

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

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**DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

The directors present their report on Four Winds Concerts Inc for the financial year ending 30 June 2022.

*Principal Activities and Significant Changes in Nature of Activities*

The principal activities of Four Winds during the financial year were to organise an annual program of music and other performing arts events including a major festival at Easter. The Four Winds site is located 9km south of Bermagui on the far south coast of NSW. The operations of Four Winds have been significantly disrupted over the previous two years by the Black Summer bushfires of 2019/20, flooding rains and the Covid 19 restrictions. Operational changes were made and events cancelled to manage the related risks.

*Vision and Mission*

Four Winds vision, building on our work to date, is to ignite a life-long, insatiable demand to create, participate in, learn about and experience music. We believe engagement in music is an essential part of a fulfilling life.

Our mission is to positively impact lives through music; the lives of artists, audiences, participants, our indigenous community and the next generation, collectively 'our community'.

*Review of Operations and Changes in State of Affairs*

Four Winds has recorded a recurrent operating deficit for the year ended 30 June 2022 of \$143k, principally due to poor ticket sales at the Festival over Easter related to Covid 19 and a late change of venue due to a waterlogged site. This compares to a recurrent operating surplus of \$71k for the year ended 30 June 2021, due to grants carried forward from the prior year, the Jobkeeper subsidy and stronger ticket sales at the Festival over Easter 2021.

Over the combined two financial years to 30 June 2022, Four Winds has incurred a recurrent operating deficit of only \$72k despite the Covid 19 restrictions and poor weather conditions in 2022.

Four Winds had to cancel much of its program through the 2022 financial year, due to the ever-changing Covid landscape.

Leading into the Festival the successful Djinama Yilaga choir project continued its work revitalising the Dhurga language through song, by spending time together creating songs which explore the original stories of this land. This project has been supported by the National Museum of Australia.

The Youth Festival took place in November last year in schools, performances in the Pavilion with limited audiences and on-line. A new model of capturing the talents of our young musicians digitally provided a new experience for all involved. Our digital content has expanded our audience considerably and is going some way to make up for the lack of physical audience during much of the year.

In line with our mission to make music more available to our community, Four Winds endeavours to stage a number of free events. These opportunities were limited this year with Covid restrictions; a major free community concert was still staged on Good Friday as part of the Festival at Easter and the Youth Festival was also a free event, though with limited audiences. The Musicians in Schools programs in school years 2020 and 2021 were cancelled because Covid restrictions banned singing.

Four Winds is in receipt of four-year recurrent funding from Create NSW of \$200k per year and a Bushfire Local Economic Recovery Fund capital grant of \$336k (jointly funded by Federal and NSW governments). The latter grant provided bushfire prevention and safety infrastructure, including building sprinkler systems, water tanks, roadways and ambulant pathways. Michael Darling, Chairman, has provided \$185k in non-interest loan funds to assist with cashflow during this infrastructure work, which is now nearly complete.

**DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2022 (Continued)**

*Likely Future Developments*

The future operations and results of Four Winds remain contingent on the level of Covid 19 restrictions both locally and throughout NSW. Performance events in the current financial year to date (2022/23) have commenced but in a reduced number. Four Winds at the date of this report has sufficient cash reserves and access to Government, philanthropic and business support grants to continue its operations on a reduced scale. The ongoing financial effects of Covid into the future are unknown as at the date of this report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

*Governance Framework*

Four Winds approach is to maintain flexibility with a small core team of 4.5 fulltime equivalent employees, enhanced with contractors. We have an experienced stable board of six members that meets on a regular basis, but at least every two months, to address key strategic, business and financial issues. An executive committee, comprising the chair, deputy chair, treasurer, executive directors and artistic director meet monthly to address all material business and financial issues.

The current leadership team from September 2022, comprises Co-Executive Directors Gabrielle Waters and Greg Lissaman, and Artistic Director, Matthew Hoy. Lindy Hume AM was Creative Director for Festivals at Easter 2021 and 2022, a role which Matthew Hoy assumes for 2023 and 2024.

*Directors*

The directors during the full financial year were:

Michael Darling, Chair

Qualifications: B Arts in Law (Oxford Uni), Master of Bus Admin (Harvard)

Experience: Joined board in 2013. Previously Chair of Art Exhibitions Australia, Trustee of the National Gallery of Victoria, Director of the Power Institute (Sydney Uni), and a Director of the Museum of Contemporary Art (Sydney). He is founding Chair of Caledonia Investments Ltd and a former consultant at McKinsey & Co.

Moiria Scollay AM, Deputy Chair

Qualifications: BA, DipEd, LittB, Grad Dip Exec Mgt, PhD (ANU), Member of the Order of Australia (AM) 2012

Experience: Joined board in 2012. Previously held senior management and leadership positions in Australian Public Service as Second Commissioner of Taxation, Federal Privacy Commissioner and CEO of the Australia National Training Authority.

David Claringbold

Qualifications and Experience: Joined board in 2014. Globally recognized Director and Consultant with significant experience across Technology, Arts, Event Management, Marketing and Communications. David is a former Director, Theatre and Events at Sydney Opera House and is presently Chief Marketing Officer for German audio technology leader, d&b audiotechnik.

**DIRECTORS REPORT  
FOR THE YEAR ENDED 30 JUNE 2022 (Continued)**

Kate Jorgenson

Qualifications: BA, Grad Cert. Management, Dip. Visual Arts

Experience: Joined board in 2018. Community musician and chorister. Previously held management positions in Australian public service. President, Canberra Recorder and Early Music Society.

Kate resigned from the Board in October 2022.

Sian Morgan-Hall

Qualifications: BA (Hons) French (University of Liverpool), Postgraduate Certificate of Education (Cantab), Postgraduate Diploma of Management Studies (University of Plymouth), MA Museum Studies (University of Sydney), Practitioner Professional Development, Arts and Education (Cantab).

Experience: Previously held a consulting role with the Spoleto Festival, Melbourne and senior positions at the Australian National Gallery and with the European Community Baroque Orchestra and more recently in Educational Outreach at Sydney Living Museums.

Geoff Steel, Hon Treasurer

Qualifications: Chartered Accountant, B Com.

Experience: Joined the board in 2013. Previously held senior financial oversight positions at Commonwealth Bank of Australia Group and Australian Prudential Regulatory Authority.

*Meetings of Directors*

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were as follows:

Michael Darling	7
Moiria Scollay	7
David Claringbold	3
Kate Jorgenson	5*
Sian Morgan-Hall	5
Geoff Steel	7

\*absence due to illness.

Signed in accordance with a resolution of the Board.



Director



Director

Dated 18 November 2022

# Four Winds Concerts Incorporated

ABN 31 841 368 316



## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

RECURRENT INCOME	2022	2021
	\$	\$
Ticket Sales	134,718	248,719
Merchandise	498	895
Interest	444	1,658
Donations:		
Four Winds Foundation	345,000	290,000
Ambassadors – related parties	70,000	60,000
Artist Residency Camp	---	29,980
Create and Inspire – related parties	25,000	3,700
General	30,375	2,260
Djinama Yilaga	5,000	1,450
Scholarships	3,550	---
Government Grants:		
Create NSW Four Year Funding	250,000	50,000
Create NSW (non-recurrent)	---	285,000
Australia Council – Program Funding	74,303	34,872
National Museum of Australia	---	92,378
Festivals Australia	15,600	13,280
Regional Events Acceleration Fund	70,490	---
Local Government	---	1,000
NSW Aboriginal Languages Trust	2,348	---
Indigenous Language and Arts Program	798	---
Create NSW – Performing Arts Covid Support	5,570	---
Other State Agencies	500	27,000
Other Grants:		
Playking Foundation	40,000	---
Auspiced Grants:		
Edwards Commission	---	6,000
Sponsorship:		
Commonwealth Bank Bushfire Recovery	---	14,000
Food and Drinks	8,823	19,058
NMT Mentoring	5,645	2,005
Performance Fees – Djinama Yilaga	19,426	16,980
Jobkeeper Subsidy	---	162,150
JobSaver Subsidy	60,562	---
Government Cash Boost Stimulus	---	29,465
Miscellaneous	1,491	573
<b>TOTAL</b>	<b>1,170,141</b>	<b>1,392,423</b>

**Four Winds Concerts Incorporated**

ABN 31 841 368 316

**FOUR WINDS****INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022 (Continued)**

<b>RECURRENT EXPENSES</b>	<b>2022 \$</b>	<b>2021 \$</b>
Salaries and Wages		
Artists and Creatives	463,046	332,933
Marketing and Business Development	100,263	131,922
Management and Administration	260,248	218,354
Contractors and Allowances	3,709	5,745
 Direct Program Cost		
Production and Technicals	121,000	117,079
Publications and Marketing	53,244	58,691
Travel and Accommodation	122,422	83,040
Administration	---	352
National Museum of Australia	---	83,742
Djinama Yilaga Choir	26,860	9,238
Create NSW Recovery Grant	---	130,017
Auspice Grants:		
Edwards Commission	---	6,000
Scholarships	---	2,100
Playking Foundation Musician Grants	40,000	---
Marketing and Communication	773	1,526
Digital and Website	---	101
Finance and Administration	15,888	27,357
Fundraising and Development	6,872	6,818
Occupancy	50,792	69,372
General Admin	35,246	24,788
Food and Drinks	12,893	11,809
 <b>TOTAL</b>	 1,313,256	 1,320,984
 <b>NET RECURRENT (DEFICIT) SURPLUS</b>	 (143,115)	 71,439

**INCOME STATEMENT  
FOR THE YEAR ENDING 30 JUNE 2022 (Continued)**

	NOTE	2022 \$	2021 \$
<b>CAPITAL INCOME</b>			
Bushfire Local Economic Recovery Fund Grant	4	---	336,317
Live Music Australia Program Grant		24,764	---
<b>TOTAL</b>		<u>24,764</u>	<u>336,317</u>
<b>CAPITAL EXPENSES</b>			
Depreciation Sound Shell		27,709	27,709
Depreciation Pavilion		37,908	37,908
Depreciation Pavilion Integral Equipment		26,478	24,002
Depreciation Property Improvements		15,443	15,443
Depreciation Musical Equipment		1,571	1,571
Depreciation Equipment		23,542	24,540
Depreciation Website Development		7,910	8,037
<b>TOTAL</b>		<u>140,561</u>	<u>139,209</u>
<b>NET CAPITAL (DEFICIT) SURPLUS</b>		<u>(115,797)</u>	<u>197,108</u>
<b>NET OPERATING (DEFICIT) SURPLUS</b>		<u>(258,912)</u>	<u>268,546</u>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDING 30 JUNE 2022**

	2022 \$	2021 \$
Net Operating (Deficit) Surplus	(258,912)	268,546
<b>Total Comprehensive (Deficit) Surplus for the year</b>	<u>(258,912)</u>	<u>268,546</u>

There were no comprehensive income or expense items.

The above income statement should be read in conjunction with the accompanying notes

# Four Winds Concerts Incorporated

ABN 31 841 368 316



## BALANCE SHEET AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash	3	294,236	257,567
Trade Debtors	4	280,904	386,109
Sundry Debtors		30,205	50,010
Merchandise on Hand		10,332	6,742
<b>TOTAL CURRENT ASSETS</b>		<b>615,677</b>	<b>700,428</b>
<b>NON-CURRENT ASSETS</b>			
Bond – Office Keys		100	100
Property Plant and Equipment	5	2,668,478	2,576,949
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,668,578</b>	<b>2,577,049</b>
<b>TOTAL ASSETS</b>		<b>3,284,255</b>	<b>3,277,477</b>
<b>CURRENT LIABILITIES</b>			
Trade Creditors		7,218	45,162
Accrued Expenses and Sundry Creditors		23,605	22,191
ATO Liability		52,511	26,577
Revenue in Advance	6	252,554	175,664
Short Term Borrowing – Related Party	7	185,000	---
Provision for Annual Leave	7	22,164	9,498
<b>TOTAL CURRENT LIABILITIES</b>		<b>543,052</b>	<b>279,092</b>
<b>NON-CURRENT LIABILITIES</b>			
Revenue in Advance	8	39,600	39,600
Provision for Long Service Leave	9	12,809	11,079
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>52,409</b>	<b>50,679</b>
<b>TOTAL LIABILITIES</b>		<b>595,461</b>	<b>329,771</b>
<b>NET ASSETS</b>		<b>2,688,794</b>	<b>2,947,706</b>
<b>EQUITY</b>			
Accumulated Surpluses		2,663,794	2,922,706
Wet Weather Contingency Reserve		25,000	25,000
<b>TOTAL EQUITY</b>		<b>2,688,794</b>	<b>2,947,706</b>

The above balance sheet should be read in conjunction with the accompanying notes.



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDING 30 JUNE 2022**

	2022 \$	2021 \$
Total equity at the beginning of the financial year	2,947,706	2,679,160
Net Operating (Deficit) Surplus	(258,912)	268,546
<b>Total equity at the end of the financial year</b>	<b>2,688,794</b>	<b>2,947,706</b>
	=====	=====

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from operating activities		1,482,203	1,263,812
- inclusive of goods and services tax			
Payments to suppliers and employees		(1,583,863)	(1,341,197)
- inclusive of goods and services tax			
		(101,660)	(77,385)
Interest received		444	1,658
<b>Net cash inflow (outflow) from operating activities</b>		<b>(101,216)</b>	<b>(75,727)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Bushfire Local Economic Recovery Fund grant - inclusive of goods and services tax		184,975	—
Payments for property plant & equipment – inclusive of goods and services tax		(232,090)	(90,768)
<b>Net cash (outflow) from investing activities</b>		<b>(47,115)</b>	<b>(90,768)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from short term borrowing		185,000	—
<b>Net cash inflow from financing activities</b>		<b>185,000</b>	<b>—</b>
Net increase (decrease) in cash held		36,669	(166,495)
<b>Cash at beginning of year</b>		<b>257,567</b>	<b>424,062</b>
<b>CASH AT END OF YEAR</b>	3	<b>294,236</b>	<b>257,567</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Association was incorporated under the *Associations Incorporation Act 1984* (NSW), (#Y14992-03) on 21 May 1992. The Association is registered with the Australian Business Register – Australian Business Number 31 841 368 316. The Association is registered as an income tax exempt charitable entity with the Australian Charities and Not-for-profits Commission. The Association is registered for Goods & Services Tax purposes. The Association holds an authority to fundraise (#16580) which expires 20 January 2024.

The Association organises an annual program of events including a major music festival at Easter. Some concerts, residencies, and our programs for young people and our Indigenous community during 2022 and 2021 years were cancelled or deferred due to Covid-19 restrictions, with related grants deferred until 2023 and 2022 respectively, refer Notes 6 and 8. The 2020 Easter festival was cancelled due to Covid-19, with related grants also deferred until 2021.

The functional and presentation currency of the Association is Australian dollars. These financial statements were authorised for issue by the Directors on 18 November 2022.

**Basis of Preparation**

These financial statements have been prepared on a general purpose financial reporting basis as from 1 July 2021, in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. This change has resulted in additional accounting policy disclosures in Note 1, and new disclosure notes 13 Financial Risk Management, 14 Significant Accounting Judgements, 15 Related Party Disclosures 16 Key Management Personnel Remuneration and 17 Statutory Information.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable. Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

**(a) Revenue Recognition**

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

*Revenue from Contracts with Customers*

The core principle of AASB 1015 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

- 1 Identify the contract with the customer
- 2 Identify the performance obligations
- 3 Determine the transaction price
- 4 Allocate the transaction price to the performance obligations
- 5 Recognise revenue as and when control of the performance obligations is transferred.

*Ticket Sales*

Revenue from the sale of tickets to events is recognised on delivery of the artistic performance. All tickets are sold for the full price of the event at the date of sale with payment in full upfront.

It is usual that events fall in the same reporting period as the ticket sales. If an event is postponed then the related ticket revenue is deferred until the performance occurs.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

*Grant Income*

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then revenue is recognised when control of each performance obligation is satisfied. Where such performance obligations are not satisfied at a reporting date, then the grant revenue will be deferred until those conditions are satisfied.

The performance obligations are varied based on the agreement, but may include an artistic event occurring, presentation of music education sessions or construction of site infrastructure.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have progressive transfer of control over the life of the contract.

*Change in Accounting Policy  
Revenue from Capital Grants*

The association has adopted AASB 1058: Income of Not-for-Profit Entities from 1 July 2021 with our change to general purpose financial reporting on that date, as noted above. Under AASB 1004, capital grant income was recognised as revenue when the entity gained control of the grant, it was probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. Under AASB 1058 where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is recognised over time as the work is performed.

Having reviewed the terms and conditions of capital grants awarded to the Association in the 2022 financial year, all such capital grants were properly included in revenues. The \$336k in capital grants recognised in the prior 2021 financial year, would under AASB 1058 be recognised progressively over the construction period of the site infrastructure project; \$228k in 2022 and \$108K in 2023 financial years.

This accounting policy change does not affect the reported net recurrent surplus or deficit. The change results in a timing difference in the recognition of capital grants.

*Interest*

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

*Donations*

Donations are recognised as revenue when received, except when received in advance as part of a regular donation commitment, or if conditions or commitments are attached to the donation which must be satisfied before the Association is eligible to receive the donation. Such donations received in advance are treated as deferred income.

**(b) Income Tax**

The Board has reviewed its income tax status and have assessed the association to be exempt from income tax under section 50-45 of the *Income Tax Assessment Act, 1997* (Cth). Consequently, no provision for taxation has been made in the financial statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

**(c) Property, Plant and Equipment***Lease of Land*

Lot 130 DP 1178806, having an area of 9.96ha, is the site upon which the Four Winds Sound Shell, Windsong Pavilion, Greenroom, car parking and associated Four Winds facilities are situated. Lot 130 DP is secured by a 35 year fixed term lease due to expire on 15<sup>th</sup> October 2048. Rent of \$100 (plus GST) per annum is paid if demanded by the lessor, Four Winds Festival Foundation Pty. Ltd. This is not a lease under AASB 16 Leases.

The use of the purpose built structures developed on the site, through funds generated via government grant and private fundraising, is assured to Four Winds Concerts Incorporated via the long term lease tenure. At the end of the 35-year term, if a new lease is not mutually agreed then structures remain the property of the land owner, absolving Four Winds Concerts Incorporated of any need to remove such structures upon the expiration of the lease in 35 years' time.

*Leasehold Improvements and Equipment*

Buildings on the site and equipment are brought to account at cost less any accumulated depreciation. The carrying amount of the buildings and equipment is assessed annually by the Board to ensure that it is not in excess of the recoverable amount from those assets.

*Depreciation*

The depreciable amount of all the buildings and equipment is depreciated on a straight line basis over the estimated useful lives commencing from the time the asset is held ready for use.

The estimated useful lives for each class of depreciable assets are:

**Leasehold Improvements**

- Buildings	35 years
- Property (site road, landscaping)	35 years

**Pavilion Integral Equipment**

- Acoustic Ceiling panels	35 years
- Air Conditioning	15 years
- Acoustic & Audio Visual	10 years

**Equipment**

- Computer Equipment	5 years
- Information Technology & Communications	8 years
- Office Equipment	10 years
- Furniture & Appliances	10 years
- External lighting & Solar	15 years
- Musical Equipment (Piano)	50 years
- Landscaping Equipment	10 years
- Website development	3 years

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

**(d) Volunteer Services**

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

**(e) Financial Instruments**

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

*Financial Assets*

The Association's financial assets comprise trade debtors, other receivables and cash and cash equivalents in the balance sheet. Subsequent to initial recognition these financial assets are measured at amortised cost using the effective interest rate method less provision for impairment. The business model is to hold these assets to collect contractual cash flows.

Interest income and impairment are recognised in profit or loss.

*Financial Liabilities*

The Association's financial liabilities comprise trade creditors, revenue received in advance and borrowings in the balance sheet. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

**(f) Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

**(g) Site Improvement Reserve**

A bequest of \$200,000 was received in January 2016 to be used for site improvements. These funds were treated as capital income and transferred to a Site Improvement Reserve. This reserve is being used for capital works at the Four Winds site. Funds used for any other purpose must be approved by the board and reimbursed to the reserve in due course. This Reserve has now been fully utilised.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

**2. INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE  
FUNDRAISING ACT 1991**

During the year the Association obtained \$478,925 from fundraising activities and incurred a net deficit of \$258,913 for charitable purposes. Of this net result \$6,872 was used for fundraising expenses and \$1,446,946 used for supply of charitable services, including \$140,561 of depreciation expense. This net deficit for the year was transferred to reserves for future charitable services. Fundraising efforts conducted included donations to festivals and music education.

**Comparisons by Monetary Figures & Percentages**

	\$	%
Total cost of fundraising / Gross income from fundraising	6,872/478,925	1.43
Net surplus from fundraising / Gross income from fundraising	472,053/478,925	98.56
Total cost of services / Total expenditure	1,446,946/1,453,818	99.53
Total cost of services / Total income received	1,446,946/1,194,905	121.09

**3. CASH**

	2022	2021
	\$	\$
General Account – S1	113	7,240
Visa Debit Card – S1.2	2,367	4,940
Public Account – S11	6,328	5,312
General Account – Cash Mgmt S6.1	116,625	225,816
CBA –EFT Account	8,814	9,859
Public Account – S7	119,529	---
General Account – S7	38,296	---
Petty Cash on Hand	2164	4,400
	=====	=====
	294,236	257,567
	=====	=====

**4. TRADE DEBTORS**

	2022	2021
	\$	\$
Trade debtors as at 30 June 2022 include \$168,158 (2021 \$336,317) receivable under a Bushfire Local Economic Recovery Fund grant (jointly funded by Federal and NSW governments)	280,904	386,109
	=====	=====

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

**5. NON-CURRENT ASSETS – PROPERTY PLANT AND EQUIPMENT**

	2022 \$	2021 \$
Leasehold Improvements		
Sound Shell	975,641	975,641
Less: Accumulated Depreciation	(271,524)	(243,815)
	<u>704,117</u>	<u>731,826</u>
Pavilion	1,326,771	1,326,771
Less: Accumulated Depreciation	(308,910)	(271,002)
	<u>1,017,861</u>	<u>1,055,769</u>
Pavilion Integral Equipment	311,814	287,050
Less: Accumulated Depreciation	(197,275)	(170,797)
WIP Pavilion Lighting	---	24,765
	<u>114,539</u>	<u>141,018</u>
Property Improvements	540,436	540,441
Less: Accumulated Depreciation	(118,975)	(103,536)
WIP Fire Prevention Infrastructure	227,870	---
	<u>649,331</u>	<u>436,905</u>
<b>Total Leasehold Improvements</b>	<u><b>2,485,848</b></u>	<u><b>2,365,518</b></u>
Plant & Equipment		
Musical Equipment at cost	78,535	78,535
Less: Accumulated Depreciation	(8,639)	(7,068)
	<u>69,896</u>	<u>71,467</u>
Equipment at cost	270,412	266,189
Less: Accumulated Depreciation	(176,202)	(152,659)
	<u>94,210</u>	<u>113,530</u>
Website Development	52,842	52,842
Less: Accumulated Depreciation	(34,318)	(26,408)
	<u>18,524</u>	<u>26,434</u>
<b>Total Property Plant &amp; Equipment</b>	<u><b>2,668,478</b></u>	<u><b>2,576,949</b></u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

	NOTE	2022 \$	2021 \$
<b>6. CURRENT LIABILITIES – REVENUE IN ADVANCE</b>			
<b>Revenue Received in Advance</b>			
Australia Council		48,400	55,900
Australia Council Residencies		30,000	---
Create NSW Four Year Funding		---	50,000
Create NSW (non-recurrent)		60,000	---
Playking Foundation		---	40,000
Indigenous Language and Arts Program		74,200	---
Waminda		39,954	---
Other Grants - Site		---	24,764
Djinama Yilaga		---	5,000
		-----	-----
		252,554	175,664
		=====	=====
<b>7. CURRENT LIABILITIES</b>			
Short Term Borrowing – Loan from related party	13	185,000	---
		=====	=====
Charge to Provision for Annual Leave		12,665	2,362
		=====	=====
<b>8. NON-CURRENT LIABILITIES – REVENUE IN ADVANCE</b>			
Revenue received in Advance – Department of Foreign Affairs and Trade Grant		39,600	39,600
		=====	=====
<b>9. NON-CURRENT LIABILITIES</b>			
Charge to Provision for Long Service Leave		1,730	2,364
		=====	=====
<b>10. SITE IMPROVEMENT RESERVE</b>			
Opening Balance		---	63,217
Capital works at site		---	(63,217)
		-----	-----
Closing Balance		---	---
		=====	=====
<b>11. CAPITAL COMMITMENTS</b>			
The Association is committed for capital expenditure on property, plant and equipment of \$108,374 as at 30 June 2022 (2021: NIL).			
<b>12. CONTINGENT LIABILITIES</b>			
Under the funding deed with respect to the \$336k Bushfire Local Economic Recovery Grant, Four Winds may be required to repay portion of the grant if certain completion milestones are not met. No milestones are unmet at the date of this report.			



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

**13. FINANCIAL RISK MANAGEMENT**

The Association's principal financial instruments comprise receivables, payables, borrowings and cash. The main risks arising from the Association's financial instruments are credit and liquidity risk. Interest rate risk is minimal as the Association's only borrowing is interest free and all cash deposits are variable rate and at call. Credit risk is managed on an individual receivable basis, whilst liquidity risk is monitored through future rolling cash flow forecasts. The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Executive Committee under authority from the Board.

*Credit Risk*

Credit risk arises from financial assets of the Association which comprise cash, trade and other receivables. The Association's principal trade debtors are usually high credit worthy entities being federal and state government departments, where the Association is awaiting receipts of grant monies awarded. Other receivables generally relate to prepayments for artist accommodation and other supplies. Credit risk is assessed on a case-by-case basis based on past experience and industry reputation. Larger receivables from government are usually subject to a cashflow agreement which specifies deliverables and timing of receipts. No significant bad debts have been recorded in recent years.

*Liquidity Risk*

The Association's objective is to maintain an adequate working capital and cash level throughout the year, such that no delays are necessary in the meeting of its' ongoing financial obligations. Its' principal financial obligations relate to the regular payment of staff, artists and suppliers. During the 2022 financial year the Association has been in the progressive receipt of a Bushfire Local Economic Recovery Fund Grant for \$336,317 capital works for bushfire prevention and safety infrastructure. With the need to have these works complete and pay suppliers in a timely manner before being able to request grant monies from the Government body, a \$185k non-interest loan has been obtained from Michael Darling, chairman, to assist with cashflow during infrastructure work. This infrastructure work is nearing completion and the loan will be repaid in due course. The major normal funding sources for the Association in the 2022 financial year were donations, government grants, ticket sales and JobSaver subsidies. Cash levels are reported on at Executive Committee on a monthly basis and future rolling cash flow forecasts are monitored regularly.

*Wet Weather Risk*

The recurrent operating deficit recorded for the 2022 financial year was principally due to poor ticket sales at the Festival over Easter related to both Covid 19 and a late change of venue due to a waterlogged site. The grassed terraces within the Sound Shell had been subject to heavy rainfall for several weeks and were judged to be unsafe for our audiences. As a result the day events at the Sound Shell were relocated to an indoor pavilion in Cobargo with an audience capacity of just 380. Cobargo is 20km from Bermagui and 30km from the Four Winds site. The Sound Shell normally has a capacity of 2,000 with pre Covid Festival audiences of 800 to 1,200.

It is difficult to mitigate this wet weather risk as there are no alternative local venues with comparable audience capacity and wet weather insurance is expensive. Tickets to the Festival are sold on the basis of no refund for cancellation due to wet weather, but we have stated that an alternative offering would be provided. In the event, we could not accommodate the large numbers required. The cancellation of the 2022 Festival would have resulted in a significant loss of goodwill with audiences, artists, local businesses and grant providers. The 2022 Festival was the first one significantly affected by wet weather in the 30 year history of the Festival.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

**13. FINANCIAL RISK MANAGEMENT (continued)**

The Executive Team are investigating measures to mitigate future wet weather risk including: a postponement clause in artist contracts with an agreed alternative Festival date, capital works to improve drainage of the terraces, and partial wet weather insurance cover.

**14 SIGNIFICANT ACCOUNTING JUDGMENTS**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made.

*Depreciation of Property Plant and Equipment*

The major property assets consist of the Sound Shell, Windsong Pavilion and related improvements at the Barragga Bay site. Four Winds has a 35 year fixed term lease over the site upon which these facilities are located. These facilities are being depreciated over an estimated useful life of 35 years. Taking into account the high quality of these facilities and their current good condition, management estimates these facilities will remain in operation for at least 35 years.

*Revenue in Advance*

Under the Associations' policy for revenue recognition of government grants, where conditions have to be satisfied before the grant can be recognised, revenue will be deferred until those conditions are satisfied. The extent to which the conditions of a grant are satisfied at a balance date is a matter of judgment by management. A grant project may only be partially completed at balance date, so estimates will need to be made as to stage of completion.

These deferrals of grant income were particularly relevant in the 2022 financial year and the previous year as several projects were deferred to the following year due to Covid 19 restrictions.

**15 RELATED PARTY TRANSACTIONS**

All directors of the Association are volunteers and receive no remuneration. The only usual related party transactions are donations from directors to the Association: Michael Darling \$85,000 in 2022 (2021 \$50,000); Geoff Steel \$10,000 in 2022 (2021 \$10,000).

In 2022 the chairman, Michael Darling, provided a \$185k non-interest loan to the Association to assist with cashflow during infrastructure works, payments during construction and while awaiting reimbursement under the government grant; refer note 13 for more details.

**16 KEY MANAGEMENT PERSONNEL REMUNERATION**

The total remuneration paid to key management personnel of the Association is \$189,948 (2021: \$171,573).

**17 STATUTORY INFORMATION**

The registered office of the Association is: 3-5 Bunga Street, Bermagui, NSW 2546

The principal place of business of the Association is: Four Winds Road, Barragga Bay, NSW 2546.

**DIRECTORS DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2022**

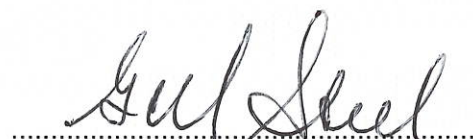
The Directors declare that in the directors' opinion:

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

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



Director



Director

Dated 18 November 2022

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**FUNDRAISING DECLARATION**


In the opinion of the Board:-

- (a) the financial statements give a true and fair view of all income and expenditure of the association with respect to fundraising appeals, and
- (b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the Association, and
- (c) the provisions of the *Charitable Fundraising Act 1991* (NSW), the regulations under the Act and the conditions attached to the authority have been complied with by the association, and
- (d) the internal controls exercised by the association are appropriate and effective in accounting for all income received and applied by the association from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board.



Director



Director

Dated 18 November 2022



**Auditor's Independence Declaration under Section 60 40 of the Charities and Not for profits Commission Act 2012 to the Board of Four Winds Concerts Incorporated**

As auditor of Four Winds Concerts Incorporated for the 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 as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

**KOTHES**  
**Chartered Accountants**

A handwritten signature in black ink, appearing to read 'Simon Byrne'.

Simon Byrne  
Partner  
Registered Company Auditor # 153624  
Bega, 18 November 2022





## Independent Audit Report to the members of Four Winds Concerts Incorporated (Non-Reporting)

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Four Winds Concerts Incorporated, which comprises the balance sheet as at 30 June 2022, the income statement, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the Board.

In our opinion the financial report of Four Winds Concerts Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Report on Other Legal and Regulatory Requirements

We report that:

- (a) the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- (b) the accounting and associated records have been properly kept during the year in accordance with the *Charitable Fundraising Act 1991* (NSW) and regulations (as amended);
- (c) money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* (NSW), and regulations (as amended); and
- (d) at the date of this report, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the auditor independence requirements of the ACNC Act and 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.

## Independent Audit Report to the members of Four Winds Concerts Incorporated (Non-Reporting) (Continued)

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

The Board of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Report***

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

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, 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 the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 association'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 association to cease to continue as a going concern.

We communicate with those charged with governance 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.

**KOTHES**  
Chartered Accountants



Simon Byrne  
Partner  
Registered Company Auditor # 153624  
Bega, 18 November 2022

