

CREATIVE SOUNDS SOCIETY INCORPORATED

Performance Report
for the period ended 30 June 2017

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Signed for and on behalf of the Management Committee

Meredith MacKenzie
Treasurer



Date 28 Aug 2017

Lauren Annear Henderson
Convenor



Date 28.08.17

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
The addition of some totals may be affected by rounding (+/- \$1).



CREATIVE SOUNDS SOCIETY INCORPORATED

Entity Information and Contact Details for the period ended 30 June 2017

Entity Information

1. **Legal Name of Entity:** Creative Sounds Society Incorporated
2. **Type of Legal Entity and Legal Basis:** Incorporated Society and Legal Charity
3. **Registration Number:** CC32254
4. **Entity's Purpose or Mission:**

To create a centre that has music and other arts as its activity focus; creative the opportunity for a diverse users' group who have an interest in, learning, performing and promoting modern music form and other arts, in the interest of improving individual self esteem and community cultural development.

The operation of a centre to provide advice, expertise and information on modern and alternative music and other arts.

The co-ordination of such schemes and enterprises for nurturing the education and development of existing and potential musicians and other artists.

The provision of a non-licensed, drug-free, educational, performance, rehearsal and recording venue for persons interested in music and other arts.

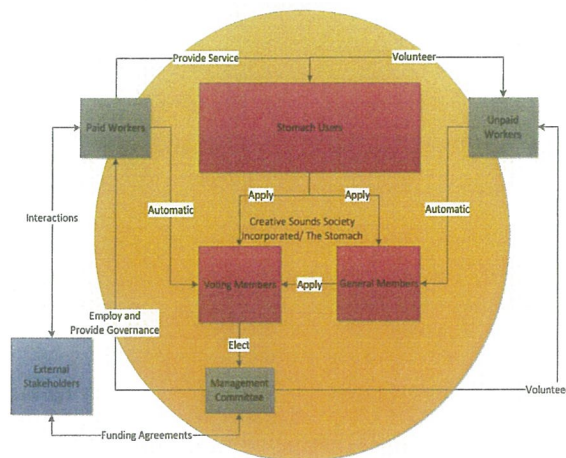
Assisting such schemes and enterprises by coordinating the provision of tutors and organisation of user groups.

To provide a comprehensive musical instrument library including instrument construction and repair workshops.

Promoting the common aims of the Society by providing leadership and representation.

These objectives are all limited to New Zealand.
5. **Entity Structure:**

Informatic: Creative Sounds Structure



6. **Main Sources of the Entity's Cash and Resources:**
Creative Sounds income is primarily obtained through government (local and national) grants, charitable grants, and income earned from users of the facility and associated services.
7. **Main Methods Used by the Entity to Raise Funds:**
Creative Sounds raises funds through the submission of funding applications and provision of services.
8. **Entity's Reliance on Volunteers and Donated Goods or Services:**
Creative Sounds is reliant on a voluntary Management Committee to provide governance and accounting services; volunteers also supplement paid staff to supervise shows.

Contact Details

1. **Physical Address:** The Stomach, 84 Lombard Street, Palmerston North
2. **Postal Address:** P.O. Box 586, Palmerston North
3. **Phone:** 06 359 0120
4. **Email:** cssmanagementcommittee@gmail.com
admin@creativesounds.org.nz
5. **Website:** www.creativesounds.org.nz
6. **Facebook:** <https://www.facebook.com/TheStomach.NZ/>

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CREATIVE SOUNDS SOCIETY INCORPORATED**Statement of Service Performance
for the period ended 30 June 2017****1. Description of the Entities Outcomes:****Provision and Operation of Facility**

The Society has continued to operate the iconic venue known as The Stomach. The Stomach is a music facility providing an accessible live venue, practice rooms, and a recording studio to the Palmerston North and wider community. Throughout the year, The Stomach has been open six days per week - generally 9am to 10pm.

Capital Asset Acquisition

Over the past financial year significant focus has been directed toward acquisition and improvement of the Society's asset base. A \$20,000 grant from the Department of Internal Affairs has meant that the longheld vision of owning a PA system has been realised. During the year a \$41,000 grant has been secured from the Central Energy Trust to refit the recording studio. This will occur during the latter half of 2017. Smaller grants from the Lion Foundation and Eastern & Central Trust, along with donations from members, have enabled the ongoing upgrade of the Society's practice equipment.

Promotion of Original Local Music

Throughout the 2016/2017 financial year, the Society has continued to run shows and host annual original music festival Swampfest. This has enabled a diverse range of bands to perform, including a number of touring bands. Our ongoing and significant partnerships with Radio Control has afforded broadcast opportunities for local artists, and collaborations with Snails Studio, Massey University Students Association, and the Palmerston North City Council have provided opportunities for artists to play events at a variety of venues.

Outreach and Engagement

The Management Committee has continued to place significant strategic priority on the resumption of outreach activities and expanded community engagement in the 2016/2017 year. Over this period nine workshops have been hosted at The Stomach covering a broad range of content, including: live sound reinforcement, studio recording, zine making, electronic music, song-writing, and other music and performance related skills.

A significant emphasis has been placed on rebuilding relationships with funders, community groups, and schools. This has yielded a range of collaborative opportunities including two workshops facilitated in conjunction with a consortia of primary school teachers bringing together over 50 young musicians to advance their performance, technical, and songwriting skills.

Equipment Usage

Creative Sounds continues to provide a range of equipment for users, including two fully equipped practice rooms. Backline (guitar amps, drum kits etc.) has additionally been hired out to support community events.

2. Description and Quantification of the Entity's Outputs:

| | 2016/ 2017 | 2015/ 2016 |
|--------------------------------|-----------------------|------------------------|
| Number of Practice Room hours: | 2294 | 1295 |
| | Ave 50 hours per week | 26 - 51 hours per week |
| Number of Shows: | 35 | 11 |
| Bands Featured: | 58 | 48 |
| Number of Studio Hours: | 662 | 175 |
| Number of Workshop hours: | 34.5 | 20 |
| Number of Outreach hours: | 400 (approx) | |
| Number of Volunteer Hours | 900 | 2780 (approx) |

3. Additional Information:

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

**Statement of Financial Performance
for the period ended 30 June 2017**

| | Note | Actual* This Year \$ | Actual* Last Year \$ |
|---|----------|----------------------------|----------------------------|
| Revenue | 1 | | |
| Fundraising and other similar revenue* | | - | - |
| Grants, Donations, and other similar revenue | | 103,216 | 70,000 |
| Fees, subscriptions and other revenue from members* | | - | 232 |
| Revenue from providing goods or services* | | 37,002 | 18,002 |
| Interest, dividends and other investment revenue* | | 1,747 | 2,023 |
| Other revenue | | 5 | 265 |
| | | | |
| | | | |
| Total Revenue* | | 141,970 | 90,522 |
| Expenses | 2 | | |
| Expenses related to public fundraising* | | - | - |
| Volunteer and employee related costs* | | 81,973 | 84,507 |
| Costs related to providing goods or services* | | 28,402 | 28,758 |
| Grants and donations made* | | - | - |
| Other expenses | | 59,259 | 59,441 |
| | | | |
| | | | |
| Total Expenses* | | 169,633 | 172,707 |
| | | | |
| Surplus/(Deficit) for the Year* | | (27,663) | (82,184) |

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

**Statement of Financial Position
for the period ended 30 June 2017**

| | Note | Actual* This Year \$ | Actual* Last Year \$ |
|--|------|----------------------------|----------------------------|
| Assets | | | |
| Current Assets | | | |
| Bank accounts and cash* | 3 | 27,008 | 25,853 |
| Debtors and prepayments* | 3 | 5,600 | 375 |
| Inventory* | | | |
| Other current assets | 3 | | 50,328 |
| Total Current Assets | | 32,608 | 76,556 |
| Non-Current Assets | | | |
| Property, plant and equipment* | 4 | 145,160 | 178,374 |
| Investments* | | 52,002 | |
| Other non-current assets | | | |
| Total Non-Current Assets | | 197,162 | 178,374 |
| Total Assets* | | 229,770 | 254,930 |
| Liabilities | | | |
| Current Liabilities | | | |
| Bank overdraft* | | | |
| Creditors and accrued expenses* | 3 | 7,799 | 9,988 |
| Employee costs payable* | 3 | 5,318 | 623 |
| Unused donations and grants with conditions* | | | |
| Other current liabilities | | | |
| Total Current Liabilities | | 13,116 | 10,611 |
| Non-Current Liabilities | | | |
| Loans* | | | |
| Other non-current liabilities | | | |
| Total Non-Current liabilities | | - | - |
| Total Liabilities* | | 13,116 | 10,611 |
| Total Assets less Total Liabilities (Net Assets)* | | 216,654 | 244,319 |
| Accumulated Funds | | | |
| Capital contributed by owners or members* | | - | - |
| Accumulated surpluses or (deficits)* | 5 | 216,656 | 244,319 |
| Reserves* | | - | - |
| Total Accumulated Funds* | | 216,656 | 244,319 |

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

**Statement of Cash Flows
for the period ended 30 June 2017**

| | Actual* This Year \$ | Actual* Last Year \$ |
|--|----------------------------|----------------------------|
| Cash Flows from Operating Activities* | | |
| Cash was received from: | | |
| Fundraising and other similar receipts* | - | - |
| Grants, Donations, and other similar receipts | 103,216 | 70,000 |
| Fees, subscriptions and other receipts from members* | - | 232 |
| Receipts from providing goods or services* | 35,111 | 18,479 |
| Interest, dividends and other investment receipts* | 1,747 | 2,023 |
| Other receipts | | |
| Net GST | (4,770) | (817) |
| Cash was applied to: | | |
| Payments to suppliers and employees* | 111,426 | 109,330 |
| Donations or grants paid* | - | - |
| | | |
| Net Cash Flows from Operating Activities* | 23,878 | (19,412) |
| Cash flows from Investing and Financing Activities* | | |
| Cash was received from: | | |
| Receipts from the sale of property, plant and equipment* | 600 | 657 |
| Receipts from the sale of investments* | | |
| Proceeds from loans borrowed from other parties* | | |
| Capital contributed from owners or members* | | |
| Cash was applied to: | | |
| Payments to acquire property, plant and equipment* | 21,648 | 3,160 |
| Payments to purchase investments* | | |
| Repayments of loans borrowed from other parties* | | |
| Capital repaid to owners or members* | | |
| Net Cash Flows from Investing and Financing Activities* | (21,048) | (2,503) |
| Net Increase / (Decrease) in Cash* | 2,829 | (21,915) |
| Opening Cash* | 76,181 | 98,096 |
| Closing Cash* | 79,010 | 76,181 |
| This is represented by: | | |
| Bank Accounts and Cash* | 79,010 | 76,181 |

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

Statement of Accounting Policies for the period ended 30 June 2017

Accounting Policies

Basis of Preparation*

Creative Sounds Society Incorporated has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)*

Creative Sounds Society is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated in of GST.

Income Tax

Creative Sounds Society Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Measurement basis

The measurement based adopted is that of historical cost. Accrual accounting is used to match expenses and expenses.

Specific Accounting Policies

Accounts Receivable are stated at their estimated realisable value.

Grants and contract income received are recognised in operating revenue unless specific conditions are attached to a grant or contract amount and repayment of the grant or contract amount is required where these conditions are not met. In these cases the grant or contract amount is treated as a liability until the conditions are met.

Depreciation is calculated on a straight line based on the estimated lifespan of an asset.

Fixed Assets

Fixed Assets are stated at cost less aggregated depreciation. Fixed Assets are recorded on a historical Cost basis applied to a stocktake of assets completed during July 2010. In 2009 the Society completed a redevelopment and fitout of the premises at 84 Lombard Street owned by the PNCC. Leasehold Improvements totalled \$521,739 and are being depreciated over 10 years on a straight line basis.

As the Society is a charitable organisation it is able to apply for Government and Philanthropic grants to replace fixed assets and as such it is not required to fully fund depreciation.

Changes in Accounting Policies*

There have been no changes in accounting policies during the financial year (last year - nil)

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.

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CREATIVE SOUNDS SOCIETY INCORPORATED

Notes to the Performance Report
for the period ended 30 June 2017

Note 1: Analysis of Revenue

| Revenue Item | Analysis | This Year \$ | Last Year \$ |
|---------------------|----------|-----------------|-----------------|
| Fundraising revenue | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | - | - |

| Revenue Item | Analysis | This Year \$ | Last Year \$ |
|--|--------------------------------------|-----------------|-----------------|
| Grants, Donations, and other similar revenue | Grants for current operations - PNCC | 75,000 | 70,000 |
| | Grants for current operations - DIA | 22,000 | - |
| | Grants for capital purposes | 6,216 | - |
| | Sponsorship | - | - |
| | Donations/koha from the public | | |
| | | | |
| Total | | 103,216 | 70,000 |

| Revenue Item | Analysis | This Year \$ | Last Year \$ |
|--|----------|-----------------|-----------------|
| Fees, subscriptions and other revenue from members | | - | 232 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | - | 232 |

| Revenue Item | Analysis | This Year \$ | Last Year \$ |
|--|----------------------|-----------------|-----------------|
| Revenue from providing goods or services | Practice Revenues | 11,470 | 6,477 |
| | Studio Revenue | 16,538 | 3,804 |
| | Gig Revenue | 2,301 | 2,911 |
| | Outreach Revenue | - | 69 |
| | Swampfest Revenue | 4,380 | 3,506 |
| | Analogue to Digital | 17 | - |
| | Equipment Hire | 1,354 | 1,235 |
| | Workshops/ Education | 907 | |
| | Venue Hire | 35 | |
| Total | | 37,002 | 18,001 |

| Revenue Item | Analysis | This Year \$ | Last Year \$ |
|--|----------|-----------------|-----------------|
| Interest, dividends and other investment revenue | Interest | 1,747 | 2,023 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | 1,747 | 2,023 |

| Revenue Item | Analysis | This Year \$ | Last Year \$ |
|---------------|---------------------------------|-----------------|-----------------|
| Other revenue | Gain on sale/disposal of assets | 5 | 106 |
| | Other Revenue | | 159 |
| | | | |
| | | | |
| Total | | 5 | 265 |

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

Notes to the Performance Report
for the period ended 30 June 2017

Note 2: Analysis of Expenditure

| Expense Item | Analysis | This Year \$ | Last Year \$ |
|--|--------------|-----------------|-----------------|
| Expenses related to public fundraising | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | Total | - | - |

| Expense Item | Analysis | This Year \$ | Last Year \$ |
|--------------------------------------|--------------------------|-----------------|-----------------|
| Volunteer and employee related costs | Salaries and Wages | 77,418 | 79,193 |
| | Employment Costs | 4,205 | 5,000 |
| | Professional Development | 350 | 314 |
| | | | |
| | | | |
| | Total | 81,973 | 84,507 |

| Expense Item | Analysis | This Year \$ | Last Year \$ |
|--|---|-----------------|-----------------|
| Costs related to providing goods or services | Direct costs relating to service delivery | 9,487 | 10,676 |
| | Other service delivery costs | 10,705 | 8,874 |
| | Administration and overhead costs | 8,210 | 9,209 |
| | | | |
| | | | |
| | Total | 28,402 | 28,758 |

| Expense Item | Analysis | This Year \$ | Last Year \$ |
|---------------------------|--------------|-----------------|-----------------|
| Grants and donations made | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | Total | - | - |

| Expense Item | Analysis | This Year \$ | Last Year \$ |
|----------------|------------------------------------|-----------------|-----------------|
| Other expenses | Affiliation fees | 823 | 186 |
| | Depreciation | 58,436 | 59,255 |
| | Loss on sale of disposal of assets | - | - |
| | Bad debts | - | - |
| | | | |
| | Total | 59,259 | 59,441 |

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

Notes to the Performance Report
for the period ended 30 June 2017

Note 3: Analysis of Assets and Liabilities

| Asset Item | Analysis | This Year | Last Year |
|------------------------|-------------------------|-----------|-----------|
| | | \$ | \$ |
| Bank accounts and cash | Cash Floats | 230 | 230 |
| | Cheque account balance | 7,216 | 18,929 |
| | Savings account balance | 19,562 | 6,694 |
| | | | |
| | | | |
| | | | |
| | Total | 27,008 | 25,853 |

| Asset Item | Analysis | This Year | Last Year |
|-------------------------|---------------------|-----------|-----------|
| | | \$ | \$ |
| Debtors and prepayments | Accounts receivable | 2,655 | 375 |
| | Prepayments | - | - |
| | GST Receivable | 2,945 | - |
| | | | |
| | | | |
| | | | |
| | Total | 5,600 | 375 |

| Asset Item | Analysis | This Year | Last Year |
|----------------------|---------------------|-----------|-----------|
| | | \$ | \$ |
| Other current assets | Short term deposits | 52,002 | 50,328 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | Total | 52,002 | 50,328 |

| Asset Item | Analysis | This Year | Last Year |
|-------------|----------|-----------|-----------|
| | | \$ | \$ |
| Investments | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | Total | - | - |

| Liability Item | Analysis | This Year | Last Year |
|--------------------------------|--------------------------|-----------|-----------|
| | | \$ | \$ |
| Creditors and accrued expenses | Trade and other payables | 5,499 | 510 |
| | Accrued expenses | 2,300 | 8,050 |
| | GST Payable | | 1,428 |
| | | | |
| | | | |
| | | | |
| | Total | 7,799 | 9,988 |

| Liability Item | Analysis | This Year | Last Year |
|------------------------|---------------------|-----------|-----------|
| | | \$ | \$ |
| Employee costs payable | Holiday pay accrual | 3,354 | 0 |
| | PAYE owing | 1,964 | 623 |
| | | | |
| | | | |
| | | | |
| | | | |
| | Total | 5,318 | 623 |

| Liability Item | Analysis | This Year | Last Year |
|---|----------|-----------|-----------|
| | | \$ | \$ |
| Unused donations and grants with conditions | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | Total | - | - |

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

Notes to the Performance Report
for the period ended 30 June 2017

Note 4 : Property, Plant and Equipment

| This Year | | | | | |
|---------------------------------|--------------------------|---------------|-----------------|---|--------------------------|
| | Opening Carrying Amount* | Purchases | Sales/Disposals | Current Year Depreciation and Impairment* | Closing Carrying Amount* |
| Asset Class* | | | | | |
| Land* | - | | | - | - |
| Buildings* | - | | | | - |
| Leasehold Improvements | 156,522 | | | 52,174 | 104,348 |
| Motor Vehicles* | - | | | | - |
| Furniture and fixtures* | 458 | 85 | 57 | 9 | 477 |
| Office equipment* | - | | | | - |
| Computers (including software)* | 1,626 | | | 1,556 | 70 |
| Equipment | 19,768 | 25,824 | 629 | 4,698 | 40,265 |
| Machinery* | - | | | | - |
| Heritage assets | - | | | | - |
| Total | 178,374 | 25,909 | 686 | 58,437 | 145,160 |

| Last Year | | | | | |
|---------------------------------|--------------------------|--------------|-----------------|---|--------------------------|
| | Opening Carrying Amount* | Purchases | Sales/Disposals | Current Year Depreciation and Impairment* | Closing Carrying Amount* |
| Asset Class* | | | | | |
| Land* | - | | | - | - |
| Buildings* | - | | | | - |
| Leasehold Improvements | 208,696 | | | 52,174 | 156,522 |
| Motor Vehicles* | - | | | | - |
| Furniture and fixtures* | 559 | | | 101 | 458 |
| Office equipment* | - | | | | - |
| Computers (including software)* | 3,182 | | | 1,556 | 1,626 |
| Equipment | 22,583 | 3,160 | 551 | 5,424 | 19,768 |
| Machinery* | - | | | | - |
| Heritage assets | - | | | | - |
| Total | 235,020 | 3,160 | 551 | 59,255 | 178,374 |

Significant Donated Assets Recorded - Source and Date of Valuation*

| | |
|--|--|
| | |
| | |
| | |
| | |
| | |

Significant Donated Assets - Not Recorded*

| |
|--|
| |
| |
| |
| |
| |

Notes and Valuation Basis

Fixed Assets are recorded on a historical Cost basis applied to a stocktake of assets completed during July 2010.

In 2009 the Society completed a redevelopment and fitout of the premises at 84 Lombard Street owned by the PNCC.

Leasehold improvements totalled \$521,739 and are being depreciated over 10 years on a straight line basis.

Depreciation is calculated on a straight line based on the estimated lifespan of an asset.

As the Society is a charitable organisation it is able to apply for Government and Philanthropic grants to replace fixed assets and as such it is not required to fully fund depreciation.

Fixed Assets are stated at cost less aggregated depreciation.

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.

Notes to the Performance Report for the period ended 30 June 2017

| This Year | | | | |
|---|--|--|-----------|----------|
| Description* | Capital Contributed by Owners or Members* | Accumulated Surpluses or Deficits* | Reserves* | Total* |
| Opening Balance | - | 244,319 | - | 244,319 |
| Capital contributed by owners or members* | - | | | - |
| Capital returned to owners or members* | - | | | - |
| Surplus/(Deficit)* | | (27,663) | | (27,663) |
| Distributions paid to owners or members* | | - | | - |
| Transfer to Reserves* | | - | - | |
| Transfer from Reserves* | | - | - | |
| Closing Balance | - | 216,656 | - | 216,656 |

| Breakdown of Reserves | | Actual* | Actual* |
|-----------------------|---------------------|-----------|-----------|
| | | This Year | Last Year |
| Name* | Nature and Purpose* | \$ | \$ |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Total | | - | - |


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CREATIVE SOUNDS SOCIETY INCORPORATED

**Notes to the Performance Report
For the Year Ended 30 June 2017**

Note 6 : Commitments and Contingencies

| Commitment* | Explanation and Timing* | At balance date | At balance date |
|---|---|-----------------|-----------------|
| | | This Year* | Last Year* |
| | | \$ | \$ |
| Commitments to lease or rent assets* | The Society leases the premises at 84 Lombard St from the PNCC; the lease runs to 31 July 2019. | 625 | 925 |
| Commitment to purchase property, plant and equipment* | | | |
| Commitments to provide loans or grants* | | | |

Contingent Liabilities and Guarantees

In 2016 a personal grievance claim was made against the Society; this has not been pursued and all advice received to date indicates that this will not result in a liability for the Society. There are no guarantees as at balance date (Last Year - nil).

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.
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CREATIVE SOUNDS SOCIETY INCORPORATED

Notes to the Performance Report
For the Year Ended 30 June 2017

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Note 7: Other

Significant Grants and Donations with Conditions which have not been Recorded as a Liability*

| Description* | Original Amt* | Not Fulfilled Amt* | Purpose and Nature of the Condition(s)* |
|--|---------------|--------------------|---|
| Creative Communities New Zealand grant | 2,000 | 2,000 | Received for Swampfest 2017 |
| | | | |
| | | | |
| | | | |

Goods or Services Provided to the Entity in Kind*

| Description* | Amount* |
|--------------|---------|
| | |
| | |
| | |
| | |

Assets Used as Security for Liabilities*

Nature and Amount of Borrowing* Nature and Amount of Asset Used as Security*

Note 8: Assets Held on Behalf of Others*

Description of the Assets Held* Name of Entity of Whose Behalf Assets are Held*

Note 9: Related Party Transactions*

| Description of Related Party Relationship* | Description of the Transaction (whether in cash or amount in kind)* | This Year | Last Year | This Year | Last Year |
|--|---|-----------|-----------|-----------|-----------|
| | | \$ | \$ | \$ | \$ |
| One member of the Management Committee is an employee of Radio Control | Radio Control sponsorship of Swampfest | 1,304 | 2,500 | | |
| | | | | | |
| | | | | | |

Due to the nature of an Incorporated Society, all members have an interest in the Society; members are additionally users of the practice facilities and recording studio, and attend and play shows. A number of members work for organisations which are service providers or users of services or equipment. These transactions are all arms-length and do not result in influence on the Society. All members of the Society have the opportunity to influence the Society through the election of the Management Committee and participation in any consultative processes.

Note 10: Events After the Balance Date*

Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

Note 11: Ability to Continue Operating*

All accounts have been prepared on the basis of a going concern

Note 12: Correction of Errors*

Additional Information

There have been no changes in accounting policies. All policies have been applied on bases consistent with previous years.

These Statements should be read in conjunction with the Notes to the performance report and Auditors report.

INDEPENDENT AUDITOR'S REPORT

To the members of Creative Sounds Society Incorporated

Report on the Financial Statements

Opinion

We have audited the financial statements of Creative Sounds Society Incorporated on pages 4 to 14, which comprise the statement of financial position as at 30 June 2017, the statement of financial performance and statement of cash flows for the year then ended, the statement of accounting policies and other explanatory information.

In our opinion, the financial statements on pages 4 to 14 present fairly the financial position of Creative Sounds Society Incorporated as at 30 June 2017 and its financial performance and cash flows for the year ended on that date in accordance with the requirements of Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board relevant to reporting financial position, financial performance and cash flows.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Creative Sounds Society Incorporated.

Restriction on responsibility

This report is made solely to the members, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Other Information

The Committee is responsible for the other information. The other information comprises the entity information and statement of service performance but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Committee's Responsibility for the Financial Statements

The Committee is responsible for the preparation of financial statements in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the Society'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 Committee either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

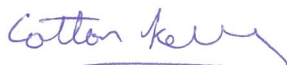
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (NZ) 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 these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ☐ identify and assess the risks of material misstatement of the financial statements, 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 Society's internal control.
- ☐ conclude on the appropriateness of the use of the going concern basis of accounting by the Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society'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 statements 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 Society to cease to continue as a going concern.
- ☐ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Committee 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.



Cotton Kelly
Chartered Accountants
Palmerston North, New Zealand

30 August 2017