

Australian Screen Directors Authorship Collecting Society Ltd

ABN 80 071 719 134



2018 Annual Accounts

28 / 330-370 Wattle Street Ultimo, NSW 2007
Ph: (02) 9555 7042 Fx: (02) 9555 7086
Email: asdacs@asdacs.com.au

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

DIRECTORS' REPORT

The Directors have pleasure in presenting their Report, together with the financial statements of the Company, for the year ended 31 December 2018. Statutory details of Directors, their special responsibilities and their individual attendances at meetings that they were entitled to attend during the year are given in Note 20 to the Financial Statements.

Long and short term objectives

The objective, both long and short term, of the Company is to act as a Collecting Society for screen directors in Australia and New Zealand.

Strategies and activities

The strategies for achieving this objective are to execute agreements with as many overseas collecting societies as is practical, to collect royalties from them that are identified as due to screen directors in Australia and New Zealand and to distribute those royalties to the directors entitled to them.

The activities of the company during the year were all directed towards implementing these strategies. There was no significant change in these activities from previous years.

Key performance indicators

The Directors consider that the Key Performance Indicators of the Company are:

- The value of collections received during the year
- The value of distributions paid to members during the year
- The ratio of administration costs to collections
- Ongoing compliance with the *Copyright Societies Code of Conduct*.

Financial Results

The net profit of the Company for the year was \$88,676. Accumulated funds at year-end increased accordingly to \$556,485.

Income for the year was \$1,836,862, including interest and membership fees. A total of \$1,484,813 was transferred to distributable funds and the cultural fund. Expenditure on administration costs was \$263,373.

- Collections for the year totalled \$1,750,408.
- Distributions to members during the year totalled \$1,624,972.
- Net administration costs recovered from the distributable fund for the year were 15% of collections.

There were no significant changes in the state of affairs of the Company during the year.

Copyright Societies Code of Conduct.

The Review of Copyright Collecting Societies' Compliance with their Code of Conduct for the year 1 July 2017 to 30 June 2018 confirmed that the Company was compliant with the Code. The next Review is due in 2019.

Cultural Fund

The Cultural Fund was established 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. During the year \$70,016 was transferred to the Fund. \$40,000 was donated from the Fund to the Australian Directors Guild, \$10,000 was donated to the Motion Picture Industry Benevolent Society and \$500 was donated to Women in Film and Television (NSW).

Development Fund

The Development Fund was established 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. During the year the Fund increased by \$7,279 due to expired distributions of \$29,206, and \$14,040 used on database development and the copyright campaign. During the year, transfers were made from the Fund in respect of distributions made to members during the year from closed funds of \$7,887.

Liability of Members

Each member is liable to the extent of their undertaking under the Company's Constitution as members to a maximum of \$2. The total amount that members of the Company were liable to contribute if the Company had been wound up at balance date was \$2,308.

Likely Developments

There are no known likely developments in the operations of the Company, other than those referred to elsewhere in this Report.

Annual Audit

Under the *Corporations Amendment (Corporate Reporting Reform) Act 2010* the company can be defined as a "Tier 2" entity. We have the option under section 301(3) of the Act, to have its financial report audited. The board has elected for every third year beginning from 2015 to have the accounts audited rather than reviewed.

Auditors' independence declaration

The auditors' independence declaration has been received and is included with this report.

SIGNED at SYDNEY on Friday 26 April 2019, in accordance with a resolution of the Board.



Stephen Wallace
DIRECTOR

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with the Accounting Standards and are in accordance with the Corporations Regulations 2001
 - (b) give a true and fair view of the financial position of the company as at 31 December 2018 and of its performance for the year ended on that date; and
2. 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.

SIGNED at SYDNEY on Friday 26 April 2019, in accordance with a resolution of the Board.

A handwritten signature in black ink that reads "Stephen Wallace". The signature is written in a cursive, flowing style.

Stephen Wallace
DIRECTOR

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue from ordinary activities	2	325,061	268,612
Revenue from investment activities	2	24,766	28,007
Expenses excluding finance costs	3	(258,814)	(244,569)
Finance costs	3	(2,337)	(1,766)
Net profit/(loss) attributable to members		<u>88,676</u>	<u>48,284</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,844,745	1,908,681
Trade and other receivables	5	1,388	531
Other current assets	6	2,901	49,819
		<u>1,849,034</u>	<u>1,959,031</u>
Non-current assets			
Database	7	-	2,167
Plant and equipment	8	824	1,648
Property	9	480,708	480,708
		<u>481,532</u>	<u>484,523</u>
Total assets		<u>2,330,566</u>	<u>2,443,554</u>
Current liabilities			
Trade and other payables	10	73,080	50,158
Other current liabilities	12	1,701,001	1,925,586
		<u>1,774,081</u>	<u>1,975,744</u>
Total liabilities		<u>1,774,081</u>	<u>1,975,744</u>
Net assets		<u>556,485</u>	<u>467,809</u>
MEMBERS' EQUITY			
Retained earnings		556,485	467,809
Reserves		-	-
Total equity		<u>556,485</u>	<u>467,809</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained Earnings \$	Reserves \$
Balance 31 December 2016	419,525	-
Profit for the period	48,284	-
Balance 31 December 2017	<u>467,809</u>	<u>-</u>
Profit for the period	88,676	-
Balance 31 December 2018	<u>556,485</u>	<u>-</u>

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from collections and other activities (incl GST where applicable)	1,811,239	1,235,193
Interest received	24,766	26,007
Income tax paid	-	-
Payments to employees, suppliers, members and others (incl GST where applicable)	(1,899,941)	(969,499)
Net cash provided by operating activities	16 (63,936)	292,702
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Other assets	-	-
Payments for property, plant and equipment	-	(483,180)
Net cash (used) by investing activities	-	(483,180)
Net increase / (decrease) in cash held	(63,936)	(190,478)
Cash at the beginning of the financial year	1,908,681	2,099,160
CASH AT THE END OF THE FINANCIAL YEAR	4 1,844,745	1,908,681

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 DECEMBER 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the financial statements and accompanying notes of Australian Screen Directors Authorship Collecting Society Ltd as an individual entity for the year ended 31 December 2018.

The entity is incorporated as a company limited by guarantee and domiciled in Australia, its registered office and principal place of business being 28 / 330-370 Wattle Street, Ultimo NSW 2007.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. These have been consistently applied, unless otherwise stated.

(a) Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in preparation for the current financial year.

(b) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(d) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no later than 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the income statement.

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given at the date of exchange plus costs directly attributable to acquisition.

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 DECEMBER 2018 (cont.)

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(g) Depreciation of property, plant and equipment

Each class of plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation. The depreciable amount of all non-current assets are depreciated on a straight line basis over the useful lives of the assets to the company commencing from the time the asset is held ready for use. The useful lives for depreciable assets are:

- Property, plant and equipment : 3 years
- Website : 3 years
- Database : 3 years

(h) Intangible assets

Costs for intangible assets are stated at historical cost less accumulated amortisation and impairment losses. They are amortised using the straight line method over their estimated useful lives, commencing from the time the asset is held ready for use.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) 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). Revenue is recognised for the major business activities as follows:

- Royalties collected are recognised as revenue upon receipt
- Undistributed funds are recognised as revenue once the funds are out of the relevant trust period
- Interest is recognised as revenue when due, whether or not received
- Membership fees are recognised as revenue upon receipt

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 DECEMBER 2018 (cont.)

	note	2018	2017
		\$	\$
2. REVENUE			
Operating activities			
Administration fees		263,373	246,776
Membership fees		61,688	21,836
		<u>325,061</u>	<u>268,612</u>
Investment activities			
Interest		24,766	26,007
		<u>24,766</u>	<u>26,007</u>
3. SURPLUS FROM OPERATIONS			
The net profit from ordinary activities is after charging expenses for:			
Depreciation and amortisation of non-current assets		2,991	2,991
Audit costs		4,000	1,500
Management fees	15	202,117	191,431
Distribution costs		10,528	8,749
Governance and compliance		19,242	19,825
Finance costs		2,337	1,766
Travel expenses		9,498	4,221
Property costs		10,378	13,893
Other operating expenses		60	1,959
		<u>261,151</u>	<u>246,335</u>
4. CASH AND CASH EQUIVALENTS			
Cash at bank and on hand		1,844,745	1,908,681
		<u>1,844,745</u>	<u>1,908,681</u>
(a) Reconciliation of cash at the end of the year			
The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:			
Balance per Statement of Cash Flows		1,844,745	1,908,681
		<u>1,844,745</u>	<u>1,908,681</u>
(b) Cash at bank			
The deposits bear floating interest rates between 0% and 2.10% (2017: 0% - 2.10%)			
5. TRADE AND OTHER RECEIVABLES			
Debtors		1,388	531
		<u>1,388</u>	<u>531</u>
6. OTHER CURRENT ASSETS			
Prepayments		2,901	49,819
Deposits		-	-
		<u>2,901</u>	<u>49,819</u>
7. DATABASE			
Database – at cost		6,500	6,500
Accumulated amortisation		(6,500)	(4,333)
		<u>-</u>	<u>2,167</u>
Movements in carrying amounts during the year were:			
Beginning of year		2,167	4,333
Purchases		-	-
Amortisation expense		(2,167)	(2,166)
Carrying amount at end of year		<u>-</u>	<u>2,167</u>
8. PLANT AND EQUIPMENT			
Equipment – at cost		2,472	2,472
Accumulated depreciation		(1,648)	(824)
		<u>824</u>	<u>1,648</u>
Movements in carrying amounts during the year were:			
Beginning of year		1,648	-
Purchases		-	2,472
Depreciation expense		(824)	(824)
Carrying amount at end of year		<u>824</u>	<u>1,648</u>

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 DECEMBER 2018 (cont.)

	note	2018	2017
		\$	\$
9. PROPERTY			
Purchase price – Wattle Street, Ultimo		460,000	460,000
Stamp duty		18,280	18,280
Incidental costs		2,428	2,428
		<u>480,708</u>	<u>480,708</u>
Movements in carrying amounts during the year were:			
Beginning of year		480,708	-
Purchase price		-	460,000
Incidental costs of purchase		-	20,708
Depreciation expense		-	-
Carrying amount at end of year		<u>480,708</u>	<u>480,708</u>
10. TRADE AND OTHER ACCOUNTS PAYABLE			
Trade creditors		-	2,552
GST, RWT and PAYG		65,330	44,606
Accruals		7,750	3,000
		<u>73,080</u>	<u>50,158</u>
11. AUDITORS' REMUNERATION PAID OR PAYABLE			
Auditing the Financial Statements - current year		4,000	1,650
- prior year		1,650	2200
Other services (including prior year)		-	-
		<u>-</u>	<u>-</u>
12. LIABILITIES			
Current liabilities:			
Cultural Fund	13	70,560	51,044
Development Fund	14	82,514	75,235
Distributions payable		<u>1,547,927</u>	<u>1,799,307</u>
		<u>1,701,001</u>	<u>1,925,586</u>
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:			
Beginning of year		51,044	39,750
Collections		70,016	49,294
Donation paid to Australian Directors Guild Ltd		(40,000)	(33,000)
Donations paid to Motion Picture Industry Benevolent Society		(10,000)	-
Donations paid to Women in Film and Television		(500)	-
Donation paid to Guild of New Zealand		-	(5,000)
Carrying amount at end of year		<u>70,560</u>	<u>51,044</u>
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:			
Beginning of year		75,235	82,060
Undistributed funds transferred		29,206	(4,006)
Reimburse costs incurred for future benefits		(14,040)	-
Reimburse distributions made from funds previously closed		<u>(7,887)</u>	<u>(2,819)</u>
		<u>82,514</u>	<u>75,235</u>

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 DECEMBER 2018 (cont.)

		2018	2017
		\$	\$
15. MANAGEMENT FEES			
Employment expenses		170,826	164,080
Travel expenses		994	171
Office amenities		4,140	4,166
Honorarium		1,738	2,240
Insurance		2,529	1,385
Internet & website		3,316	3,263
Legal fees		481	342
Contractors		14,905	7,648
Other expenses		59	5,788
Phone & fax		3,129	2,348
		<u>202,117</u>	<u>191,431</u>
16. CASH FLOW INFORMATION			
Reconciliation of cash flow from operating activities with the surplus for the year			
Surplus for the year		88,676	48,284
Non-cash items included in the surplus:			
Increase / (decrease) in provisions		-	-
Depreciation and amortisation		2,991	2,991
Changes in assets and liabilities:			
(Increase) / decrease in accounts receivable & prepayments		46,061	(49,026)
Decrease / (increase) in other financial assets		-	-
Increase / (decrease) in accounts payable		(201,664)	290,453
(Decrease) in other financial liabilities		-	-
Net cash provided by operations		(63,936)	292,702
17. KEY MANAGEMENT PERSONNEL COMPENSATION			
(a) Directors			
Details of directors of the company during the financial year are listed in Note 20.			
(b) Compensation paid to other key management personnel			
The board's policy for determining the nature and amount of compensation for other key management personnel (kmp) is based on a number of factors, including level of responsibilities, experience, performance and overall performance of the company. The contracts for service with kmp are on an ongoing basis and the terms are not expected to change in the immediate future. Upon terminating their employment with the company, kmp are paid their employment entitlements accrued to the date of termination. Compensation paid or payable to other kmp during the year was			
Short-term benefits		-	-
Post-employment benefits - superannuation		-	-
Other long-term benefits - long service leave		-	-
Termination benefits		-	-
Share-based payments (not applicable as the company is limited by guarantee)		-	-
		<u>-</u>	<u>-</u>
(c) Other transactions and balances with key management personnel			
No director or kmp has entered into a material contract with the company since the end of the financial year and there were no material contracts involving kmp's interests subsisting at balance date other than employment contracts.			
		<u>-</u>	<u>-</u>
18. OTHER RELATED PARTY TRANSACTIONS			
There were no other related party transactions.			
		<u>-</u>	<u>-</u>

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 DECEMBER 2018 (cont.)

19. 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

	Rate %	Floating Rate \$	Non-Interest \$	Total \$
2018				
Financial Assets:				
Cash and cash equivalents	2.10	1,844,745	-	1,844,745
Receivables, prepayments and deposits	2.10	-	4,289	4,289
Financial Liabilities:				
Accounts payable, provisions and collections for distribution		-	1,774,081	1,774,081
2017				
Financial Assets:				
Cash and cash equivalents	2.10	1,908,681	-	1,908,681
Receivables, prepayments and deposits	2.10	-	50,350	50,350
Financial Liabilities:				
Accounts payable, provisions and collections for distribution		-	1,975,744	1,975,744

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

	2018 Carrying Amount \$	2018 Net Fair Value \$	2017 Carrying Amount \$	2017 Net Fair Value \$
Financial Assets:				
Cash and cash equivalents	1,844,745	1,844,745	1,908,681	1,908,681
Receivables, prepayments and deposits	4,289	4,289	50,350	50,350
Financial Liabilities:				
Accounts payable, provisions and cash for distribution	1,774,081	1,774,081	1,975,744	1,975,744

20. INFORMATION ON DIRECTORS

Directors in office at the date of this report:

Grant Campbell, Director, Appointed 2016
 Donald Crombie, Director, Appointed 2013
 Pat Fiske, Director, Appointed 2017
 Scott Hartford-David, Director, Appointed 2015
 Kevin Lucas, Director, Appointed 2015
 Stephen Wallace, Director, Appointed 2014

Directors holding office during the year but not in office at the date of this report:

Lauren Hillier, Director, Appointed 2015

Directors' attendances during the year at Board meetings they were entitled to attend:

	Attended	Entitled		Attended	Entitled
Grant Campbell	5	5	Lauren Hillier	2	3
Donald Crombie	5	5	Kevin Lucas	5	5
Pat Fiske	3	5	Stephen Wallace	5	5
Scott Hartford-David	4	5			

21. CONTINGENT LIABILITIES

There are no contingent liabilities that are not reflected in the Balance Sheet.

22. COMMITMENTS FOR EXPENDITURE

There are no commitments for expenditure that are not reflected in the Balance Sheet.

**AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134**

NOTES TO AND FORMING PART OF THE ACCOUNTS 31 DECEMBER 2018 (cont.)

23. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year that have or may significantly affect the company's operations, the results of those operations or the state of affairs in subsequent financial years.

24. 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.

AUSTRALIAN SCREEN DIRECTORS AUTHORSHIP COLLECTING SOCIETY LTD
ABN 80 071 719 134

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)

	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$
INCOME					
Collections	1,750,408	1,213,315	1,112,132	957,042	758,891
Interest	24,766	26,007	28,714	24,481	29,231
to Cultural Fund	(74,796)	(53,782)	(48,280)	(41,739)	(30,385)
to Distributable Funds	(1,410,017)	(912,316)	(835,330)	(705,941)	(543,567)
Membership fees	61,688	21,836	26,518	14,248	4,722
	<u>352,049</u>	<u>295,060</u>	<u>283,754</u>	<u>248,091</u>	<u>218,891</u>
ADMINISTRATION COSTS					
Distribution costs	12,751	8,749	10,894	12,055	5,408
Governance	4,193	4,777	3,470	1,291	7,588
Compliance	4,049	1,548	2,122	2,546	216
Risk management	-	-	-	-	1,477
Office facilities	-	-	-	-	6,029
Personnel	15,000	15,359	15,150	15,804	132,790
Depreciation and amortisation	2,991	2,991	2,167	3,101	22,889
Communications	-	1,291	-	160	5,184
Consumables	2,397	2,516	2,218	785	316
Travel	9,498	4,221	11,113	17,078	-
Service fee to ADG	202,116	191,431	180,734	156,174	-
Property costs	10,378	13,893	-	-	-
	<u>263,373</u>	<u>246,776</u>	<u>227,868</u>	<u>208,994</u>	<u>181,897</u>
SPECIFIC PURPOSE EXPENDITURE					
Consulting	-	-	500	500	-
ADG expense	-	-	-	7200	-
Legal	-	-	-	-	102,530
	<u>-</u>	<u>-</u>	<u>500</u>	<u>7700</u>	<u>102,530</u>
Gross Profit/(Loss)	88,676	48,284	55,386	31,397	(65,536)
Less Income Tax	-	-	-	-	-
NET PROFIT	<u>88,676</u>	<u>48,284</u>	<u>55,386</u>	<u>31,397</u>	<u>(65,536)</u>

Independent Audit Report to the members of Australian Screen Directors Authorship Collecting Society Ltd

A.B.N. 80 071 719 134

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of 2018 Australia Screen Directors Authorship Collecting Society Ltd (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements 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 31 December 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 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 auditor's report.

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

Emphasis of Matter -Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Gary Williams FCA RCA
Partner
Registered Company Auditor 4019

Location: Bondi Junction

Dated this ...29.....day ofApril..... 2019