

Contact us

Sunshine Coast Arts Foundation Ltd

PO Box 253
Caloundra QLD 4551

✉ info@scartsfoundation.com

🌐 scartsfoundation.com

📘 [@sunshinecoastartsfoundation](https://www.facebook.com/sunshinecoastartsfoundation)



SUNSHINE COAST ARTS FOUNDATION

Annual Report
2021/22

Contents

- 05 Chair's Report
- 06 Finance Committee Report
- 07 Our Supporters
- 08 *Gifted* Recipients
- 11 Financial Statements

Indigenous acknowledgment

The Sunshine Coast Arts Foundation acknowledges the traditional Country of the Kabi Kabi and the Jinibara Peoples of this region. We recognise that this place has inspired and celebrated practising artists for a very long time. We pay respect to the Elders - past, present and emerging - and the important role Aboriginal and Torres Strait Islander people continue to play within the Sunshine Coast community.

Sunshine Coast Arts Foundation Ltd

PO Box 253 Caloundra QLD 4551
ABN 38 634 410 950

✉ info@scartsfoundation.com

🌐 scartsfoundation.com

📱 @sunshinecoastartsfoundation

Front cover: Australian Wearable Art Festival 2022 Emerging Artist Winner David Bongiorno, Model Fiona Jopp (Barry Alsop Eyes Wide Open image).

Image right: A Topography for Reflection performance by Bianca Tainsh and Katie Harris-MacLeod during Floating Land Festival 2021. (Jennifer Dean image).



Mission

To promote the development and prosperity of the arts on the Sunshine Coast through fundraising and philanthropic investment that facilitates artistic vibrancy and engages the public imagination.

Vision

An enlightened and enriched Sunshine Coast region that is transformed by philanthropic investment in arts and culture.

Values

COMMUNITY – We exist for the Sunshine Coast community – a community that is enriched and connected by art and creativity.

PROSPERITY – We will work to ensure the future growth and prosperity of the Foundation, the arts and artists of the Sunshine Coast.

TRUST – We are stewards of the gifts we receive, promising sound judgement, integrity and transparency in all activities.

INDEPENDENCE – We operate independently but collaboratively and know that success comes from partnerships and relationships.

QUALITY – We aim for the highest possible standards in our work, and the artistic achievements of our region.



Wilding, *The Sunshine Coat Project*
(Ketakii Jewson Brown image)

Chair's report

The third year of operation for the Sunshine Coast Arts Foundation witnessed the reconnection of artists and audiences following the easing of Covid restrictions. Research in the March 2022 edition of the *Audience Outlook Monitor* by Patternmakers, shows that some audiences were still concerned about the risks of attendance at arts events, but importantly, "many audience members see a role for the sector to facilitate trust and mutual respect between organisations, artists and attendees, and the broader community". Audiences understood the hardships suffered by arts and culture during the pandemic, but deemed the arts as "essential to our lives" and "encouraged artists and organisations to invite more community support, as they recuperate from the economic impact of cancellations and lockdowns".

In this context, the Foundation turned again to building the relationship between donors and the Sunshine Coast arts community, espousing our values of community, prosperity, trust, independence and quality. We were rewarded with two notable achievements: significantly increased awareness of the Foundation, and a new funding agreement with Council.

SCAF's Strategic Plan includes actions to promote the value of the arts in society generally and the Sunshine Coast region in particular, and to act as a philanthropic role model, stimulating and motivating other supporters to become involved in the Foundation's philanthropic programs. To this end, we have adopted an 'advocacy' role, which has resulted in measurable increased awareness through invitations to attend and speak at arts events and meetings, arts industry interest in partnerships, and positive feedback from Gifted artists, all sharing our vision for the Sunshine Coast. Our recipient artists gave the following words of thanks:

I really enjoyed the awards event. It was a really warm and enthusiastic atmosphere. I look forward to seeing everyone's Gifted projects progress, and also getting to know some new artistic friends more intimately.

I am very excited and honored to be a recipient of the Gifted program.

We are so thrilled.

A huge thankyou to SCAF for the support enabling this creative team.

The number of productive partnerships has increased – University of the Sunshine Coast, Bentleys Accountants, the Wearable Art Festival, Jan Manton Gallery, the Maleny Arts Council, Arts Connect and Sculpture on the Edge. We have been offered new venues for our events and meetings. We have increased the number of donors and individual gifts. Our new board directors have brought new ideas and cultivation strategies, and there is promising interest from businesses to engage with the arts in this region.

Jarrod Bleijie, Member for Kawana, Jennifer Radbourne, Victoria Murray, Brendon Murray (Bentleys Partner), Karen Neuendorf, SCAF Director and Keith Neuendorf (Chloe Horder image).



The second achievement at the end of this financial year, was Council's support and confidence in awarding another three-year funding agreement. This funding covers our administration costs and ensures all donations are transferred to artists. The commitment by Council's Economic and Community Development Group, through the Manager and the Co-ordinator in Arts, Heritage and Libraries, is exceptional. While we operate at arms-length from Council, we share the same vision of increasing the value of, and support for, the arts across our region. Their support enables the Foundation to access office space and marketing, venue and data resources.

The Board utilises its diverse skills and experience to work cohesively and with a real sense of purpose and the future. Our Executive Officer, Celestine Doyle, who displays limitless energy and a deep understanding of fundraising and philanthropy principles and opportunities, manages our operations between meetings. Reports indicate that philanthropy is increasing in the arts across Australia, particularly by donors for arts companies they know and love. SCAF is learning how to capture this in a 'regional' context. We seek a mix of individual donors along with corporate and development stakeholders, who are part of the region's ambition.

2021 was a year of reflection and awareness-raising for future action. It was also a time of maturity – of knowing our place, our plan, our value and importantly, our mission. I think we have done just that. We have created awareness and purpose in the minds of artists, community, business, politicians, the media and prospective donors. So much so, that we can now strengthen relationships and engagement to fulfil our mission.

I thank the Board, our donors, our partners and the Council – together they have ensured we can deliver on our Strategic Plan and our Budget

Emeritus Professor Jennifer Radbourne
Chair

Finance committee report



The 2021/22 year saw the Foundation continue to build on its financial resources and enter into a number of exciting activities. We are most fortunate to live and work in South East Queensland where we see both strong population and economic growth but also the prospect of the 2032 Olympics.

In October 2020 the Foundation was accepted as a Deductible Gift Recipient with the benefit of being able to offer donors tax deductibility for their donations. In the year under review the Foundation received over \$ 37,000 in donations including donations for our fundraising partners, Australian Wearable Art Festival Inc. and Maleny Arts Council Inc. Operational funding was again received from Sunshine Coast Council for which the Foundation is highly appreciative. Funding was, in addition, received by way of a grant from the Gambling Community Benefit Fund for the development of a Customer Relationship Management system. This CRM is being specifically tailored for the donor management and information needs of the Foundation with its implementation anticipated early in the 2022/23 year.

As a Company Limited by Guarantee the Foundation has no share capital and is dependent on annual surpluses and retained earnings to provide working capital. A surplus was generated for the 2021/22 year which will allow the Foundation to undertake future activities knowing that there are sufficient cash reserves. In terms of corporate governance, there are meetings of directors held each two months. Directors attend such meetings either in person or through Zoom. Financial statements, including account reconciliations, are tabled at those meetings for discussion with actual balances compared to an approved financial budget. The 2021 AGM of the Foundation was held in November 2021 with a representative of the external auditors, Queensland Audit Office, attending that meeting. The audited financial statements that are included in this Annual Report may appear to be lengthy but are a reporting requirement of corporate legislation in Australia.

I thank fellow directors and the Executive Officer of the Foundation for their support during the financial year just ended.

Robert Forbes
Finance and Governance Committee



Image left: Gifted recipient Louise King and donor Jocelyn Walker at the function celebrating the arts, community and philanthropy at Bentley's Accountants (Chloe Horder image).

Image center: Sunshine Coast artist Joseph Daws speaking at the Foundation event at Jan Manton Gallery announcing 2022 Gifted recipients, and viewing of his exhibition, (Renaë Droop image).

Our supporters

Sunshine Coast Arts Foundation gratefully acknowledges Sunshine Coast Council's support.



Supported by Sunshine Coast Council

We have also been extremely grateful for the support of the Caloundra Regional Gallery and University of the Sunshine Coast for hosting SCAF Board meetings.

We acknowledge the generous contribution of event co-hosts: Bentleys and Jan Manton Gallery, Brisbane.

We thank all donors who are acknowledged on the Foundation's website [scartsfoundation/supporters]

Benefactors

Ralph Devlin QC AM
Roy and Nola Thompson

Karen & Robert Forbes
Rafaela Giebler
Wendy Harper

Fellows

Susan & Colin Billett
Edith Blanck
Jan and Jeff Cornfoot
Ferre de Deyne
Hon Justice Hugh Fraser
& Margie Fraser
Hollendale Mainwaring
Architecture Pty Ltd
Jan Manton
Ron Scott
Eva-Marie Seeto
Helen Walker
Jocelyn Walker

Marilyn Holliness
Barbara Jones
Paul & Chloe Keightley
Ernie & Sandy Kruck
Jacqueline & Peter Lavery
Walter Marek
Lisa Mitcherson
Musical Theatre Australia
Keith & Karen Neuendorf
Keith & Jennifer Radbourne
Judith Ross-Smith
Barb Ryan
Helen Sethna
Liddie Shaw

Donors

Val Anderson & Geoff Bridger
Claire Booth
Alan Boyle
Leigh Cleave
Geraldine Dent
Celestine Doyle
Herb Fenn

Ken & Elizabeth Smith
Patrick Smith
Tony Sowden
Heather Spring
Neil & Ros Thompson
Gemma Tonkin
Kenneth Watkins
Peter Willadsen
Toni Wills

Gifted recipients

Tricia Taylor (Pastel Society of Australia) Libby Derham, Priscila Da Cunha, (D.I.V.E. Theatre Collective), Prof Jennifer Radbourne, SCAF Chair, Joseph Daws, Jan Manton, Shaye Hardisty, Ketakii Jewson Brown and Bianca Tainsh (Renae Droop image).



Seven Gifted recipients and their projects were announced at a special event and private viewing of Sunshine Coast artist Joseph Daws' exhibition at Jan Manton Gallery, Brisbane on Saturday 13 November.

D.I.V.E. Theatre Collective: *Caprichos*, inspired by Francisco de Goya's etchings, at the Old Ambulance Station, Nambour in May 2022.

Louise King, (cello) and Monika Koerner (flute): *REINVENTIONS*, a music video production of the work by leading Australian composer, Elena Kats-Chernin.

Pastel Society of Australia Inc: The second Australian Pastel Expo at the Events Centre Caloundra in August-September 2022.

Vibrant visual art space, Stevens Street Gallery, Yandina: The Exposure Project, to provide local artists with much needed exposure and connect them with audiences.

Award-winning contemporary watercolour painter Libby Derham: A new ground-breaking body of work, *Birdsong Cymatics* (Visualising Birdsong through Cymatics and Watercolour).

Local visual artist Bianca Tainsh: An art film and body of works (sculpture, painting, digital media and texts) for an exhibition tour to extend the *A Topography for Reflection* collaborative project.

Local sewing artist Shaye Hardisty and photographer Ketakii Jewson Brown: *The Sunshine Coat Project*, which will see the design and construction of coats that share visual stories of our unique experiences in this region.



Caprichos, D.I.V.E. Theatre Collective, The Old Ambulance Station. (Vlad Da Cunha Image).

FINANCIAL STATEMENTS

Sunshine Coast Arts Foundation Ltd
ACN 634 410 950

2021/2022 Financial Report

Index

- 12 Report of the Directors
- 14 Auditor's independence declaration
- 15 Statement of profit or loss
and other comprehensive income
- 16 Statement of financial position
- 16 Statement of changes in equity
- 17 Statement of cash flows
- 18 Notes to financial statements
- 20 Declaration by Directors of company
- 21 Independent Auditor's report

A Topography for Reflection performance
by Bianca Tainsh and Katie Harris-MacLeod
during Floating Land Festival 2021.
(Jennifer Dean image).

Report of the Directors

The directors of Sunshine Coast Arts Foundation Ltd (‘the Foundation’) present their report together with the financial report of the Foundation for the year from 1 July 2021 to 30 June 2022.

In accordance with section 300B of the *Corporations Act 2001*, the directors set out below certain information in respect of the objectives, strategies, principal activities and performance of the Foundation.

Short and long-term objectives

The short and long-term objectives of the Foundation are encapsulated in the Mission and Vision of the entity. The Mission is to promote the development and prosperity of the arts on the Sunshine Coast through fundraising and philanthropic investment. The Vision is to achieve an enlightened and enriched local community transformed by philanthropic investment in the arts.

The strategy for achieving these objectives

1. Build the profile of the Foundation as the regional organisation supporting creative expression through philanthropic investment.
2. Develop, diversify and consolidate income streams.
3. Establish collaborative partnerships with key stakeholders.
4. Establish effective governance processes and procedures and recruit and develop a succession plan.

Principal activities during the year

Principal activities in four strategic priority areas noted above were as follows:

1. PROFILE OF THE FOUNDATION

- Profile was enhanced by numerous marketing and communication activities including eNews, invitations, announcements, Facebook posts, website and media materials.
- Chair, Board Directors and Executive Officer held meetings with prospective donors, supporters and arts sector representatives.
- A special function celebrating the arts, community and philanthropy was held in the board room of Bentleys accounting practice on the Sunshine Coast on 22 September 2021.

2. INCOME STREAMS

- Gifted Patrons Group established with inaugural gifts.
- 25% increase in number of donors on previous financial year.
- Income received through partnerships with arts organisations to accept and manage donations for a fee.
- Gambling Community Benefit Fund grant received for CRM development.

3. PARTNERSHIPS WITH STAKEHOLDERS

- Council approved further three-year funding for SCAF.
- Seven artists and organisations were recipients of Gifted contributions for projects in 2022.
- New partnerships were established with Maleny Arts Council and Oriana Choir to manage their donations.
- Events were held in collaboration with Bentleys, Jan Manton Gallery and Australian Wearable Art Festival.
- Partners who provided in-kind support were: The Tamarind Restaurant, Caloundra Regional Galley, University of Sunshine Coast and Sunshine Coast Regional Council.
- Mentoring and support was provided to various organisations.

4. GOVERNANCE

- Bi-monthly Board meetings and AGM held.
- Board conducts an annual self-assessment.
- Reports annually to Sunshine Coast Regional Council and ACNC.
- Customer Relationship Management developed.

How those activities achieved the objectives of the Foundation

The activities raised awareness of the Foundation and of the benefits of philanthropy, identifying and cultivating donors, facilitating and attracting donations, consolidating and creating new partnerships and distributing funds to support artists to make new work.

Means by which performance is measured

The measures of success 2021-22 have been developed in line with the four Strategic Priorities in the SCAF Strategic Plan for the initial three-year establishment phase being:

- Increase in awareness of the Foundation, its objectives, projects and ways to donate.
- Increase in revenue and cash reserves.
- Increase in partner delivery of Foundation objectives.
- Increase in donors to giving programs and projects.
- Satisfaction levels of donors and partners.
- Foundation registered and performed as a charity with tax deductible status.
- Succession Plan and working subcommittees/task forces in place.

SCAF Board: Cr Rick Baberowski, Robert Forbes, Emeritus Professor Jennifer Radbourne, Chair, Karen Neuendorf, John Mainwaring, Ferre De Deyne and Sue Sara, Deputy Chair (absent Tony Sowden, Company Secretary).



Information on Directors

Section 300B of the Corporations Act also requires certain information on each of the Foundation’s Directors. The Directors during or since the end of the reporting period are:

Emeritus Professor Jennifer Radbourne - Chair

Retired academic with experience in arts management, governance and philanthropy. Published author. Member of Sunshine Coast Arts Advisory Board. Graduate and Member of the Australian Institute of Company Directors.

Sue Sara - Deputy Chair

Experience in senior executive roles. Australian Institute of Company Directors Graduate and Member. Directorships in not-for-profit organisations.

Cr Rick Baberowski

Sunshine Coast Regional Council Division 1 Councillor. Deputy Mayor and joint holder of the Arts and Heritage portfolios. Member of Sunshine Coast Arts Advisory Board.

Ferre De Deyne

Tourist attraction owner and operator. Philanthropist with experience as board director of Sunshine Coast charities and foundations.

Tony Sowden - Company Secretary

Registered legal practitioner in Queensland with a commercial legal practice.

Robert Forbes

Retired chartered accountant. Experience with not-for-profit organisations as a director and external auditor. Director of Sunshine Coast Events Centre Pty Ltd.

Karen Neuendorf

Business woman. Experience in corporate and non-profit governance with school, medical and women’s business boards.

John Mainwaring

Award winning architect. Chair of the University of the Sunshine Coast Art Advisory Committee. Member of the Sunshine Coast Urban Design Advisory Panel.

Directors have been in office since the start of the reporting period and to the date of this report unless otherwise stated.

Meetings of Directors

The number of meetings of the Directors during the reporting period and each Director’s attendance at those meetings are as follows.

| | No. attended | No. eligible to attend |
|------------------------------|--------------|------------------------|
| Professor Jennifer Radbourne | 6 | 6 |
| Sue Sara | 5 | 6 |
| Cr Rick Baberowski | 5 | 6 |
| Ferre De Deyne | 4 | 6 |
| Tony Sowden | 5 | 6 |
| Robert Forbes | 6 | 6 |
| Karen Neuendorf | 6 | 6 |
| John Mainwaring | 5 | 6 |

Additional Information

If the Foundation is wound up while a person is a Member, or within one year after that person ceases to be a Member, the person must contribute the guarantee amount of \$10 to the assets of the Foundation. The total amount that Members of the Foundation are liable to contribute if the Foundation is wound up is \$10.

Auditor’s independence declaration

A copy of the Auditor’s Independence Declaration, as required under section 307C of the Corporations Act, follows the Report of the Directors.

This report is made and signed in accordance with a resolution of the Directors:

Jennifer Radbourne

19 September 2022

Robert Forbes

19 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Sunshine Coast Arts Foundation Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Sunshine Coast Arts Foundation Ltd for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



16 September 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Sunshine Coast Arts Foundation Ltd ACN 634 410 950

Statement of profit or loss and other comprehensive income for the year ended 30 June 2022

| | 2022 | 2021 |
|--|-----------------|-----------------|
| NOTE | \$ | \$ |
| OPERATING INCOME | | |
| Annual operational funding from Sunshine Coast Council | 106,343 | 106,343 |
| Gambling Community Benefit Fund grant | 14,400 | - |
| Total operating income | 120,743 | 106,343 |
| OTHER INCOME | | |
| Donations - specified purpose | 17,733 | 119,100 |
| Donations - general | 20,000 | 1,478 |
| Donations - administration fees | 457 | 5,000 |
| Bank interest | 15 | 19 |
| Total other income | 38,205 | 125,597 |
| Total income | 158,948 | 231,940 |
| OPERATING EXPENSES | | |
| Advertising and website | 7,428 | 6,109 |
| Auditor's remuneration | 4 | 2,500 |
| Donations specified purpose and grants paid | 15,933 | 127,000 |
| Executive officer remuneration | 5 | 47,537 |
| Fundraising expenses | 3,615 | 8,688 |
| Insurance | 2,665 | 2,599 |
| Research projects | - | 10,499 |
| Other expenses | 2,607 | 3,362 |
| Total operating expenses | 85,638 | 208,294 |
| Profit for the year | \$73,310 | \$23,646 |

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2022

| | | 2022 | 2021 |
|----------------------------------|------|------------------|-----------------|
| | NOTE | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 148,091 | 84,273 |
| GST receivable | | 2,642 | 2,335 |
| Total current assets | | 150,733 | 86,608 |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 3 | 4,000 | - |
| Total non-current assets | | 4,000 | - |
| Total assets | | \$154,733 | \$86,608 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | - | 5,185 |
| Total current liabilities | | - | 5,185 |
| Total liabilities | | - | 5,185 |
| Net assets | | \$154,733 | \$81,423 |
| EQUITY | | | |
| Retained earnings | | 154,733 | 81,423 |
| Total equity | | \$154,733 | \$81,423 |

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2022

| | RETAINED EARNINGS | TOTAL |
|-------------------------|-------------------|-----------|
| | \$ | \$ |
| Balance at 1 July 2021 | 81,423 | 81,423 |
| Profit for the year | 73,310 | 73,310 |
| Balance at 30 June 2022 | \$154,733 | \$154,733 |
| Balance at 1 July 2020 | 57,777 | 57,777 |
| Profit for the year | 23,646 | 23,646 |
| Balance at 30 June 2021 | \$81,423 | \$81,423 |

During the accounting periods specified above, the Foundation had neither transactions with owners in their capacity as owners nor other transfers nor other comprehensive income.

Statement of cash flows for the year ended 30 June 2022

| | 2022 | 2021 |
|---|------------------|-----------------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| INFLOWS | | |
| Grants and other contributions | 106,343 | 106,343 |
| Receipts from donors and other income | 52,590 | 153,677 |
| Interest receipts | 15 | 19 |
| OUTFLOWS | | |
| Suppliers and services | -74,890 | -84,989 |
| Donations and grants | -15,933 | -127,000 |
| GST paid to suppliers | -307 | -2,335 |
| Net cash provided by operating activities | 67,818 | 45,715 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| OUTFLOWS | | |
| Payments for intangibles | -4,000 | - |
| Net cash used in investing activities | -4,000 | - |
| Net increase in cash and cash equivalents | 63,818 | 45,715 |
| Cash and cash equivalents at 1 July | 84,273 | 38,558 |
| Cash and cash equivalents at 30 June | \$148,091 | \$84,273 |

During the accounting periods specified above, the Foundation had no transactions relating to financing activities.

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents include cash on hand as well as bank balances on call or on deposit with financial institutions.

Notes to Financial Statements for the Year Ended 30 June 2022

Note 1

Summary of significant accounting policies

a) Basis of preparation

These financial statements, in respect of Sunshine Coast Arts Foundation Ltd (the Foundation), are general purpose statements prepared for the year from 1 July 2021 to 30 June 2022. The statements comply with Australian Accounting Standards – reduced disclosures as issued by the Australian Accounting Standards Board and the requirements of the *Corporations Act 2001*. The Foundation is a not-for-profit entity for financial reporting purposes and complies with such Australian Accounting Standards as applicable to not-for-profit entities. In particular the Foundation has adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities*, first issued in March 2020 and as amended, which allows Simplified Disclosures for certain types of entities referred to as Tier 2 entities. Entities applying AASB 1060 are required to in turn apply all recognition and measurement requirements in Australian Accounting Standards and apply AASB 1060 in relation to disclosure requirements only.

For a previous financial reporting period ended 30 June 2020 the Foundation was classified as a non-reporting entity and produced a special purpose financial report. Due however to the Foundation applying all applicable recognition and measurement principles in that previous 2020 financial report, there were no retrospective adjustments required to the 2020-21 financial report balances nor any changes in accounting policies.

Comparative information in these financial statements reflects the audited 2020-21 financial statements.

The financial statements have been prepared under the historical cost convention and except for cash flow information, on an accruals basis. The financial statements relate to the individual entity. The level of rounding used in these financial statements is to the nearest dollar. The presentation currency of the Foundation is the Australian dollar.

No accounting pronouncements were early adopted in the 2021-22 financial statements nor were any new accounting standards applied for the first time in 2021-22. No voluntary changes in accounting policies occurred during the 2021-22 financial year.

The financial statements were authorised by the Directors on the date shown in the Declaration by Directors.

b) Nature of Foundation

The Foundation is a public company limited by guarantee and is incorporated under the *Corporations Act 2001* with its domicile in Australia. The address of its registered office is 22 Omrah Ave Caloundra QLD 4551. The parent entity of the Foundation for financial reporting purposes is Sunshine Coast Regional Council. A description of the nature of the operations and objectives of the Foundation and its principal activities is included in the accompanying Report of the Directors.

The Foundation is registered federally as a charity with the Australian Charities and Not for Profits Commission and in Queensland under the *Queensland Collections Act 1966*. The registration with the ACNC requires the Foundation to comply with ACNC Regulation 2013 to the extent that this regulation is not inconsistent with Australian Accounting Standards.

As a company limited by guarantee, the Foundation has no share capital and cannot pay dividends. The liabilities of Members in any winding up is limited to \$10 per Member.

c) Taxation

The Foundation is exempt from income tax but is subject to Fringe Benefits Tax where applicable. From 1 October 2020 the Foundation was registered for GST with the net amount of GST recoverable or payable shown as an asset or liability in the balance sheet. On 29 October 2020 the Public Fund of the Foundation became registered as a Deductible Gift Recipient.

d) Estimation uncertainty and judgements

There are no material areas of estimation uncertainty and judgements exercised by the Directors in the preparation of these financial statements.

e) Volunteer services

The Foundation has the benefit of volunteer services in the matters of legal, accounting and philanthropic advice. Board directors were purposefully recruited with these skills and experience. The value of these volunteer services provided to the Foundation cannot be reliably estimated.

f) Donations and grants

Donations are recognised when received. Donations that are provided for a specified purpose are recorded in a restricted cash account (refer Note 2 Cash and Cash Equivalents). Unless a grant contains sufficiently specific performance obligations for the Foundation to transfer goods or services to a third party on the grantor's behalf, grant revenue is recognised upon receipt of the grant funding.

g) Financial instruments

The financial assets of the Foundation consisting of GST receivable are recognised in these financial statements at amortised cost. Similarly, liabilities being trade and other payables are at amortised cost. These assets and liabilities are short term in their realisation and are based in and denominated in Australian dollars. The receivables carry no undue credit risk.

The Foundation also has assets in the form of cash and cash equivalents which are held by a major Australian regional bank. Given the low current interest rates, there is no interest rate risk.

The Foundation ensures that it has sufficient cash to meet expected operational expenses. In this way liquidity risk is managed.

During the reporting periods covered by these financial statements the Foundation has not issued any compound financial instruments, entered into hedge accounting or held derivative financial instruments.

Note 2

Cash and cash equivalents

| | 2022 | 2021 |
|--|----------------|---------------|
| | \$ | \$ |
| Cash and cash equivalents | 129,191 | 67,173 |
| Restricted cash – donations for specific purpose | 18,900 | 17,100 |
| Total cash and cash equivalents | 148,091 | 84,273 |

Restricted cash is subject to external restrictions that limit amounts available for discretionary or future use.

Note 3

Intangible assets

| | 2022 | 2021 |
|--|--------------|----------|
| | \$ | \$ |
| Software – work in progress – Customer Relationship Management | 4,000 | – |
| Total | 4,000 | – |

The software relates to a progress payment for the development of a tailored CRM system for the Foundation. Amortisation of the software will commence when the asset is available for use and will be on a straight line basis over an estimated useful life of five years. Residual values, expected to be nil, and the useful life of the software will be reviewed at each reporting date.

Note 4

Auditor's remuneration

Amounts paid or accrued in relation to the audit of the financial statements by the Auditor-General of Queensland

| | 2022 | 2021 |
|--|--------------|--------------|
| | \$ | \$ |
| 2020/21 | 3,000 | – |
| 2019/20 - paid in 2020/21 financial year | – | 2,500 |
| Total | 3,000 | 2,500 |

Total audit fees for the Queensland Audit Office relating to the 2022 financial statements are \$5,000.

No other services were provided by the auditors

Note 5

Key management personnel and related parties

Directors serve in an honorary capacity, refer Note 1e), and receive therefore no director fees. Out of pocket expenses are however reimbursed. The remuneration of the Executive Officer of the Foundation is paid under a contract and not employment arrangement and includes no post-employment or other long term employee benefits.

The only related parties of the Foundation relate to operational funding and other amounts paid by Sunshine Coast Regional Council. These amounts are disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

The Foundation does from time to time use the facilities of Sunshine Coast Events Centre Pty Ltd, a controlled entity of Sunshine Coast Regional Council. These facilities are provided to the Foundation on an arm's length commercial basis with this basis being no more favourable than those available to other parties. In the 2021-22 financial year an amount of \$Nil (2020-21 \$285) was paid or payable by the Foundation to Sunshine Coast Events Centre Pty Ltd.

Note 6

Economic dependency and going concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Currently the ability of the Foundation to continue its operations at current levels is dependent upon the ongoing financial support of Sunshine Coast Regional Council - refer note 7.

Note 7

Contingent liabilities and capital commitments

In respect of contingent liabilities, the Foundation had a three-year funding agreement with Sunshine Coast Regional Council up to 28 June 2022. Clause 2.2 f. of the agreement required the Foundation to reimburse unused funds within 60 days after the end of the Term. Sunshine Coast Regional Council has advised the Foundation that this clause will not be enforced and no reimbursement of unused funds is required.

Further in relation to contingent liabilities, in August 2022 the Foundation entered into another three-year funding agreement with Sunshine Coast Regional Council and for the financial years ending 2024/25. This new agreement again requires the Foundation to reimburse unused funds at the end of the Term.

The Foundation had no capital commitments at the reporting date except for the CRM software, referred to in note 3, where a further \$12,000 is payable not later than one year (2021 \$Nil).

Note 8

Events after the reporting date

There were no such events that arose after the reporting date except for the 2024/25 funding agreement referred to in note 7.

Note 9

COVID-19 pandemic

The restrictions on arts events and changes in donor behaviour amidst increasing fundraising by charities and not-for-profit organisations have resulted in reduced donor contributions to the Foundation as a result of the COVID-19 pandemic.

Declaration by Directors of Company for the year ended 30 June 2022

In the opinion of the Directors of the Company the accompanying financial statements and notes comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to Financial Statements are in accordance with the *Corporations Act 2001* including:

- compliance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Regulations 2001*
- giving a true and fair view of the financial position of the Company as at 30 June 2022 and of its performance for the year ended on that date and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when those debts become due and payable.

This declaration is made and signed in accordance with a resolution of the Directors:

Jennifer Radbourne

Robert Forbes



19 September 2022

19 September 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Sunshine Coast Arts Foundation Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Sunshine Coast Arts Foundation Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

Other information comprises the information included in the company's annual report for the year ended 30 June 2022, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for 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 company.
- Conclude on the appropriateness of the company's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my 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.

I communicate with the company's 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 I identify during my audit.



David Adams
as delegate of the Auditor-General

20 September 2022

Queensland Audit Office
Brisbane