2015 Annual Report

6 June 2016
Annual General Meeting
Year ending 31 December 2015
Chairperson’s Report

It is with pleasure that I submit this report to the Annual General Meeting of the Mitchell Conservatorium Board for the calendar year 2015.

My first full year as chairman of the Mitchell Conservatorium has been one of challenges and steep learning curves. I have learnt how to run a meeting in a time efficient, and hopefully productive manner. I have also learnt about many of the intricacies, complexities, difficulties as well as the advantages and successes of a multi-campus organisation. I now feel I have a much clearer picture of Mitchell Conservatorium’s place in the community, it’s importance, its relevance, and the challenges, we as the board of this organisation face in the future.

Funding, as always, is a never ending issue and while we could always do with more, the board has tried to ensure we have maximised our potential earnings and grant money through our new, three year, strategic plan. Thank you to all board members who gave up many weekend hours to develop the plan. It was an intense and draining experience but a most rewarding one. We were able to lay a clear and professional path for the future direction of the organisation. The plan also ensures that Mitchell Conservatorium is relevant to the needs of the local communities and that we are ‘Leading, Building and Enriching Lives Through Music” Thanks also to Hamish Tait for guiding us through a very complex development process.

Safety and security in old buildings and with after-hours operations is always an issue and the establishment of the Mitchell Conservatorium Risk Management (incorporating workplace health and safety) committee over the last 12 months has been an important step to ensure the well-being of staff, students, parents and visitors to our campuses. Thanks to Kerry and Martha for their thorough and detailed evaluation and analysis of current practices and their recommendations. This of course will be an ongoing and possibly never ending process but it is also a vitally important one.

In the very near future issues of governance will need to be addressed at the board level. New requirements for regional conservatoriums will mean significant changes in terms of board membership and representation. The Mitchell Conservatorium will soon have to look at restructuring to meet these requirements. This again will be a challenging and complex issue as we strive to achieve a balance which ensures the needs of all stake holders are met and represented.

A very significant decision has recently been announced which will also have a significant influence on our board in the near future. Martha Gelin has announced her retirement from the board. On behalf of the Mitchell Conservatorium I wish to formally acknowledge Martha and thank her for her valuable and generous service to the organisation and wish her the very best in the future.
Finally, thank you to all board members, the executive committee and the conservatorium staff for their work and the support you have given me as chairman. I am looking forward to continuing on this journey over the next twelve months as we lead, build and enrich lives through music.

Andrew Smith

Chairman

Mitchell Conservatorium

6th June 2016
Annual General Meeting
Year ending 31 December 2015
Executive Director’s Report

It is with pleasure that I submit my Executive Director’s report to the members and Board of the Mitchell Conservatorium Incorporated for the year 2015.

Finances

The financial report shows a stable position at the end of 2015, with a smaller operating surplus than 2014, but a slightly increased net position on the organisation’s Balance Sheet. Financial benchmarks of Reserves Ratio, Working Capital and Net Cash in Weeks are all favourable in relation to the levels identified by the (NSW Government) Regional Conservatorium Grants Program – our principal funding body. Our financial position and performance over 2015 is detailed in the Audited Financial report and Treasurer’s report.

Management and Staffing Structure

As is reported under my detailing of performance against KRAs (see pages 5 – 16), the management and staffing structure remained reasonably solid over the year. Financial realities and budgeting imperatives led to an administration restructure towards the end of the year, which resulted in the discontinuation of the position of Projects and Communications Manager. As Executive Director I am keenly aware of how fortunate I am to be supported by a committed, supportive, professional team.

Business activity and Equivalent Teaching Hours

The Semester 2, 2015 activity report (to Government) showed a healthy level of activity, marginally up on the last three semester reporting periods. This level of activity maintains Mitchell Conservatorium’s ranking as a Tier 1 member of the Regional Conservatorium Grants Program.

Premises

Lachlan -

At the end of 2015 we received notice from the NSW government, owner of 11 Spring Street Forbes, of their intention to dispose of the property by mid-2016. We intend to relocate the Forbes administration and teaching operations to a new location in Central Forbes for commencement of term 3, 2016, firm plans are underway to make this change within budget, with the assistance of Forbes Shire Council.

Lithgow -

Improvements to our Lithgow physical presence continue under the stewardship of our Lithgow Director, Annette Milroy. Annette’s experience and strategic understanding of funding opportunities for minor capital works projects continues to represent a boon to the organisation.

Bathurst –

Concerns regarding damp and ventilation in our cottage studios have been communicated to the owner of the cottage, Bathurst Regional Council, at various points throughout the year.
The Council have been attentive to our concerns, and had the building assessed in line with its historical status. Every indication has been given that significant repair and renovation work will be carried out, at Council’s expense, in 2016.

Funding

Operational Grant (Department of Education Regional Conservatorium Grants Program)

DoE funding operates on a triennial agreement; with the current agreement due to expire at the end of June 2016. Tier qualification is determined by equivalent teaching hours (ETH), with a formula for all RC activities (for more information on ETH, see Business activity and Equivalent Teaching Hours, page 3). We consider the relationship with The DoE to be strong and mutually respectful, and anticipate another firm commitment of approximately 24% of our operational budget over the 2016-2019 triennium - in acknowledgement of our compliance with the funding agreement and achievement of state-wide Key Performance Measures.

Community Relationships

CSU

Charles Sturt University’s reassessment of its Community Grants Program has resulted in a diminishing contribution by the University to Mitchell Conservatorium (and two other conservatoriums with similar historical relationships). With the historical amount of $25,000 reducing to $22,500 for 2014, we received $12,500 for 2015, and anticipate $6,500 for 2016.

Schools

The Conservatorium maintained relationships with 53 schools across the 3 divisional territories in 2015, being 31 public schools and 22 non-government. With increased advocacy and greater attention being paid to school-conservatorium relationships and service agreements, we are hopeful that the number of schools in our program will increase over the next 3 years.

Professional Development

We continue to take an enthusiastic and responsive approach to professional learning for our own staff members, and for teachers in schools in our region, and beyond. PD for MitCon staff includes annual Child Protection Training, developmental funds for concert program preparation and funds (available upon application) for third-party industry specific-training and conference attendance.

PD facilitation and delivery for teachers in our region and beyond includes our partnership with the NSW Teachers Federation Centre for Professional Learning, through which we deliver K-6 courses in curriculum delivery and Choral Conducting.

Following is a report against the Key Result Areas articulated in the 2013 – 2016 Mitchell Conservatorium Strategic Plan:

Key Result Area 1: Quality Music Education and Performances

1. Student satisfaction - Conduct annual survey of students seeking feedback on teaching programs across three divisions

- invitation for feedback as a standing element of quarterly newsletter
• 2016 stakeholder survey delivered.
  o Stage 1 - Administration Summit (internal communications), April 18
  o Stage 2 Teaching Staff satisfaction survey (communications with Admin and Management), first 3 weeks of August
  o Stage 3 Student and external stakeholder survey, October / November (three week period)

2. Audience satisfaction - Seek qualitative feedback on concerts through feedback forms provided to audience members
- Seek quantitative data: measure increase/decrease in audience numbers relative to ticket prices and demographic
  • invitation for feedback as a standing element of quarterly newsletter
  • collection of audience email addresses at each concert
  • tightened up mechanism for recording audience numbers form every event (spreadsheet, all events ticketed rather than donation)

3. Increase number of public schools in which Mitchell Con is working
- Increase from 16 to 25 public schools - by June 2016
  • three new public schools added during 2015
    o Cullen Bullen PS
    o Zig Zag PS
    o Carenne Special School
  • End 2015, Mitchell Con is working in 31 public schools

4. Increase number of public school students receiving individual and/or small group tuition
- Increase from 90 to 190 public school students - by June 2016
  • End 2015, there are 245 public school students receiving individual and/or small group tuition

5. Increase number of public schools students participating in ensembles
- Increase from 220 to 235 public school students in ensembles
- by June 2016
  • End 2015, there are 292 public school students in MitCon ensembles

6. Increase number of music workshops offered to public school students including HSC support
- Increase from 4 to 10 workshops per annum - per year, by June 2016
  • End 2015, MitCon engaged in 73 workshops per annum for public school students

7. Increase number of Aboriginal students; language backgrounds other than English
- Increase by 10% across three divisions - by June 2016
  • End 2015, there are 36 Aboriginal students and 62 students from language backgrounds other than English

8. Increase the number of clients with a disability accessing Music therapy
- Increase music therapy clients from 40 to 50 - by June 2016
• End 2015, there are 88 clients living with a disability accessing MitCon music education programs

9. Increase number of remotely located public school students, including video conferencing
   - Increase number of remotely located students from 30 to 45

   • End 2015, there are 45 remotely located students accessing MitCon music education programs

10. Increase number of gifted and talented music students
    - Increase G&T learning from 50 to 55 across three divisions

    • End 2015, there are 165 gifted and talented students accessing MitCon music education programs

11. Increase number of early childhood music students from 170 to 200
    - Introduce annual ECM concert in all three divisions

    • Various marketing strategies undertaken in 2015, including:
      o Radio advertising campaign
      o ECM open days
      o ECM Facebook page (from term 2 2015) with dedicated ECM FB officer
      o Inclusion of ECM in remit of Associate Director to increase organisational focus and raise priority

    • ECM concerts held in each of the three MitCon regions

    • End 2015, there are 41 Early Childhood Music students
      o Increased competition in the market place has proved a significant impediment in growing this program

12. Increase number of music professional learning courses offered to public school teachers
    - Increase courses offered from 1 to 4 - by June 2016

    • 4 courses offered by MitCon ED in Association with ANSWRC in 2015

13. Increase number of non-government schools
    - Increase from 19 to 22 - by June 2016

    • One new non-government school added during 2015
      o Skillsset Senior College

    • End 2015, Mitchell Con is working in 22 non-government schools

14. Increase number of non-government school students receiving individual or small group tuition
    - Increase from 500 to 560 across three divisions - by June 2016

    • End 2015, there are 530 non-government school students receiving individual and/or small group tuition

15. Increase number of non-government school students in ensembles
    - Increase from 500 to 530 across three divisions - by June 2016

    • End 2015, there are 75 non-government school students in MitCon ensembles (not
including schools programs, not including affiliate ensembles – Allegri Singers, Bathurst City and RSL Club Band, Musique Classique)

16. Increase number of adult community members receiving tuition
- Increase from 220 to 235 across three divisions - by June 2016
  
  • At end semester 1 2015, there are 137 adult students receiving tuition across the four studios (3 regions)

17. Professional performance programs
- Maintain/develop schedule of at least 3 tours annually by visiting artist; performing in Bathurst, Forbes, Parkes and Lithgow including smaller towns in the Central West
  
  • 2015 schedule of events included 4 touring concert programs of a minimum of 3 towns

- Maintain/develop staff performance opportunities in solo/chamber music across three divisions: target of 9 per year
  
  • 2015 schedule of events includes 12 staff performance opportunities in solo/chamber music across MitCon territories

- Maintain continuous grant applications from organisations such as Arts NSW, CASP, RAF to provide/develop performance opportunities
  - annually and ongoing
    
    • Regional Arts fund and CASP applications submitted for qualifying projects
    • ED sat on funding panels for ArtsNSW, including Chair of the Music Panel, to maintain currency of familiarity with processes and standards of best (application) practice

18. Student performance opportunities
- Maintain/develop teacher studio concerts; increase teachers presenting student concerts from 6 to 10
  
  • Number of Teacher presented studio concerts: 16

- Increase Conservatorium student concerts from 15 to 20 across three divisions -by June 2016
  
  • Student performances in 2015: 24

19. Workshops provided at Mitchell Con for enrolled students
- Increase from 6 to 9 across three divisions - by June 2016
  
  • Workshops provided at Mitchell Con for enrolled students in 2015: 20

20. Increase number of students being taught through videoconferencing
- 20% increase in students across three divisions
- by June 2016
• End 2015, there are 21 students receiving tuition through videoconferencing across the four studios (3 regions), with VC equipment at each of the four studios

21 Community Ensembles - Bathurst: establish adult beginning string orchestra; maintain Bathurst Chamber Orchestra

• MOU to bring BCO directly under the banner of MitCon implemented
• Adult beginning string orchestra established in Bathurst

- Lachlan: maintain community orchestra

• Maintained

maintain partnerships with Forbes Town Band, Forbes Shire Choir and Parkes Shire Bands

• maintained

- Lithgow: establish string and woodwind ensembles develop affiliations with Lithgow Community Orchestra and Lithgow City Band,

• MOU bringing LCO directly under the banner of MitCon, signed July15
• Affiliation developing between MitCon and LCB (ED completed a weekend workshop/recording with LCB as first tangible step, 11,12 July 2015)

Develop affiliations with community jazz band
- by January 2015

• Jazz Band dissolved early in 2014 as financially non-viable
• Steps underway to establish a contemporary ensembles program. Long term process

Key Result Area 2: Governance

• Governance Training Day attended by ED and Vice Chair as part of the ANSWRC Annual Conference, May 29 - including Child Protection awareness and responsibilities, and comprehensive risk assessment and management principles.

Key Result Area 3: Business Performance

1. Achieve annual budget surplus - Review areas of capital expenditure
- Monthly review of financial position by the finance committee

• 2015 saw a modest budget surplus of $6273

- Regular monitoring of program expenditure

• achieved

- Monitor and review administrative processes and efficiencies

• achieved
- Monitor and review best practice and productivity of management staff
  
  • achieved

2. Board of Management performance - Review/monitor Board’s performance and/or level of engagement according to KRA 2 above
- annually
  
  • achieved

3. Retain existing students - Measure student increases versus student losses; document reasons for withdrawal from lessons
  
  • achieved

4. Increase student numbers - per KRA 1 above

5. Retain existing ensembles - Maintain student base and skilled tutors/conductors (develop succession plan where applicable)

6. Develop new ensembles - Identify needs for new ensembles (as per KRA 1 above)
- Identify/manage ensemble sustainability including development of student base and teachers skills
  
  • Chamber Music Academy maintained and developed, this includes new ensembles.
  • Viability of ensembles constantly monitored.

7. Partnerships with schools - Secure school client base. Positive & stable relationships with schools & other music education providers
  
  • Dedicated staffing resource established and maintained
  • Bi-annual face-to-face meetings with all Principals/Heads of Music in the case of secondary schools
    ○ Regular electronic communication with same to ensure that MitCon is meeting needs of the schools.

8. Engagement with other arts organisations
- Retain and develop partnership with Bathurst Base Hospital’s Arts program coordinator
- Lithgow; develop partnership with Greater Lithgow Arts Council to continue assisting with promotion of visiting artists
- Forbes & Parkes; retain partnership with Lindsay Morehouse (Parkes concert promoter); maintain partnerships with Kalari-Lachlan River Arts Festival, Parkes and Forbes town bands.
- Seek grant opportunities across three divisions
  
  • all in place
Key Result Area 4: Business Development

1. Marketing - Develop role of publicity officer including effective communication protocols, measurable goals and targets, website training
   
   - Reviewed at end 2015

   - Develop marketing strategy for teacher retention in regards to developing Conservatorium's reputation as preferred employer
     
     - Retention of teachers was not an issue in 2015. Only losses in last 18 months have been due to career change, relocating out of area, retirement or non-renewal of casual contract.
     
     - Recruitment for replacements for those teachers has resulted in better qualified staff members and increased customer satisfaction in those areas, although student losses occurred in each of the transitions, as is usual in such cases, due to students/student families reassessing enrolment with change of teacher.
     
     - In the case of the retirement of one teacher bearing the majority of Lachlan students, 6 weeks' worth of teaching was lost in the process of recruiting for a suitable replacement.

   - Track change in student numbers, connect with marketing strategies
     
     ongoing

2. Research emerging opportunities - Mitchell conservatorium identifies market trends and gaps in community needs and aspirations
   - Design surveys for key Stakeholders (see 12.2)
     
     - See KRA 1.1

3. Develop Mitchell Conservatorium profile
   - Mitchell conservatoriums stays up to date and contributes to policy discussions by representing Mitchell conservatorium in local, state and national Forums
     
     - See KRA 3.7

   - Promotions Officer & Directors participate in & document participation in Council, community arts & cultural forums
     
     achieved

   - Ensure full attendance at and participation in Association Conferences
     
     achieved

   - Review the presentation of Mitchell Conservatorium buildings & street signage
     
     achieved
     
     new and adequate signage at each studios
- Review Website
  - new website under construction

5. Partnerships

- Strengthened position with Bath. Reg. Council. – with the extra support of: provision at no cost, of BMEC City Hall, for 7 performances per annum.
- Strengthened position with Forbes Council, provision at no cost, of Forbes Town Hall for all MitCon Concerts (approx. 10 per year)
  - Bathurst - ED has met five times with Council, three times with Mayor, twice with Director of Corporate Services
  - Lithgow - ED has met with Mayor twice, community Development Officer twice.
  - Lachlan - ED has met (presented to) council once, and with Director of Cultural Services and Tourism 6 times.

6. Develop & strengthen partnerships with schools
   - Secure school client base. Positive & stable relationships with schools & other music education providers
   - Implement annual agreement between schools and Mitchell Conservatorium for provision of music education services
     - in development

7. Develop family incentive scheme - Promote incentive scheme to parents/families, review participation
     - in development

8. Develop teacher incentive scheme - Monitor participation
   - Track and reward highest achievers
   - Continually encourage staff to participate

     - assessed as ineffective, scheme discontinued for 2016

9. Staff Professional Development - Maintain current advocacy to teachers regarding professional development opportunities, including workshops and education
     - ongoing

10. Funding allowance for additional Campuses though RC Grant Program
    - Assist the Association with developing parameters and protocols around additional financial assistance
    - Monitor ANSWRC’s lobbying of government for increase of Regional Conservatorium funding
    - Apply for additional grant to support operational costs of additional campuses
• ongoing. ED involvement as ANSWRC VP, external. Involvement in all ANSWRC / Government lobbying and advocacy processes.

• Supplementary funds ($25,000 per annum) maintained

**Key Result Area 5: Resources**

1. Administration Staff - Maintain high retention rate
   - Continue cross training payroll and asset management

   • achieved

   - Explore opportunities for teaching staff to work in administrative capacity

   • 5 program coordinator positions (each with allocations of 2 hours per week during term-time) distribute respective administrative duties to the following five education program areas
     o Wind and Brass (built into Associate Director position)
     o Strings; Vocal, Keyboard, Contemporary and Percussion
     o Music and Creative Health
     o Schools
   • Scheme reassessed and refined term 3 2015

   - Explore opportunities for parents to assist with administrative tasks

   • under consideration

   - Ongoing review of consistent performance management processes for all Admin

   • in place

2. Management Staff - Regular review of reporting guidelines for assistant and divisional directors

   • Monthly meetings with management at Lithgow and Lachlan studios

   - Implement appraisal process and timeline for management staff

   • Annual Admin staff performance reviews in place

3. Teaching Staff - Develop marketing strategy for teacher retention in regards to developing reputation as preferred employer

   • See KRA 4.1

   - All staff are well prepared for their roles & clear about the expectations of their conduct especially with regard to integrity and ethical behaviour.

   • Staff Handbooks revised to incorporate updated Code of Conduct, Child Protection, Bullying etc. policies and reporting procedures
- Review induction process and manual for new staff;
- Annual review & update of Staff Handbook, Code of Conduct and Grievance Policy
  - Staff Handbooks revised to incorporate updated Code of Conduct, Child Protection, Bullying etc. policies and reporting procedures
- 3 year target of 90% of staff regard Mitchell Conservatorium as their preferred employer; track Staff loyalty through documentation and staff surveys/annual appraisals.
  - Teaching Staff satisfaction survey completed
- Review measurement tools to map retention, exit interviews and other staff surveys
  - ongoing
- Regularly review protocols & processes to ensure Transparency & consistency in action and communication with all staff
  - ongoing, see KRA 1.1
- Develop electronic memo to teaching staff
  - implemented
- Deliver monthly e-bulletin to teaching staff
  - Implemented
- Explore opportunities for salaried contracts for teaching staff
  - in negotiation with Employsure
- Professional Development program for associate teachers
  - in place
- Over 3 years 75% of teaching staff without formal qualifications successfully undertake a teacher training qualification or MTA certification
  - in progress
- Compile list of current staff & their qualifications & years of teaching experience as baseline measurement
  - implemented
- At least 10% increase each year in the Mitchell Con budget for Professional Development Opportunities
  - in review
- Over the next 3 years implement by stages an internal assessment system in consultation with teaching staff

  • implemented

4. Instrument Bank - Identify needs for new instruments and seek funding opportunities

  • ongoing

- Identify instrumental repairs (both one-off and ongoing), compare costs to instrument hire income

  • ongoing

6. Building and Infrastructure - Project capital expenditure plan for the next 3 years for each division
- Annual review of capital expenditure budget with reference to annual business plan
- Bathurst: painting of upper floor of main building
- Lachlan: secure teaching studios in Parkes

  • achieved

- Lithgow: secure ownership of Sunnybank Building

  • achieved

Replace roof and upgrade heating

  • achieved

7. Physical resource management - Asset register is kept up to date and ready for review by Auditor and Insurance Company

  • achieved

- Regular review of IT software and hardware
- Investigate online timetabling options for teachers

  • achieved

8. VC opportunities for 3 divisions - Identify VC partnership opportunities for Lachlan and Lithgow divisions with schools or TAFE
- Further develop provision of instrumental lessons between campuses when teaching staff are not able to travel weekly.

  • In place, Parkes, Forbes and Lithgow studios

- Further develop provision of instrumental lessons from main campuses to students living in remote areas.
- Increase teacher participation in VC activities from 2 to 6 over the three Divisions
End 2015, there are 8 staff members participating in VC activities across the four studios (3 regions), with VC equipment at each of the four studios

- Continue to identify/survey needs, develop records & measurement tools for the provision of instrumental tuition via VC; regularly review participation
- By June 2016

- See KRA 1.20

9. Biennial donation appeal - Maintain and review biennial appeal
- Annual Survey of Board to consider risk and threats to ongoing financial security of Mitchell Conservatorium and consider action to Protect against drop in student numbers because of drought, economic climate & so on
- Risk management plan for main campus buildings in Bathurst, Lachlan & Lithgow

- Board risk management subcommittee convened August 10 2015

10. Maintain Mitchell Cons competitiveness in each division
- Monitor and review fixed costs

- Increase of fee relief in each budget to reduce the number of clients stopping lessons for financial reasons

- achieved

- Micromanagement of budget/P&L for all programs and events
- annual budgeting process
- survey other extra curricula providers to ensure Mitchell Con remains Competitive

- achieved

11. Successful Grant Applications - Source funding for educational programs from grants
- Set target groups & programs and goals

- ongoing

12. Sponsorship - Directors Identify programs needing financial support; funds are allocated accordingly
- Develop a sponsorship and marketing plan for each of the 3 divisions,
- Set baseline for sponsorship levels
- Set targets to be achieved by each Director/Assistant Director

- Board Fundraising Subcommittee convened in July 2015.

- Draft Sponsorship brochure created
At the ANSWRC (annual) Conference in May 2015, DEC reported that Mitchell Conservatorium is ranked in equal first place in regard to the % of Funding Agreement KPIs above benchmark. (67%) 

I would like to close by thanking the Board, staff and students of Mitchell, for their ongoing commitment and support.

This fine and important community organisation will continue to strive to fill a genuine need in the community; provide guidance, and create new pathways to enhance quality of life for musicians and musicians-to-be of all ages.

Graham Sattler
Executive Director

6 June 2016
Mitchell Conservatorium Inc.

Treasurers Report the Calendar Year 2015

The audited accounts for the calendar year 2015 showed a net profit of $6,273 against a budget net profit of $20,000. The results are summarised below.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$1,81,601</td>
<td>$1,801,196</td>
</tr>
<tr>
<td>Expenditure</td>
<td>$1,809,737</td>
<td>$1,732,957</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$6,273</td>
<td>$68,239</td>
</tr>
</tbody>
</table>

During 2015 Income increased from 2014 by $14,814 with the main items as follows.

- Chamber Music academy and community scholarships income decreased by $14,196
- Grants and donations increased by $27,177
- Subsidies - CSU decreased by $10,000
- Ticket sales – concerts increased by $14,535
- Travel reimbursement increased by $5,314
- Tuition fees decreased by $14,912

During 2015 expenditure increased from 2014 by $76,780 with the main items as follows.

- Advertising increased by $13,715
- Depreciation decreased by $6,459
- External tuition fees increased by $21,986
- Performances – contractors decreased by $8,650
- Rent increased by $7,655
- Scholarships – musicianship decreased by $9,271
- Travelling expenses increased by $25,281
- Wages and salaries increased by $27,451
- Long service leave provision decreased by $9,308

During the course of calendar year 2015 there were some income and expenditure items that threatened the positive financial end of year result for the Mitchell Conservatorium of Music. These items included student income, grants and performance revenues; and are described separately in the Treasurers Report for the period ending 30 September 2015. This report also contained recommendations to address the issues which focussed on tight expenditure controls for the remainder of the year.

It is pleasing to see that the final result of a net profit of $6,273 was achieved. This result is also consistent with the Mitchell Conservatorium of Music being a not for profit organisation.

The Balance sheet is summarised below for the calendar years 2015 and 2014.

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<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>$481,732</td>
<td>$503,477</td>
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<tr>
<td>Non-Current Assets</td>
<td>$573,855</td>
<td>$523,105</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$1,055,587</td>
<td>$1,026,582</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>$351,080</td>
<td>$298,452</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td>$36,099</td>
<td>$65,995</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$387,179</td>
<td>$364,447</td>
</tr>
<tr>
<td>Total Equity</td>
<td>$668,408</td>
<td>$662,408</td>
</tr>
</tbody>
</table>
The current assets position reflects the status of bank accounts and other holdings, showing a small reduction from 2014. The value of non-current assets increased during 2015 which was largely due to the addition of the Gelin-Read string quartet instruments which were generously donated by Martha and Ben Gelin. Current liabilities increased largely due to an increase in accrued expenses. Non-current liabilities decreased largely due to a decrease in the provision for long service leave.

The cash position shows cash and cash equivalents for 2015 being $300,647 compared to $272,088 for 2014.

Andrew Davies
BE, MBA, MIEAust, CPEng
Treasurer Mitchell Conservatorium Inc.
30 May 2016
MITCHELL CONSERVATORIUM INC
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015
# MITCHELL CONSERVATORIUM INCORPORATED

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### MITCHELL CONSERVATORIUM INCORPORATED

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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<th>Note</th>
<th>2015</th>
<th>2014</th>
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<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
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<tr>
<td>Account Reminder Fees Received</td>
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<tr>
<td>Bad Debts Recovered</td>
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<tr>
<td>Carols by Candlelight</td>
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<tr>
<td>Chamber Music Academy</td>
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<td>Community Scholarships</td>
<td>14,888</td>
<td>19,336</td>
</tr>
<tr>
<td>DET Grant</td>
<td>2</td>
<td>446,258</td>
</tr>
<tr>
<td>Donations</td>
<td>64,972</td>
<td>4,788</td>
</tr>
<tr>
<td>Enrolment Fees</td>
<td>10,276</td>
<td>9,452</td>
</tr>
<tr>
<td>Friends Levy</td>
<td>27,193</td>
<td>22,270</td>
</tr>
<tr>
<td>Hire Fees</td>
<td>7,434</td>
<td>8,232</td>
</tr>
<tr>
<td>Interest Received</td>
<td>10,508</td>
<td>10,235</td>
</tr>
<tr>
<td>Late Fees Received</td>
<td>2,570</td>
<td>3,743</td>
</tr>
<tr>
<td>Merchandise Sales</td>
<td>231</td>
<td>1,005</td>
</tr>
<tr>
<td>Other Grants</td>
<td>5,300</td>
<td>77,065</td>
</tr>
<tr>
<td>Parental Leave Payment</td>
<td>1,282</td>
<td>10,257</td>
</tr>
<tr>
<td>Service Fees</td>
<td>426,592</td>
<td>427,915</td>
</tr>
<tr>
<td>Studio Rental</td>
<td>5,475</td>
<td>1,626</td>
</tr>
<tr>
<td>Subsidies - CSU</td>
<td>12,500</td>
<td>22,500</td>
</tr>
<tr>
<td>Ticket Sales - Concerts</td>
<td>45,115</td>
<td>30,580</td>
</tr>
<tr>
<td>Travel Reimbursement</td>
<td>7,618</td>
<td>2,304</td>
</tr>
<tr>
<td>Trinity Exam</td>
<td>14,441</td>
<td>11,496</td>
</tr>
<tr>
<td>Tuition Fees</td>
<td>685,810</td>
<td>700,722</td>
</tr>
<tr>
<td>Workshops</td>
<td>12,264</td>
<td>6,031</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>1,816,010</strong></td>
<td><strong>1,801,196</strong></td>
</tr>
</tbody>
</table>

| **EXPENDITURE** |       |       |
| **Advertising** |     |       |
| **Auditor's Remuneration** | 22,890 | 9,175 |
| **Bank Charges** | 8,000 | 7,900 |
| **Carols By Candlelight** | 8,460 | 7,762 |
| **Chamber Music Academy** | 5,294 | 3,624 |
| **Cleaning** | - | 4,500 |
| **Complimentary, Special & ECM** | 21,434 | 20,673 |
| **Consultancy Fees** | 2,644 | 10,723 |
| **Depreciation** | 2,524 | 45,626 |
| **Donations & Prizes** | 1,665 | 2,301 |
| **Doubtful & Bad Debts Written Off** | 2,262 | 5,604 |
| **External Tuition Fees** | 32,242 | 10,256 |
| **Heating & Lighting** | 13,553 | 12,574 |
| **Insurance** | 26,044 | 25,172 |

*The accompanying notes form part of these financial statements.*
MITCHELL CONSERVATORIUM INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>Motor Vehicle Expenses</th>
<th>2015</th>
<th>Performances — Contractors</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>3,144</td>
<td></td>
<td>5,845</td>
</tr>
<tr>
<td></td>
<td>Postage</td>
<td>3,391</td>
<td></td>
<td>3,573</td>
</tr>
<tr>
<td></td>
<td>Printing &amp; Stationery</td>
<td>11,681</td>
<td></td>
<td>12,000</td>
</tr>
<tr>
<td></td>
<td>Program Subsidies — Music Therapy</td>
<td>8,005</td>
<td></td>
<td>6,161</td>
</tr>
<tr>
<td></td>
<td>Program Subsidies — School Band</td>
<td>2,248</td>
<td></td>
<td>2,529</td>
</tr>
<tr>
<td></td>
<td>Program Subsidies — Program Coordinator</td>
<td>11,417</td>
<td></td>
<td>5,814</td>
</tr>
<tr>
<td></td>
<td>Rates &amp; Charges</td>
<td>2,004</td>
<td></td>
<td>3,753</td>
</tr>
<tr>
<td></td>
<td>Rent</td>
<td>19,947</td>
<td></td>
<td>12,292</td>
</tr>
<tr>
<td></td>
<td>Repairs &amp; Maintenance</td>
<td>16,005</td>
<td></td>
<td>14,484</td>
</tr>
<tr>
<td></td>
<td>Robbery — Lithgow</td>
<td>-</td>
<td></td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>Scholarships — Bursary</td>
<td>1,036</td>
<td></td>
<td>3,132</td>
</tr>
<tr>
<td></td>
<td>Scholarships — Musicianship</td>
<td>-</td>
<td></td>
<td>9,271</td>
</tr>
<tr>
<td></td>
<td>Scholarships — Other</td>
<td>33,673</td>
<td></td>
<td>26,065</td>
</tr>
<tr>
<td></td>
<td>Sheet Music Fund</td>
<td>798</td>
<td></td>
<td>1,288</td>
</tr>
<tr>
<td></td>
<td>Software &amp; Website</td>
<td>12,954</td>
<td></td>
<td>10,258</td>
</tr>
<tr>
<td></td>
<td>Staff Development</td>
<td>4,889</td>
<td></td>
<td>3,469</td>
</tr>
<tr>
<td></td>
<td>Subscriptions</td>
<td>4,457</td>
<td></td>
<td>4,161</td>
</tr>
<tr>
<td></td>
<td>Sundry Expenses</td>
<td>8,378</td>
<td></td>
<td>7,627</td>
</tr>
<tr>
<td></td>
<td>Superannuation</td>
<td>109,600</td>
<td></td>
<td>103,344</td>
</tr>
<tr>
<td></td>
<td>Teacher Incentive Payment</td>
<td>350</td>
<td></td>
<td>1,225</td>
</tr>
<tr>
<td></td>
<td>Telephone &amp; Communication Expenses</td>
<td>10,203</td>
<td></td>
<td>8,307</td>
</tr>
<tr>
<td></td>
<td>Travelling Expenses</td>
<td>63,219</td>
<td></td>
<td>37,938</td>
</tr>
<tr>
<td></td>
<td>Trinity</td>
<td>9,931</td>
<td></td>
<td>8,969</td>
</tr>
<tr>
<td></td>
<td>Wages &amp; Salaries</td>
<td>1,143,170</td>
<td></td>
<td>1,115,719</td>
</tr>
<tr>
<td></td>
<td>Workshop Cost</td>
<td>13,075</td>
<td></td>
<td>9,483</td>
</tr>
<tr>
<td></td>
<td>Annual Leave Provision</td>
<td>1(c)</td>
<td></td>
<td>5,362</td>
</tr>
<tr>
<td></td>
<td>Long Service Leave Provision</td>
<td>1(c)</td>
<td></td>
<td>13,524</td>
</tr>
<tr>
<td></td>
<td>Parental Leave</td>
<td>5,257</td>
<td></td>
<td>6,282</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING PROFIT/(LOSS) FOR THE YEAR</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,273</td>
<td>68,239</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
MORCHE CONSERVATORIUM INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand</td>
<td>910</td>
<td>770</td>
</tr>
<tr>
<td>Reliance Credit Union - Term Deposits</td>
<td>158,623</td>
<td>213,378</td>
</tr>
<tr>
<td>Reliance Credit Union - Cash Management</td>
<td>232,100</td>
<td>229,832</td>
</tr>
<tr>
<td>Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliance Credit Union - Cheque Account</td>
<td>23,661</td>
<td>6,667</td>
</tr>
<tr>
<td>Reliance Credit Union – Power up eSaver Account</td>
<td>26,176</td>
<td>28,744</td>
</tr>
<tr>
<td>Reliance Credit Union - Visa Debit Card</td>
<td>500</td>
<td>411</td>
</tr>
<tr>
<td>National Australia Bank – BPay Account</td>
<td>1,452</td>
<td>888</td>
</tr>
<tr>
<td>ROCO Donations Account</td>
<td>15,848</td>
<td>4,776</td>
</tr>
<tr>
<td>Debtors</td>
<td>10,402</td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Insurance</td>
<td>10,860</td>
<td>10,920</td>
</tr>
<tr>
<td>- Expenses</td>
<td>1,200</td>
<td>1,200</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>481,732</td>
<td>503,477</td>
</tr>
</tbody>
</table>

NON CURRENT ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>70,100</td>
<td>70,100</td>
</tr>
<tr>
<td>Building</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>15,000</td>
<td>9,000</td>
</tr>
<tr>
<td></td>
<td>285,000</td>
<td>291,000</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>150,126</td>
<td>148,278</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>55,688</td>
<td>47,422</td>
</tr>
<tr>
<td></td>
<td>94,438</td>
<td>100,856</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>125,874</td>
<td>142,814</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>118,248</td>
<td>133,559</td>
</tr>
<tr>
<td></td>
<td>7,626</td>
<td>9,255</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>46,184</td>
<td>13,688</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>14,867</td>
<td>13,688</td>
</tr>
<tr>
<td></td>
<td>31,317</td>
<td></td>
</tr>
<tr>
<td>Musical Instruments</td>
<td>324,746</td>
<td>279,312</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>243,817</td>
<td>232,803</td>
</tr>
<tr>
<td></td>
<td>81,129</td>
<td>46,509</td>
</tr>
<tr>
<td>Furniture &amp; Fittings</td>
<td>73,511</td>
<td>73,664</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>69,276</td>
<td>68,289</td>
</tr>
<tr>
<td></td>
<td>4,235</td>
<td>5,375</td>
</tr>
<tr>
<td></td>
<td>573,845</td>
<td>523,095</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
MORCHELL CONSERVATORIUM INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015 $</th>
<th>2014 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares - Reliance Credit Union</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>TOTAL NON CURRENT ASSETS</strong></td>
<td>573,855</td>
<td>523,105</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>1,055,587</td>
<td>1,026,582</td>
</tr>
</tbody>
</table>

**CURRENT LIABILITIES**

- Scholarships Received in Advance | 11,295 | 12,386 |
- Student Fees Received in Advance | 16,895 | 8,000 |
- Income Received in Advance | 112,488 | 102,030 |
- Creditors | 11,873 | 15,467 |
- Accrued Audit Fees | 8,000 | 7,900 |
- Accrued Expenses | 37,774 | 3,781 |
- Superannuation Payable | 11,647 | 9,744 |
- Provision for Annual Leave | 21,512 | 16,150 |
- Provision for Long Service Leave | 43,835 | 43,354 |
- PAYG Withholding Payable | 17,396 | 19,882 |
- GST Payable | 23,785 | 21,084 |
- Accrued Wages | 11,225 | 12,396 |
- Teachers Holiday Pay | 3,220 | 6,090 |
- Provision for Friends Levy | 20,135 | 20,188 |
| **TOTAL CURRENT LIABILITIES** | 351,080 | 298,452 |

**NON-CURRENT LIABILITIES**

- Creditor | 12,529 | 20,882 |
- Provision for Long Service Leave | 23,570 | 45,113 |
| **TOTAL NON CURRENT LIABILITIES** | 36,099 | 65,995 |
| **TOTAL LIABILITIES** | 387,179 | 364,447 |
| **NET ASSETS** | 668,408 | 662,135 |
| **MEMBERS' EQUITY** | 668,408 | 662,135 |
| Retained Profits | 668,408 | 662,135 |
| **TOTAL EQUITY** | 668,408 | 662,135 |

*The accompanying notes form part of these financial statements.*
MITCHELL CONSERVATORIUM INCORPORATED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>Retained Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 January 2014</td>
<td>593,896</td>
</tr>
<tr>
<td>Operating profit/(loss) for the year</td>
<td>68,239</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2014</strong></td>
<td><strong>662,135</strong></td>
</tr>
<tr>
<td>Balance at 1 January 2015</td>
<td>662,135</td>
</tr>
<tr>
<td>Operating profit/(loss) for the year</td>
<td>6,273</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2015</strong></td>
<td><strong>668,408</strong></td>
</tr>
</tbody>
</table>

*The accompanying notes form part of these financial statements.*
MITCHELL CONSERVATORIUM INCORPORATED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash receipts in the course of operations</td>
<td>1,888,143</td>
<td>1,802,748</td>
</tr>
<tr>
<td>Interest received</td>
<td>10,508</td>
<td>10,235</td>
</tr>
<tr>
<td>Cash payments in the course of operations</td>
<td>(1,834,930)</td>
<td>(1,744,044)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>9.2</td>
<td>63,721</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for property, plant and equipments</td>
<td>(89,917)</td>
<td>(14,156)</td>
</tr>
<tr>
<td>Payments for investments</td>
<td>-</td>
<td>(103,248)</td>
</tr>
<tr>
<td>Proceeds from disposal of investments</td>
<td>54,755</td>
<td></td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(25,162)</td>
<td>(117,404)</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash held</td>
<td>28,559</td>
<td>(48,465)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td>9.1</td>
<td>272,088</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the financial year</td>
<td>9.1</td>
<td>300,647</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and Association Incorporation Reform Act 2012 and for use by the committee and members of the association. The committee has determined that the association is not a reporting entity.

The report is prepared on an accruals basis and is based on historic costs and except where stated does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The financial report is in accordance with the requirements of the following applicable Accounting Standards and Australians Accounting Interpretations, as required by subdivision 60-C of the ACNC Regulations 2013 (Cwith):

- AASB 101: Presentation of Financial Statements
- AASB 107: Statement of Cash Flows
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1031: Materiality
- AASB 1048: Interpretation and Application of Standards
- AASB 1054: Australian Additional Disclosures

No other applicable Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been intentionally applied.

Significant accounting policies that have been involved in the preparations and presentation of financial statements are:-

**Revenue**

Grant revenue is recognised in the statement of financial performance when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution the recognition of the grant as a revenue will be deferred until those conditions are satisfied.

When grant revenue is received and the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor. Otherwise the grant is recognised as income on receipt.

Revenue from tuition and service fees is invoiced to students on enrolment each term, and is recognised on invoicing.

Revenue from the rendering of a service will be recognised upon delivery of the service to the customers.

Other revenue is recognised on receipt.

All revenue is stated net of the amount of goods and services tax (GST).

**Income Tax**

The Income Tax Assessment Act 1997 exempts the association from income tax. Consequently, no provision for income tax is required and the principles of tax effect accounting have not been adopted.
1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees but unpaid as at balance date. Employee benefits expected to be settled and benefits arising from wages and salaries, annual leave and long service leave which will be paid have been measured at the amount expected to be paid when the liability falls due. It is the practice to provide for long service leave after five years of service. Contributions made to employee superannuation funds are charged as expenses when incurred.

(d) Fixed assets

Land and building are carried at valuation. Other fixed assets are carried at cost, less where applicable, any accumulated depreciation. The depreciable amount of all assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

(e) Statement of Cash Flows

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

2. ECONOMIC DEPENDENCY

The association receives a major part of its income from government departments. Consequently, it is economically dependent on the continuation of these grants to maintain sustainability.

3. THE CHARITABLE FUNDRAISING ACT

Information and declarations to be furnished under the Charitable Fundraising Act 1991 are as follows:

Information on Material Matters
There are no material matters resulting from fundraising activities this financial year. Members need to note, however, the operating profit from trading activities is $6,273.

How appeal monies are applied
There were no fundraising monies earned during the year.

Information on Traders
Aggregate gross income in which traders were engaged = NIL
Aggregate direct expenditure in which traders were engaged = NIL

List of all Forms of Appeals
There were no fundraising appeals during the year.

Comparative Figures and Ratios
There were no fundraising appeals during the year.
4. RENTAL EXPENSE

This expense in the majority is for the use of external halls and rooms used by Mitchell Conservatorium Inc for concerts. Mitchell Conservatorium Inc leases their main premises in Bathurst from the Attorney General's Department of NSW, currently on an indefinite peppercorn agreement of $1.00 per annum. This agreement saves the association considerable occupancy costs.

5. INCOME RECEIVED IN ADVANCE

These funds consist of the NSW Government Education & Communities grants and other grants received for projects in the next year.

6. PROVISION FOR FRIENDS LEVY

This is an amount received on behalf of the Friends of the Conservatorium. Equivalent to a school P & C, the Friends committee comprises of parents of students and interested community members, who will assist students of the Conservatorium by supporting its programs through the use of the funds generated from the family levy. Mitchell Conservatorium Inc owes an amount of $20,135 (2014 - $20,188) to the Friends of the Conservatorium (Friends). Friends have agreed not to pursue this amount until Mitchell Conservatorium Inc has sufficient available funds to make payment.

7. DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bathurst</td>
<td>9,050</td>
<td>3,890</td>
</tr>
<tr>
<td>Lachlan</td>
<td>1,064</td>
<td>1,924</td>
</tr>
<tr>
<td>Lithgow</td>
<td>288</td>
<td>77</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>10,402</td>
<td>5,891</td>
</tr>
</tbody>
</table>

8. STUDENT FEES RECEIVED IN ADVANCE

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bathurst</td>
<td>13,208</td>
<td>5,577</td>
</tr>
<tr>
<td>Lachlan</td>
<td>2,809</td>
<td>1,970</td>
</tr>
<tr>
<td>Lithgow</td>
<td>878</td>
<td>453</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>16,895</td>
<td>8,000</td>
</tr>
</tbody>
</table>
CASH FLOW INFORMATION

9.1 Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at call with financial institutions. Cash at the end of the financial year is shown in the Statement of Cash Flows and is reconciled to the related items in the Statement of Financial Position as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>$910</td>
<td>$770</td>
</tr>
<tr>
<td>Reliance Credit Union - Cash Management Account</td>
<td>$232,100</td>
<td>$229,832</td>
</tr>
<tr>
<td>Reliance Credit Union - Cheque Account</td>
<td>$23,661</td>
<td>$6,667</td>
</tr>
<tr>
<td>Reliance Credit Union - Power Up eSaver Account</td>
<td>$28,176</td>
<td>$28,744</td>
</tr>
<tr>
<td>Reliance Credit Union - Visa Debit Card</td>
<td>$500</td>
<td>$411</td>
</tr>
<tr>
<td>National Australia Bank - B Pay Account</td>
<td>$1,452</td>
<td>$888</td>
</tr>
<tr>
<td>ROCO Donation Account</td>
<td>$15,848</td>
<td>$4,776</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300,647</strong></td>
<td><strong>272,088</strong></td>
</tr>
</tbody>
</table>

9.2 Reconciliation of profit/(loss) for the year to net cash provided from operations

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit/(loss) for the year</td>
<td>$6,273</td>
<td>$68,239</td>
</tr>
</tbody>
</table>

Non cash item

Depreciation | $39,167 | $45,626 |

Changes in assets and liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>$(4,511)</td>
<td>$8,385</td>
</tr>
<tr>
<td>(Increase)/decrease in prepayments</td>
<td>$60</td>
<td>$750</td>
</tr>
<tr>
<td>Increase/(decrease) in scholarship received in advance</td>
<td>$(1,091)</td>
<td>$(6,082)</td>
</tr>
<tr>
<td>Increase/(decrease) in student fees received in advance</td>
<td>$8,895</td>
<td>$(5,027)</td>
</tr>
<tr>
<td>Increase/(decrease) in income received in advance</td>
<td>$10,458</td>
<td>$(45,285)</td>
</tr>
<tr>
<td>Increase/(decrease) in creditors</td>
<td>$(11,947)</td>
<td>$(11,652)</td>
</tr>
<tr>
<td>Increase/(decrease) in accrued audit fees</td>
<td>$100</td>
<td>$370</td>
</tr>
<tr>
<td>Increase/(decrease) in accrued expenses</td>
<td>$33,993</td>
<td>$(5,128)</td>
</tr>
<tr>
<td>Increase/(decrease) in superannuation payables</td>
<td>$1,903</td>
<td>$(1,189)</td>
</tr>
<tr>
<td>Increase/(decrease) in provisions for employees entitlements</td>
<td>$(15,700)</td>
<td>$15,975</td>
</tr>
<tr>
<td>Increase/(decrease) in PAYG withholding payable</td>
<td>$(2,486)</td>
<td>$(2,958)</td>
</tr>
<tr>
<td>Increase/(decrease) in GST payable</td>
<td>$2,701</td>
<td>$(5,076)</td>
</tr>
<tr>
<td>Increase/(decrease) in accrued wages</td>
<td>$(1,171)</td>
<td>$9,077</td>
</tr>
<tr>
<td>Increase/(decrease) in teachers holiday pay</td>
<td>$(2,870)</td>
<td>$2,910</td>
</tr>
<tr>
<td>Increase/(decrease) in provisions for friends levy</td>
<td>$(53)</td>
<td>$4</td>
</tr>
</tbody>
</table>

Net cash provided by operating activities | $63,721 | $68,939 |
In the opinion of the Committee of Mitchell Conservatorium Incorporated:

a) The Association is not a reporting entity and that this is a special purpose financial report;

b) The financial statements and notes of the Association are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
   i) giving a true and fair view of the Association's financial position as at 31 December 2015 and of its performance, for the financial year ended on that date;
   ii) complying with applicable Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and

c) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due and payable.

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

Chairperson

Treasurer

Dated: 31/3/16
MITCHELL CONSERVATORIUM INCORPORATED

DECLARATION BY EXECUTIVE DIRECTOR IN RESPECT OF FUNDRAISING APPEALS

Declaration by Executive Director in respect of fundraising appeals pursuant to Authority Condition 7(4) of the Charitable Fundraising Act (NSW) 1991 and Regulations

I, Graham Sattler, Executive Director of Mitchell Conservatorium incorporated ("the Association") declare that in my opinion:

a) The statement of comprehensive income is drawn up so as to give a true and fair view of the income and expenditure of the Association for the year ended 31 December 2015 with respect to fundraising appeals;

b) The statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Association for year ended 31 December 2015 with respect to fundraising appeals;

c) The provisions of the Charitable Fundraising Act (NSW) 1991 and the regulations under the Act and conditions attached to the authority holder have been complied with for the year ended 31 December 2015; and

d) The internal controls exercised by the Association are appropriate and effective in accounting for all income received and applied by the Association from any of the fundraising appeals.

Graham Sattler
Executive Director
Dated: 21/12/16
AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MITCHELL CONSERVATORIUM INCORPORATED

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Mitchell Conservatorium Incorporated for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commissions Act 2012 in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

intentus

LR Smith
Director

291 Stewart Street
Bathurst
Dated: 31st March 2016
INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF MITCHELL CONSERVATORIUM INCORPORATED

We have audited the accompanying financial report, being a special purpose financial report, of Mitchell Conservatorium Incorporated, which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committees’ declaration.

Committees’ Responsibility for the Financial Report

The Committee of Mitchell Conservatorium Incorporated is responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and Association Incorporation Reform Act 2012 and is appropriate to meet the needs of the members. The Committee’s responsibility also includes such internal control as the Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted the audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 judgment, 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 of the effectiveness of the Association’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Mitchell Conservatorium Incorporated as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013.
Basis of Accounting

Without modifying our opinion, 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 Committee’s financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Intentus

LR Smith
Director

291 Stewart Street
Bathurst
Dated: 15th April 2016

Authorised Audit Company No. 450037