

DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2022**

DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024

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DARWIN FILM SOCIETY INC.

ABN: 19 676 696 024

COMMITTEE'S REPORT

Your Committee Members submit the financial report of the Darwin Film Society Inc. for the financial year ended 31 December 2022.

Committee Members

The names of the members of the committee in office at any time during, or since the end of the year are:

Jeff Coulter (Chair)
John Schier (Deputy Chair)
Bret Hood (Treasurer since October 2022)
Tom Pearce (Treasurer until September 2022)
Lee Upton (Secretary)
Lex Silvester (Public Officer)
Phil Hickey
Di Koser
Felicity Watt
Liz Keith (since April 2022)
Helen Pereira (until April 2022)

Principal Activities

The principal activities of the Association during the financial year were the promotion of film culture through screenings and other activities.

Significant Changes

No significant changes in the Association's state of affairs occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Likely Developments in the Operations

Likely developments in the operations of the Association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

Operating Result

The loss of the Association amounted to \$105,817 (2021 profit: \$20,588).

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COMMITTEE'S REPORT

Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Environmental Issues

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Association.

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

Chair: _____

Deputy Chair: _____

Dated this day of 2023

DARWIN FILM SOCIETY INC.
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
Income			
Revenue	3	1,216,909	1,084,930
Total Income		1,216,909	1,084,930
Expenditures			
Raw materials and consumables used		(222,025)	(176,176)
Accountancy expenses		(19,040)	(19,320)
Advertising expenses		(22,459)	(27,388)
Auditor's remuneration	4	(6,570)	(5,200)
Computer expense		(5,830)	(867)
Depreciation and amortisation expenses		(77,700)	(69,330)
Employee benefits expenses		(418,846)	(349,943)
Freight and cartage		(428)	(2,057)
Other expenses		(549,828)	(414,061)
Total Expenditures		(1,322,726)	(1,064,342)
(Loss) Profit for the year	5	(105,817)	20,588
Total Comprehensive (Loss) Income for the year		(105,817)	20,588

The accompanying notes form part of these financial statements.

DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	452,705	547,018
Trade and other receivables	7	16,911	41,657
Inventories	8	6,797	3,566
Other assets	9	7,433	8,561
TOTAL CURRENT ASSETS		<u>483,846</u>	<u>600,802</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	408,516	397,911
Other assets	9	16,049	15,642
TOTAL NON-CURRENT ASSETS		<u>424,565</u>	<u>413,553</u>
TOTAL ASSETS		<u>908,411</u>	<u>1,014,355</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	43,470	37,909
Provisions	12	13,479	4,290
Other liabilities	13	773	15,650
TOTAL CURRENT LIABILITIES		<u>57,722</u>	<u>57,849</u>
TOTAL LIABILITIES		<u>57,722</u>	<u>57,849</u>
NET ASSETS		<u>850,689</u>	<u>956,506</u>
EQUITY			
Reserves	14	850,689	956,506
TOTAL EQUITY		<u>850,689</u>	<u>956,506</u>

The accompanying notes form part of these financial statements.

DARWIN FILM SOCIETY INC.
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STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022

	Retained earnings	Total
	\$	\$
Balance at 31 December 2020	935,918	935,918
Profit attributable to the Association	20,588	20,588
Balance at 31 December 2021	956,506	956,506
Loss attributable to the Association	(105,817)	(105,817)
Balance at 31 December 2022	850,689	850,689

The accompanying notes form part of these financial statements.

DARWIN FILM SOCIETY INC.**ABN: 19 676 696 024****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from screenings and activities		697,194	502,734
Employment expenses		(409,657)	(357,615)
Receipts from donors, sponsors, members and others		165,191	107,441
Interest received		925	4,501
Receipts from government and other grants		139,340	235,781
General administration expenses and direct expenses		(599,001)	(478,213)
Net cash (used in) provided by operating activities	15	<u>(6,008)</u>	<u>14,629</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(88,305)	(77,712)
Net cash used in investing activities		<u>(88,305)</u>	<u>(77,712)</u>
Net decrease in cash held		(94,313)	(63,083)
Cash at beginning of financial year		547,018	610,101
Cash at end of financial year	6	<u>452,705</u>	<u>547,018</u>

The accompanying notes form part of these financial statements.

DARWIN FILM SOCIETY INC.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The financial statements cover Darwin Film Society Inc. as an individual Association. Darwin Film Society Inc. is a charitable institution incorporated in NT under the Associations Act ('the Act').

1 Basis of Preparation

The financial report is a "special purpose financial report" prepared in order to satisfy the financial reporting requirements of the Associations Act ('The Act'). The committee has determined that the association is not a reporting entity and therefore there is no requirement to apply Australian Accounting Standards and other mandatory professional reporting requirements in the preparation and presentation of these statements.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

2 Statement of Significant Accounting Policies

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale.

Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model. Assets are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and Buildings

Land and buildings are measured using the cost model.

Plant and Equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, is depreciated on a straight-line basis over the assets' useful life to the Association, commencing when the asset is ready for use.

DARWIN FILM SOCIETY INC.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Depreciation (continued)

The depreciation rate used for the depreciable assets are:

Class of Fixed Asset	Useful Lives
Stokes Hill Site	8 to 10 years
Outdoor Seating & Facilities	4 to 20 years
Projection, Sound & Lighting	5 to 10 years
Office & Other Equipment	5 to 20 years

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost;
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking;
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship); or
- any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses are taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Association initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Association made an irrevocable election to measure the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Association's accounting policy.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Association no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Impairment

The Association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Association uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Association assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Association measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there has been no significant increase in credit risk since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit impaired approach

For a financial asset that is considered to be credit-impaired (not on acquisition or originations), the Association measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment has been recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- Where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Association assumes that the credit risk has not increased significantly since initial recognition and accordingly the Association can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

DARWIN FILM SOCIETY INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Impairment of Assets (Continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

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. Cash-flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

Goods and Services Tax (GST)

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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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

Revenue and Other Income

Revenue Recognition

The Association has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058. The details of accounting policies under AASB 115 and AASB 1058 are disclosed below.

Contributed assets

The Association receives assets (if any) from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Association recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Association recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

DARWIN FILM SOCIETY INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Statement of Significant Accounting Policies (Continued)

Revenue and Other Income (Continued)

Operating grants, donations and bequests

When the Association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Association:

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

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

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

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

Sale of goods

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

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Other income

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

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

DARWIN FILM SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
3 Revenue and Other Income		
Revenue		
Sales revenue:		
Sale of goods	397,672	341,367
Rendering of services	642,194	583,524
	<u>1,039,866</u>	<u>924,891</u>
Other revenue		
Interest received	1,778	925
Other revenue	175,265	159,114
	<u>177,043</u>	<u>160,039</u>
Total revenue	<u>1,216,909</u>	<u>1,084,930</u>
Other Income		
Loss on disposal of non-current assets	<u>-</u>	<u>-</u>
4 Auditors' Remuneration		
Audit of financial statements	<u>6,570</u>	<u>5,200</u>
5 (Loss) Profit for the year		
The result for the year was derived after charging the following items:		
(Loss) Profit from continuing operations includes the following specific expenses:		
Expenses		
Depreciation of property, plant and equipment	77,700	69,330
6 Cash and Cash Equivalents		
Term deposits	-	403,380
Maxi-i direct account	405,161	120,004
Floats	631	500
Cash at bank	46,913	23,134
	<u>452,705</u>	<u>547,018</u>

DARWIN FILM SOCIETY INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 \$	2021 \$
<hr/>		
6 Cash and Cash Equivalents (Continued)		
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>452,705</u>	<u>547,018</u>
7 Trade and Other Receivables		
Current		
Trade and other debtors	3,727	21,397
Input tax credits	<u>13,184</u>	<u>20,260</u>
	<u>16,911</u>	<u>41,657</u>
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
8 Inventories		
Current		
At cost:		
Merchandise and bar stock	<u>6,797</u>	<u>3,566</u>
9 Other Assets		
Current		
Prepayments	<u>7,433</u>	<u>8,561</u>
Non-current		
Warranties	<u>16,049</u>	<u>15,642</u>

DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
<hr/>		
10 Property, Plant and Equipment		
Land and Buildings		
Stokes hill site	358,733	341,718
Less: Accumulated depreciation	<u>(228,352)</u>	<u>(199,181)</u>
	130,381	142,537
Outdoor seating & facilities	155,930	117,461
Less: Accumulated depreciation	<u>(66,152)</u>	<u>(54,760)</u>
	89,778	62,701
Total Land and Buildings	<u>220,159</u>	<u>205,238</u>
Plant and Equipment		
Projection, sound & lighting	416,954	388,611
Less: Accumulated depreciation	<u>(246,596)</u>	<u>(213,325)</u>
	170,358	175,286
Office & other equipment	82,807	78,331
Less: Accumulated depreciation	<u>(69,308)</u>	<u>(65,444)</u>
	13,499	12,887
Indoor cinema	4,500	4,500
Less: Accumulated depreciation	<u>-</u>	<u>-</u>
	4,500	4,500
Total Plant and Equipment	<u>188,357</u>	<u>192,673</u>
Total Property, Plant and Equipment	<u>408,516</u>	<u>397,911</u>

DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2022
\$

2021
\$

10

Property, Plant and Equipment (Continued)

Movements in Carrying Amounts of Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Stokes Hill Site \$	Outdoor Seating & Facilities \$	Projection Equipment \$	Office & Other Equipment \$	Projection, Sound & Lighting \$	Total \$
Balance at 1 Jan 2021	152,671	72,685	161,073	3,100	-	389,529
Additions	17,000	-	42,745	13,467	4,500	77,712
Depreciation expense	(27,134)	(9,984)	(28,532)	(3,680)	-	(69,330)
Balance at 31 Dec 2021	142,537	62,701	175,286	12,887	4,500	397,911
Additions	17,015	35,570	31,243	4,477	-	88,305
Reclassification	-	2,831	(2,831)	-	-	-
Depreciation expense	(29,171)	(11,324)	(33,340)	(3,865)	-	(77,700)
Balance at 31 Dec 2022	130,381	89,778	170,358	13,499	4,500	408,516

11 Trade and Other Payables

Current

Other creditors & accruals	2,972	1,778
Trade creditors	2,156	2,721
Credit card facility	1,192	2,194
GST payable	23,598	19,667
Amounts withheld	4,484	3,250
Accrued expenses	9,068	8,299
	<u>43,470</u>	<u>37,909</u>

The carrying amounts are considered to be a reasonable approximation of fair value.

12 Provisions

Current

Provision for holiday pay	<u>13,479</u>	<u>4,290</u>
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DARWIN FILM SOCIETY INC.**ABN: 19 676 696 024****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
13 Other Liabilities		
Current		
Income in Advance	-	548
Unexpended Grants		
NT, CBFC Grant, New Office Laptop	773	-
NT, Community Benefit Fund, Speaker and Lighting Upgrade	-	15,102
	<u>773</u>	<u>15,650</u>
14 Retained Earnings		
Retained earnings at the beginning of the financial year	956,506	935,918
Net (loss) profit attributable to the association	<u>(105,817)</u>	<u>20,588</u>
Retained earnings at the end of the financial year	<u>850,689</u>	<u>956,506</u>
15 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit during the year	(105,817)	20,588
Non-cash flows in profit		
Depreciation	77,700	69,330
Changes in assets and liabilities		
Increase in inventories	(3,231)	(1,678)
Decrease in receivables	24,746	7,447
Decrease (Increase) in other assets	721	(14,429)
Increase (Decrease) in trade & other creditors	5,561	(9,320)
Increase (Decrease) in provisions	9,189	(7,672)
Decrease in income in advance	(548)	(6,617)
Decrease in unexpended grants	<u>(14,329)</u>	<u>(43,020)</u>
	<u>(6,008)</u>	<u>14,629</u>

DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16 Contingent Liabilities

The Association had no contingent liabilities as at 31 December 2022 and 31 December 2021.

17 Commitments

The Association had no commitments for expenditure as at 31 December 2022 and 31 December 2021.

18 Statutory Information

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

Darwin Film Society Inc.
Jervois Road
Darwin NT 0800

DARWIN FILM SOCIETY INC.**ABN: 19 676 696 024****DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
REVENUE		
Admissions	405,981	367,659
Booking Fee	30,646	29,638
Cinema & Venue Hire	46,201	39,216
Members' Subscriptions	97,884	99,956
Advertising & Sponsorship	25,475	17,877
Fundraiser Film Hire Fees	36,007	29,178
Gross Profit from Trading	<u>175,647</u>	<u>165,191</u>
	<u>817,841</u>	<u>748,715</u>
OTHER REVENUE		
Interest Received	1,778	925
Other Revenue	9,696	5,445
Grants Expended		
Northern Territory of Australia, 2021/2022 Screen Territory - Industry Partnership: The Spark Film Initiative 2022	15,000	-
Northern Territory of Australia, 2021/2022 Screen Territory - Industry Partnership: Northern Territory Screen Summit 2022	15,000	-
Festivals NT, Darwin International Film Festival	70,000	10,000
Screen Aust, Darwin International Film Festival	30,000	14,889
Northern Territory of Australia, 2021/2022 Screen Territory - Audience Development: Darwin International Film Festival 2022	15,000	-
NT, Community Benefit Fund, Audio Equipment	5,467	-
NT, Community Benefit Fund, Speaker and Lighting Upgrade	15,102	34,245
NTG, The 11th Darwin International Film Festival	-	18,233
NTG, The 3rd Capricornia Film Awards	-	15,000
NTG, Biz Secure	-	7,830
NT, Immediate Work Grant	-	16,158
Department of Attorney-General & Justice, Community Benefit Fund, NT Travelling Film Festival Funding	-	9,954
NTG, Grant Activate Darwin	-	5,000

DARWIN FILM SOCIETY INC.**ABN: 19 676 696 024****DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
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Grants Expended (Continued)		
Deputy Chief Minister, Minister for Mining and Industry, 4th Annual Screen Summit	-	15,000
NT, Department of Industry, Tourism and Trade, 2021/2022 Screen Territory - Audience Development - Out of Round	-	7,360
Total Grants Expended	165,569	153,669
Total Other Revenue	177,043	160,039
Total Income	994,884	908,754
<hr/>		
EXPENSES		
Accountancy & bookkeeping	19,040	19,320
Advertising & marketing	22,459	27,388
Auditor's remuneration	6,570	5,200
Bank charges	13,427	12,719
Catering	11,914	6,142
Cinema hire	9,309	-
Cleaning & rubbish removal	4,430	1,285
Community arts & film support	134	4,545
Community support	327	-
Computer expenses	5,830	867
Decorations & supplies	1,423	2,132
Depreciation	77,700	69,330
Distribution	1,472	3,410
Electricity	1,656	1,697
Email, internet & website	15,918	5,968
Fees & permits	2,478	3,541
Film hire	188,570	191,920
Festival costs	9,927	20,594
Freight & couriers	428	2,057
Guests', speakers' & performers' fees & expenses	48,052	27,818
Grounds maintenance	17,417	26,299
Hire of equipment & facilities	45,639	5,276
Holiday pay, movement in provision	9,189	(7,671)
Insurance	18,283	17,134
Kiosk materials	3,403	2,855

DARWIN FILM SOCIETY INC.**ABN: 19 676 696 024****DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
EXPENSES (Continued)		
Legal fee	-	4,681
Motor vehicle allowances	125	721
Office supplies	1,127	1,689
Postage	302	251
Printing & design, program etc.	40,550	35,918
Production spark expense	40,000	-
Repairs & maintenance	17,246	5,908
Replacements & minor asset purchases	9,874	2,862
Security costs	1,587	540
Staff amenities & sundries	1,252	121
Staff training	730	1,745
Subscriptions	12,620	11,821
Superannuation contributions	40,634	32,575
Telephone	2,832	2,706
Ticketing & booking fees	20,274	19,148
Wages	376,960	317,247
Warranties	(407)	407
Total Expenses	1,100,701	888,166
(Loss) Profit for the year	(105,817)	20,588

DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee has determined that the Association is not a reporting entity and that this special purpose financial statement is prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial statements as set out on pages 1 to 26:

1. Present fairly the financial position of Darwin Film Society Inc. as at 31 December 2022 and its financial performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Darwin Film Society Inc. will be able to pay its debts as and when they fall due.

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

Chair: _____

Deputy Chair: _____

Dated this day of 2023

Our opinion on the financial report does not cover the other information and 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 materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The Committee is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as the committee determines 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 committee is responsible for assessing the Association'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 committee's either intend to liquidate the Association or to cease operations, or have no realistic alternative to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the committee'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 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 board regarding, amongst 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Brian Tucker Audit

BRIAN TUCKER AUDIT

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

BILLY-JOE THOMAS

Director & Registered Company Auditor

Dated at Perth, Western Australia this day of May 2023



DARWIN FILM SOCIETY INC.
ABN: 19 676 696 024
CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, _____ of _____, certify that:

- (a) I attended the annual general meeting of the association held on_____.
- (b) The financial statements for the year ended 31 December 2022 were submitted to the members of the association at its annual general meeting.

Chair: _____

Dated **day of** **2023**