial statements

#### 18. Financial instruments (continued)

##### **Exposure to credit risk**

The carrying amount of the Company's financial assets represents the maximum credit risk exposure. The Company's maximum exposure to credit risk at the reporting date was:

	2021 \$	2020 \$
Trade receivables	7,450	4,540
Ageing profile of the Company's trade receivables at the reporting date was:		
0 - 30 days	2,807	3,435
31 - 60 days	2,423	524
61 - 90 days	1,834	139
Over 90 days	4,130	4,755
	11,194	8,853
Less: Provision for impairment	(3,744)	(4,313)
	7,450	4,540

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company is exposed to liquidity risk in the normal course of its business. As at 31 December 2021 the Company's trade and other payables are due within 12 months.

##### **Market risk**

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to interest rate risk through its cash and cash equivalents and borrowings. The Company does not hedge this risk.

##### **Interest rate risk**

The Company is exposed to interest rate risk in the normal course of its business. The effective interest rate on cash and cash equivalents at 31 December 2021 is 0.10% (2020: 0.10%). An increase/(decrease) of 100 basis points in variable interest rates would have increased/(decreased) the Company's profit for the year by \$8,682 (2020: \$8,369).

##### **Fair values**

The carrying values of financial instruments approximate their fair value. The notional amount of receivables and payables is deemed to reflect fair value.

Australian Music Centre Ltd  
Notes to the financial statements

	2021 \$	2020 \$
19. Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Profit for the period	99,004	175,593
Adjustments for:		
Depreciation	15,361	21,730
Amortisation	-	311
Interest on lease liabilities	791	983
<b>Operating profit before changes in working capital and provisions</b>	<b>115,156</b>	<b>198,617</b>
Decrease / (increase) in trade and other receivables	37,601	32,454
Decrease / (increase) in inventories	410	285
(Decrease)/ increase in trade and other payables	(27,587)	(1,986)
(Decrease)/ increase in deferred income	(4,709)	10,883
(Decrease)/ increase in employee benefits	(78,524)	25,316
<b>Net cash provided by operating activities</b>	<b>42,347</b>	<b>265,569</b>

20. Segment reporting

The Company operates entirely within Australia as a non-profit organisation working with and on behalf of Australian composers and creative musicians to advance the dissemination of their work.

21. Key management personnel disclosures

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

**Directors**

Ms Jana Gibson	Appointed 12 December 2018, retired 30 November 2021
Brad Cohen	Appointed 12 December 2017
Martel Oldershaw	Appointed 29 August 2017
Mr David Francis	Appointed 01 December 2015
Prof. Margaret Barrett	Appointed 10 December 2013, retired 30 November 2021
Ms Genevieve Lacey	Appointed 10 December 2013, retired 29 July 2021
Mr Marshall McGuire	Appointed 29 July 2021
Ms Tracy Morgan	Appointed 30 November 2021
Ms Alison Wright	Appointed 30 November 2021
Ms Gina Williams	Appointed 30 November 2021

**Executives**

Mr John Davies (CEO)	Ceased 15 March 2021
Ms Catherine Haridy (CEO)	Commenced 1 July 2021

**Transactions with key management personnel**

None of the key management personnel have entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests at year end.

No director has received or is due to receive remuneration from the Company. Certain directors who held office during the year, or their director-related entities, are entitled to distributions calculated on the same terms and conditions as other members.

## Australian Music Centre Ltd

### Notes to the financial statements

#### 21. Key management personnel disclosures (continued)

The key management personnel compensation included in employee expenses is as follows:

	2021 \$	2020 \$
Short-term employee benefits	84,724	119,709
Long-term employee benefits	(12,984)	1,714
Post-employment benefits	9,128	10,449
	<u>80,868</u>	<u>131,872</u>

#### 22. Economic dependency

A significant portion of the Company's revenue is in the form of grants from the Australia Council for the Arts.

#### 23. Members' guarantee

The Company is limited by guarantee. The guarantee of members in the event of winding up is nil per life member and \$20 per ordinary member. The guarantee of the Copyright Collecting Society Member (see Note 24) in the event of winding up is \$20. As at 31 December 2021, the membership consisted of 18 life members (2020: 19), 1,105 ordinary members (2019: 1,139) and 1 Copyright Collecting Society Member (2020: 1). The total guarantee therefore was \$22,120 (2020: \$22,800).

#### 24. Copyright Collecting Society Member

In December 2009 the Company signed a Heads of Agreement (the "Agreement") with Australasian Performing Right Association Limited ('APRA') to form an alliance between the companies which would assist the immediate and longer term financial viability of the Company by ensuring existing funding, access to additional resources and to provide cost efficiencies.

During the financial year ended 31 December 2010, in accordance with the Agreement the Company held an Extraordinary General Meeting on 24 February 2010 where amendments to the Constitution were approved creating a new class of membership being a musical works copyright collecting society member. A musical works copyright collecting society member has the right to appoint directors of the Company. In addition, an advisory committee made up of members of the company was created to advise the Board as required.

The Board approved the application of APRA as a Copyright Collecting Society Member on 26 February 2010, the existing directors resigned, and new directors were appointed by APRA.

Australian Music Centre Ltd  
Directors' declaration

In the opinion of the directors of the Australian Music Centre Limited ("the Company"):

- (a) The financial statements and notes, set out on pages 5 to 22, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act); including:
  - (i) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (ii) give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the year ended at that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors and is signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



\_\_\_\_\_  
Director

Dated at Sydney this 13 day of May 2022.



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### Australian Music Centre Ltd

#### Auditor's Independence Declaration to the Directors under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)

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's independence requirements as set out in 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.

THOMAS DAVIS & CO.

J G Ryan

Partner

Chartered Accountants

Sydney  
Date: 13 May 2022

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**Australian Music Centre Ltd**

**Independent Auditor's Report to the Members of  
Australian Music Centre Limited**

**Report on the audit of the Financial Report**

**Opinion**

We have audited the financial report of Australian Music Centre Limited, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in members' fund's and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors declaration.

In our opinion, the financial report of Australian Music Centre Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and 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 company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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.

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the company annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act (NSW) Act 991 and Regulations, and for such internal control as the directors determine is necessary to enable the preparation of the 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic

### **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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,
- Obtain an understanding of internal control relevant to audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion:

- (a) the financial report gives a true and fair view of the Company's financial result of fundraising appeal activities for the year ended 31 December 2021; and
- (b) the financial report has been properly drawn up, and associated records have been properly kept during the year in accordance with the Charitable Funds Act (NSW) 1991 and its Regulations; and
- (c) money received as a result of fundraising appeal activities conducted during the year ended 31 December 2021 has been properly accounted for and applied in accordance with the Charitable Fundraising Act (NSW) 1991 and its Regulations; and
- (d) there are reasonable grounds to believe the that the Company will be able to pay its debts as and when they fall due.



THOMAS DAVIS & CO.



J G Ryan

Partner

Chartered Accountants

SYDNEY,  
Date: 13 May 2022

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## Disclaimer

### To The Members of Australian Music Centre Limited

The additional financial data presented on pages 29 to 32 is in accordance with the books and records of Australian Music Centre Limited (the Company) which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 December 2021.

It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Company) in respect of such data, including errors or omissions therein however caused.

THOMAS DAVIS & CO.

J G Ryan

Partner

Chartered Accountants

Sydney  
Date: 13 May 2022

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**Australian Music Centre Ltd**  
**Statement of operations**

	<i>Schedule</i>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Income</b>			
Net grant income	2	421,709	395,859
Gross profit from trading	1	103,193	97,692
Advertising		1,657	-
Donations		29,628	54,330
Hire of parts		6,477	3,011
Interest on deposits		213	989
Membership fees		99,667	105,822
Photocopier income		227	49
Postage income		12,666	16,675
Subsidies received		92,497	346,051
Other service revenue		18,775	25,824
Total income		<u>786,709</u>	<u>1,046,302</u>
<b>Expenses</b>			
Annual leave		(30,000)	22,405
Audit Fees		6,306	19,800
Interest and bank charges		6,538	9,142
Contractors fees		43,116	-
Courier		776	1,217
Depreciation and amortisation		15,361	22,041
FBT		1,798	990
Financial expenses		-	-
Grant expenditure - specific		17,928	113,493
Insurance - directors		2,295	2,009
Insurance - office		4,832	4,451
Long service leave		(48,524)	2,911
Maintenance		7,065	11,750
Postage		1,992	1,676
Printing		693	182
Rent - office		11,037	11,586
Subscriptions		2,329	3,861
Superannuation		41,462	40,243
Telephone		800	1,369
Travelling		102	3,523
Wages and salaries		503,643	466,242
Web costs		941	2,714
Workers compensation		3,341	1,646
Other - Miscellaneous		93,874	127,458
Total expenses		<u>687,705</u>	<u>870,709</u>
Net surplus for the year		<u><b>99,004</b></u>	<u><b>175,593</b></u>

This statement of operations is to be read in conjunction with the disclaimer set out on page 28.

Australian Music Centre Ltd  
Schedule 1

	2021 \$	2020 \$
Sales	121,506	122,907
<b>Cost of sales</b>		
Inventory at the beginning of the year	5,638	5,923
Add: Purchases and direct production costs	17,903	24,930
Less: Inventory at end of year	(5,228)	(5,638)
	18,313	25,215
<b>Gross profit from trading</b>	103,193	97,692

Schedule 1 is to be read in conjunction with the disclaimer set out on page 28.

Australian Music Centre Ltd  
Schedule 2

	<i>Schedule</i>	<b>2021</b> \$	<b>2020</b> \$
Unexpended grants - opening balance		231,709	220,826
Grants received (including management fees)	3	417,000	406,742
		<hr/> 648,709	<hr/> 627,568
Less: Unexpended grants - closing balance		(227,000)	(231,709)
		<hr/>	<hr/>
<b>Net grant income</b>		<hr/> <b>421,709</b> <hr/>	<hr/> <b>395,859</b> <hr/>

Schedule 2 is to be read in conjunction with the disclaimer set out on page 28.

Australian Music Centre Ltd  
Schedule 2

	2021 \$	2020 \$
<b>Australia Council - Music, Multi-Year Organisations</b>		
General Grant (2020)	-	144,242
General Grant (2021)	155,000	155,000
General Grant (2022)	202,000	-
<b>Australasian Performing Right Association</b>		
General Grant (2020)	-	55,000
General Grant (2021)	-	27,500
General Grant (2022)	50,000	-
<b>Department of Education, Employment &amp; Workplace Relations</b>		
ARC Linkage	-	25,000
<b>City of Sydney</b>		
Auspice Grant - Backstage Music (2021)	10,000	-
<b>Total grants received in current year</b>	<b>417,000</b>	<b>406,742</b>

Schedule 3 is to be read in conjunction with the disclaimer set out on page 28.