

Australian Screen Directors Authorship Collecting Society Ltd

Notes to the financial statements

For the year ended 30 June 2023

i. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST).

i. Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the society is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the society: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

ii. Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iii. Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

j. 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 payable are stated inclusive of GST.

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

k. Lease

The company acquired a photocopier on a 5-year lease on 02 December 2020. The monthly lease rental amounts to \$76.69 at an interest rate of 4.1% per annum. The lease rentals are expected to be paid in arrears (at the end of each month). The company did not record this lease in the financial statements till June 2022. However, at the year ended 30 June 2023, the company has recorded the lease in the financial statements incorporating the errors from prior periods.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

4. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

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5. Revenue and other income

a. Revenue

	2023	2022
	\$	\$
Membership fees	44,179	63,280
Parking rent	2,960	2,880
	47,139	66,160

b. Other income

	2023	2022
	\$	\$
Administration fees	292,724	244,242
Interest	61,980	2,431
Other	2,175	1,490
	356,879	248,163

c. Disaggregation of revenue

Geographical regions	2023	2022
	\$	\$
Australia	37,131	57,077
Overseas	10,008	9,083
	47,139	66,160

6. Expenses

	2023	2022
	\$	\$
Depreciation and amortisation	3,187	2,733
Audit fee	6,500	1,800
Management fees	218,346	236,664
Distribution costs	14,513	18,854
Governance and compliance	18,504	23,985
Finance costs	1,101	1,174
Travel expenses	737	-
Property costs	13,280	12,268
Other operating expenses	17,961	12,924
	294,129	310,402

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Notes to the financial statements

For the year ended 30 June 2023

7. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	2,295,059	2,057,359
	2,295,059	2,057,359

The deposits bear floating interest rates between 0% and 1.0% (2022: 0% - 0.2%).

8. Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	308	70,849
	308	70,849

9. Other assets

	2023	2022
	\$	\$
Prepayments	20,332	1,932
	20,332	1,932

10. Property, plant and equipment

a. Plant and Equipment

i. Summary

	2023	2022
	\$	\$
Equipment		
At cost	8,200	8,200
Less: Accumulated depreciation	(7,669)	(5,300)
Total Equipment	531	2,900

ii. Movements in carrying amounts during the year were:

	2023	2022
	\$	\$
Opening balance	2,900	5,633
Purchases	-	-
Depreciation expense	(2,369)	(2,733)
Closing balance	531	2,900

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Notes to the financial statements

For the year ended 30 June 2023

b. Property

i. Summary

	2023	2022
	\$	\$
Property		
Purchase price – Wattle Street, Ultimo	460,000	460,000
Stamp duty and other incidental costs	20,708	20,708
Total Property	480,708	480,708

ii. Movements in carrying amounts during the year were:

	2023	2022
	\$	\$
Opening balance	480,708	480,708
Purchase price	-	-
Incidental costs of purchase	-	-
Depreciation expense	-	-
Closing balance	480,708	480,708

11. Leases

a. Company as a lessee

i. Right-of-use assets

	2023
	\$
Opening balance	2,796
Less: Accumulated amortisation	(818)
Closing balance	1,978

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Notes to the financial statements

For the year ended 30 June 2023

ii. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	2023
	\$
< 1 year	848
1 - 5 years	1,336
Total undiscounted lease liabilities	2,184

Lease liabilities included in the statement of financial position	
Current lease liability	848
Non-current lease liability	1,336
Total Lease liabilities included in the statement of financial position	2,184

12. Trade and other payables

	2023	2022
	\$	\$
Trade payables	120	570
GST and PAYG	92,009	46,947
Accrued expenses	20,101	14,348
	112,230	61,865

13. Cultural fund

The Cultural Fund is maintained to further the objectives of the Company for the benefit of members. It is funded by a 4% deduction from the royalties collected each year.

Movements in carrying amounts during the year were:

	2023	2022
	\$	\$
Opening balance	50,124	71,402
Collections	62,836	66,722
Donation paid to Australian Directors Guild Ltd	(50,000)	(70,000)
Donations paid to Motion Picture Industry Benevolent Society	-	(12,000)
Donation paid to Guild of New Zealand	(10,000)	(5,000)
Donation paid to CISAC Ukraine	-	(1,000)
Closing balance	52,960	50,124

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For the year ended 30 June 2023

14. Development fund

The Development Fund is maintained to provide a mechanism for helping to ensure equity between past, present and future Members. It is funded from undistributed balances remaining in distributable funds that are closed following expiry of their trust period and as determined by the Board.

Movements in carrying amounts during the year were:

	2023	2022
	\$	\$
Opening balance	48,702	33,879
Undistributed funds transferred	77,937	46,959
Reimburse cost incurred for future benefits	(19,917)	(28,452)
Reimburse distributions made from funds previously closed	(1,005)	(3,684)
Closing balance	105,717	48,702

15. Financial instruments

The maximum exposure to credit risk to recognised financial assets is the carrying value net of any provisions in the Balance Sheet. There is no material credit risk exposure to any single debtor or group of debtors.

Exposure to interest rate risk and effective weighted average interest rate for financial assets and liabilities:

2023	Rate	Non-interest		
	%	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1.00	2,295,059	-	2,295,059
Receivables, prepayments & deposits	1.00	-	20,640	20,640
Financial Liabilities				
Accounts payable, provisions & collections for distribution		-	2,002,607	2,002,607

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For the year ended 30 June 2023

2022	Rate %	Floating rate \$	Non-interest \$	Total \$
Financial Assets				
Cash and cash equivalents	1.00	2,057,359	-	2,057,359
Receivables, prepayments & deposits	1.00	-	72,781	72,781
Financial Liabilities				
Accounts payable, provisions & collections for distribution		-	1,929,512	1,929,512
	2023 Carrying amount \$	2023 Net fair value \$	2022 Carrying amount \$	2022 Net fair value \$
Financial Assets				
Cash and cash equivalents	2,295,059	2,295,059	2,057,359	2,057,359
Receivables, prepayments, & deposits	20,640	20,640	72,781	72,781
Financial Liabilities				
Accounts payable, provisions & cash for distribution	2,002,607	2,002,607	1,929,512	1,929,512

16. Key management personnel remuneration

a. Directors

Details of directors of the company during the financial year are listed in Directors' report.

b. Compensation paid to key management personnel

The board's policy for determining the nature and amount of compensation for other key management personnel is based on a number of factors, including level of responsibilities, experience, performance and overall performance of the company. The contracts for service with key management personnel are on an ongoing basis and the terms are not expected to change in the immediate future. Upon terminating their employment with the company, the key management personnel are paid their employment entitlements accrued to the date of termination.

Directors do not receive any compensation but are entitled to reimbursement for any reasonable expenses incurred while performing their duties as directors of the company

c. Other transactions and balances with key management personnel

No director or key management personnel has entered into a material contract with the company since the end of the financial year and there were no material contracts involving key management personnel interests subsisting at balance date other than employment contracts.

Australian Screen Directors Authorship Collecting Society Ltd

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For the year ended 30 June 2023

17. Contingencies and commitments

There are no contingent liabilities and no commitments for expenditure that are not reflected in the Balance Sheet for the year ended 30 June 2023 (None: 30 June 2022)

18. Related parties transactions

There were no other related party transactions during the financial year.

19. Segment Reporting

The company operates predominately in one business and geographical segment. This is as a not-for-profit organisation engaged in the collection and distribution of royalties from overseas on behalf of screen directors in Australia and New Zealand. These operations are carried on in Australia.

20. Events occurring 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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

21. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2023	2022
	\$	\$
Profit for the year	109,889	3,921
Add / (less) non-cash items:		
Depreciation and amortisation	3,187	2,733
Lease acquisition expenses	200	-
Interest on lease rentals	108	-
Changes in assets and liabilities:		
(increase) / decrease in receivables and prepayments	52,141	(69,897)
increase / (decrease) in payables	73,095	(102,529)
Cash flows from operations	238,620	(165,772)

22. Statutory information

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

Australian Screen Directors Authorship Collecting Society Ltd
Level 2, Suite 28
330-370
Wattle Street
Ultimo NSW Australia
2007

Australian Screen Directors Authorship Collecting Society Ltd

Directors' declaration

The directors of the Company declare that:

The financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.

In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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



Pat Fiske

Director

Dated: 30/10/23

Independent Auditor's Report to the Members of Australian Screen Directors Authorship Collecting Society Ltd

Opinion

We have audited the financial report of Australian Screen Directors Authorship Collecting Society Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the 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 Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with *the Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with the Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this independent auditor's report.

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

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 Jun 2023, but does not include the financial report and our auditor's report thereon.

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

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

Independent Auditor's Report to the Members of Australian Screen Directors Authorship Collecting Society Ltd

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic 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 independent 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



Gary Williams FCA
Partner

Dated 31/10/2023

SYDNEY

Australian Screen Directors Authorship Collecting Society Ltd

Disclaimer Report

The additional financial data presented in the following pages are in accordance with the books and records of the entity which have been subjected to the auditing procedures applied in our statutory audit of the entity for the year ended 30 Jun 2023. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors of omissions therein however caused.



Gary Williams FCA
Partner

Dated 31/10/2023

SYDNEY

Australian Screen Directors Authorship Collecting Society Ltd

5 year comparison of income and expenditure

(This does not form part of the audited annual accounts but is provided for the information of members)

	Jun 2023	Jun 2022	Jun 2021	Dec 2020	Dec 2019
	\$	\$	\$	\$	\$
Income					
Collections	1,583,156	1,668,069	222,135	1,953,769	1,982,630
Interest	61,980	2,431	2,328	13,429	27,697
Membership fees	44,179	63,280	6,646	2,429	66,334
Other fees	2,960	2,880	1,200	-	-
Cultural fund	(67,483)	(71,905)	(9,699)	(84,027)	(85,482)
Distributable funds	(1,220,774)	(1,350,432)	(50,757)	(1,553,692)	(1,599,224)
Total income	404,018	314,323	171,853	331,908	391,955
Administration costs					
Distribution costs	14,513	18,854	10,459	14,008	11,922
Governance	4,435	8,585	2,502	19,947	19,090
Compliance	6,919	2,050	2,082	2,081	2,126
Personnel and services	16,602	17,664	12,348	18,004	18,343
Depreciation and amortisation	3,187	2,733	1,367	1,200	824
Communications	10,715	5,517	2,880	1,393	-
Office expenses	5,395	6,067	5,284	5,630	1,340
Travel	737	-	79	-	20,489
Service fee to ADG	218,346	236,664	118,332	241,747	210,044
Property costs	13,280	12,268	6,271	10,102	11,993
Total administration costs	294,129	310,402	161,604	314,112	296,171
Gross profit	109,889	3,921	10,249	17,796	95,784
Income tax	-	-	-	-	-
Net profit	109,889	3,921	10,249	17,796	95,784