



**ARTS ACCESS VICTORIA**

**Arts Access Society Incorporated**

**ABN 34 192 751 897**

**Financial Report**

**For the year ending 31 December 2020**

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## **Board Report**

Our board members presently report on the incorporated association for the financial year ended  
31 December 2020

### **Members of The Board**

Members of the board throughout the year end at the date of this report are:

Brad Sadler (Chairperson)  
Peter Crowle (Treasurer)  
Amanda Lawrie-Jones  
Kate Hood  
Luke King  
Kristy Spillman  
Sonia Turnbull

### **Board Observership 2020**

Adrian Chye

Each board member has been in office since the start of the financial year to date of this report,  
unless otherwise stated.

### **Principal Activities**

The principal activity of Arts Access Victoria during the financial year was to realise the cultural aspirations of people with a disability, by presenting work that challenges and extends notions of who is an artist, how art is made and who it is made for. The key issues that frame the development of our principal activity are:

- The right of all citizens to realise cultural aspirations, free from barriers, as artists, audiences and arts workers;
- The building of the creative case for inclusive practice, which positions artists with a disability as valued creators and innovators with unique and compelling stories to
- The development and growth of processes and outcomes associated with inclusive arts practice through rigorous evaluation and critique.

## **Board Report**

### **Objectives**

The objectives of Arts Access Victoria are:

- To produce and present artistic work made by and with people with a disability that reflects best contemporary and inclusive arts practices.
- To facilitate meaningful career pathways within the arts and cultural community for artists with a disability.
- To transform the way the arts and cultural sector engages with people with a disability, as both practitioners and audiences.

### **Strategies**

To achieve these stated objectives, Arts Access Victoria has adopted the following strategies:

- § Place people with a disability at the heart of our practice, as industry leaders and cultural innovators
- § Instigate social change by driving policy development and engaging with decision makers
- § Ensure our capacity to grow to meet the changing needs and aspirations of our stakeholders
- § Support vibrant arts and cultural activities for and by people with a disability in their communities
- § Generate dynamic pathways that foster innovative and inclusive arts practice within the broader arts and cultural community
- § Produce high quality profile events and public outcomes that advance sector development
- § Collaborate and consult with individuals, industry and the community to deliver unique outcomes that strengthen the sectors we work with, generate community benefits and drive social change
- § Build the creative case for inclusive practice, to complement social and economic agendas for reform

### **Performance Measures**

Arts Access Victoria measures its performance in achieving its objectives through setting quantitative annual targets. These targets are created for:

- Programs
- Participants
- Accessible performances, exhibitions and screenings
- Workshops and seminars
- Partnerships
- Mentorships
- Training and professional development

These quantitative annual targets are reviewed to ensure that the organisation's objectives are achieved.

## Board Report

### Operating Result

AAV completed the year with an operational surplus \$106,148 and an overall surplus of \$69,936 due to a decrease in our trust fund of \$36,212. The onset of COVID-19 had a major impact on our operations and financial position. Despite the incredible work of our staff to transfer our programs to an online environment, programs numbers, and consequently NDIS income, dropped significantly. We received government support through JobKeeper payments, and through the Government stimulus package. We also received rent relief support from the City of Port Phillip. This funding allowed us to retain our workforce and to continue running our programs and expanding activities.

### Auditors Independence Declaration

A copy of the auditor's independence declaration as required by the Associations Incorporation Reform Act 2012 and section 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included on page 6.

Signed in accordance with a resolution of the Members of the Board

Committee Member:



Committee Member:



Dated: 26/04/2021

## Auditor's Independence Declaration

UNDER THE ASSOCIATIONS INCORPORATION REFORM ACT 2012 AND SECTION 60-40 OF  
THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there has been:

- (i) no contraventions of the auditor independence requirements as required by the Association Incorporation Reform Act 2012 and as set out in Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the Audit ; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit



Eric Townsend  
E. Townsend & Co

Dated: 26<sup>th</sup> April 2021

**Statement of Profit or Loss and Other Comprehensive Income  
For The Year Ending 31 December 2020**

	Dec-20	Dec-19
	\$	\$
<b>Revenue</b>		
Event income	0	2,476
Activities Income	458,869	562,786
Private Sector and Other Income	10	9,002
Interest Income	34,045	41,958
Government Grants Operation	1,031,785	1,406,806
Government Grants Projects	1,368,758	229,925
Funds Brought Forward from Last Year	0	262,262
Funds Transferred to Next Year/Contract Liabilities	<u>(202,894)</u>	<u>(175,041)</u>
<b>Total Revenue from Ordinary Activities</b>	<b>2,690,573</b>	<b>2,340,174</b>
<b>Expenses</b>		
Salaries, Wages and Artist Fees	1,974,315	1,650,440
Programs Costs	205,743	331,250
Marketing & Communications	33,168	57,234
Infrastructure Costs (Admin)	287,995	309,927
Depreciation Expenses	<u>83,205</u>	<u>50,478</u>
<b>Total Expenses from Ordinary Activities</b>	<b>2,584,426</b>	<b>2,399,329</b>
<b>Surplus/(Deficit) from Ordinary Activities before income tax</b>	<b>106,148</b>	<b>(59,155)</b>
Income Tax Expense	0	0
<b>Surplus/(Deficit) from Ordinary Activities after income tax, attributable to the members of Arts Access Society incorporated.</b>	<b>106,148</b>	<b>(59,155)</b>
Other comprehensive income/expense for the year net of tax	0	0
Asset Sales & Market Revaluation of Investments	(36,212)	193,037
<b>Total comprehensive surplus/(deficit) for the year attributable to members of Arts Access Society Incorporated</b>	<b><u>69,936</u></b>	<b><u>133,882</u></b>

**Statement of Financial Position  
 For The Year Ending 31 December 2020**

	Note	As at Dec-20 \$	As at Dec-19 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash Assets	2	919,538	364,521
Receivables	3	329,334	262,926
Prepayments	5	<u>11,813</u>	<u>38,022</u>
<i>Total Current Assets</i>		<u>1,260,686</u>	<u>665,469</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	238,441	267,355
AA Trust Investment Holding		<u>944,578</u>	<u>980,790</u>
<i>Total Non-Current Assets</i>		<u>1,183,019</u>	<u>1,248,145</u>
<b>Total Assets</b>		<u>2,443,705</u>	<u>1,913,614</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
NAB Account Clearing		11,004	0
Payables	8	163,796	139,039
Employee Entitlements	9	0	119
Provisions	10	87,329	68,520
Income in Advance	11	<u>1,074,850</u>	<u>677,132</u>
<i>Total Current Liabilities</i>		<u>1,336,979</u>	<u>884,810</u>
<b>Non-Current Liabilities</b>			
Provisions	10	<u>39,601</u>	<u>31,616</u>
<i>Total Non-Current Liabilities</i>		<u>39,601</u>	<u>31,616</u>
<b>Total Liabilities</b>		<u>1,376,580</u>	<u>916,426</u>
<b>Net Assets</b>		<u>1,067,124</u>	<u>997,188</u>
<b>Members' Funds</b>			
Accumulated surplus brought forward	13	997,188	863,306
Surplus/ (Deficit) This Year		<u>69,936</u>	<u>133,882</u>
<b>Total Members' Funds</b>		<u>1,067,124</u>	<u>997,188</u>

**Statement of Changes in Equity  
For The Year Ending 31 December 2020**

	Note	Total
<b>Balance at 30 June 2018</b>		<b>863,306</b>
Surplus (Deficit) attributable to members		(59,155)
Market Revaluation of Investment Increase (Decrease)		193,037
<b>Balance at 31 December 2019</b>		<b>997,188</b>
Surplus (Deficit) attributable to members		106,148
Market Revaluation of Investment Increase (Decrease)		(36,212)
<b>Balance at 31 December 2020</b>		<b>1,067,124</b>

**Statement of Cash Flows**  
**For The Year Ending 31 December 2020**

	Note	Dec-20 \$	Dec-19 \$
<b>Cash Flow From Operating Activities</b>			
Government Grants Operations (inc GST)		1,134,963	1,344,207
Government Grants Projects (inc GST)		1,505,633	244,833
Events, Activities and Other Income (inc GST)		431,707	632,347
Payments to Suppliers and employees		(2,544,257)	(2,157,747)
Interest received		<u>34,045</u>	<u>41,958</u>
Net cash provided by (used in) operating activities	A	562,091	105,598
<b>Cash Flow From Investing Activities</b>			
(Increase)/Decrease in Investment Holding		36,213	(193,037)
Proceeds from Sale of Plant		0	0
Payments for Intangible Assets - Website		(36,600)	(152,140)
Payments for property, plant and equipment		<u>(17,691)</u>	<u>(43,559)</u>
Net cash provided by (used in) investing activities		(18,078)	(388,736)
Net increase (decrease) in cash held		<u>544,013</u>	<u>(283,138)</u>
Cash at the beginning of the year		<u>364,521</u>	<u>647,659</u>
Cash at the end of the year (Note A)		<u><u>908,534</u></u>	<u><u>364,521</u></u>

**Statement of Cash Flows  
For The Year Ending 31 December 2020**

	Note	Dec-20 \$	Dec-19 \$
<b>Note A</b>			
<b>Reconciliation of Net Cash Provided By/ Used In Operating Activities to Net Surplus</b>			
Operating surplus/(deficit) after tax		69,936	133,882
<b>Add back non-cash items:</b>			
Depreciation		<u>83,205</u>	<u>50,478</u>
Net cash provided by operating activities before changes in Assets and Liabilities		<u>153,141</u>	<u>184,360</u>
<b>Changes in assets and liabilities during the financial year:</b>			
(Increase) decrease in trade and term debtors		(66,409)	(191,753)
(Increase) decrease in deposits paid		0	0
(Increase) decrease in prepayments		26,209	(28,554)
(Increase) decrease in inventory		0	0
Increase (decrease) in trade creditors and accruals		24,757	74,443
Increase (decrease) in employee entitlements		(119)	119
Increase (decrease) in provisions		26,794	34,064
Increase (decrease) in income in short-term financial liabilities		0	0
Increase (decrease) in income in advance		<u>397,718</u>	<u>32,919</u>
Net cash provided by (used in) operating activities		<u><u>562,091</u></u>	<u><u>105,598</u></u>

Arts Access Society Incorporated, Trading As Arts Access Victoria

ABN 34 192 751 897

## **Notes to the Financial Statements For The Year Ending 31 December 2020**

The financial statements cover Arts Access Society Incorporated (trading as Arts Access Victoria). It is incorporated under the Associations Incorporating Reform Act 2012 and a registered entity under the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act). It is a public benevolent institution; as such it is exempt from income tax.

### **1. Statement of Significant Accounting Policies**

#### **Basis of Preparation**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards, the Associations Incorporation Reform Act 2012, and the Australian Charities and Not-for-profits Act 2012 (ACNC Act) and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation).

Australian Accounting Standards set out accounting policies the Australian Accounting Standards Board (AASB) has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

#### **Reporting Basis and Conventions**

The financial report has been prepared on an accrual basis and is based on historical costs where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the associations' accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2 onwards.

#### **Revenue Recognition**

##### **Revenue from contracts with customers.**

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

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

## Notes to the Financial Statements For The Year Ending 31 December 2020

### 1. Statement of Significant Accounting Policies (cont.)

#### Sales Revenue

Events, fundraising and raffles are recognised when received or receivable.

#### Donations

Donations are recognised at the time they are received.

#### Grants

Grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Unspent grants are carried forward as current liabilities as an obligation to deliver the economic value that exists to the funding provider and are now referred to as Contract Liabilities in the Statement of Financial Position.

#### Income Tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

#### Property, Plant and Equipment

##### Property Leasehold

222 Bank Street South Melbourne is currently leased from the City of Port Phillip. The lease agreement is over a period of ten years. Any leasehold improvements made to the property are amortised over the life of the lease.

##### For the year ending 31 December 2020

The depreciable amount of motor vehicles and office furniture and equipment are depreciated on a written down value (WDV) over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the unexpired period of the lease. The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds received with the written down value of the asset. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### Provisions

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

#### Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other shorter, highly liquid investments with original maturities of three months and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**Notes to the Financial Statements  
For The Year Ending 31 December 2020**

**1. Statement of Significant Accounting Policies (cont.)**

**Interest**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**Services**

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers. All revenue is stated net of the amount of Goods and Services Tax (GST).

**Other Revenue**

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

**Goods and Services Tax (GST)**

Revenue, 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 recognized as part of the costs of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**Key Estimates - Impairment**

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised in this financial year.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Notes to the Financial Statements  
For The Year Ending 31 December 2020**

**1. Statement of Significant Accounting Policies (cont.)**

New or amended Accounting Standards and Interpretations adopted:

The association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the association.

The following Accounting Standards and Interpretations are most relevant to the association:

**AASB 9 Financial Instruments**

The association has adopted AASB 9 from 1 January 2019. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

**AASB 15 Revenue from Contracts with Customers**

The association has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

**Arts Access Society Incorporated, Trading As Arts Access Victoria**  
**ABN 34 192 751 897**

**Notes to the Financial Statements**  
**For The Year Ending 31 December 2020**

	Dec-20 \$	Dec-19 \$
<b>Note 2: Cash Assets</b>		
Cash At Bank - CBA & NAB	84,074	69,314
Bank Savings Accounts - NAB	834,854	294,607
Petty Cash	<u>610</u>	<u>600</u>
	<u>919,538</u>	<u>364,521</u>
<b>Note 3: Receivables</b>		
Trade debtors	291,551	223,097
GST Paid	0	597
Interest Receivable	<u>37,783</u>	<u>39,232</u>
	<u>329,334</u>	<u>262,926</u>

Current trade debtors are generally on 14 day terms. NDIS payments are on a 14 day cycle however this may extend out to 30 days. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts (if any) have been included in other expense items.

**Credit Risk – Trade and Other Receivables**

The entity does not have any material credit risk to any single receivable or groups of receivables. The following table details the entity's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered as past due when the debt has not been settled with the terms and conditions agreed between the entity and the debtor party. A provision for impairment is assessed as mentioned above. An assessment has been made that both debts within trading terms and debts that have not been impaired will be received. There are no financial assets that would have been impaired or past due had they not been negotiated.

	Gross Amount	Less impaired	Within Trading Terms	Past due but not impaired 14-30 days	Past due but not impaired 30-45 days	Past due but not impaired 45-60 days
<b>2019</b>						
Interest Receivable	39,232	0	39,232	0	0	0
Other Receivables	223,694	0	223,694	0	0	0
<b>Total</b>	<u>262,926</u>	<u>0</u>	<u>262,926</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>2020</b>						
Interest Receivable	37,783	0	37,783	0	0	0
Other Receivables	291,551	0	269,200	4,202	1,517	16,631
<b>Total</b>	<u>329,334</u>	<u>0</u>	<u>306,984</u>	<u>4,202</u>	<u>1,517</u>	<u>16,631</u>

**Notes to the Financial Statements  
 For The Year Ending 31 December 2020**

	Dec-20 \$	Dec-19 \$
<b>Note 4: Inventory</b>	Nil	Nil
<b>Note 5: Other Assets</b>		
Current Prepayments		
Insurance	2,802	1,685
Rent	0	27,183
Other Prepayments	9,012	9,155
	<u>11,813</u>	<u>38,022</u>
<b>Note 6: Property, Plant and Equipment</b>		
Leasehold improvements:		
At cost	77,351	77,351
Less: Accumulated depreciation	<u>(76,455)</u>	<u>(68,720)</u>
	<u>896</u>	<u>8,631</u>
Computer & Furniture:		
At cost	209,429	191,738
Less: Accumulated depreciation	<u>(152,551)</u>	<u>(136,407)</u>
	<u>56,878</u>	<u>55,331</u>
Motor vehicles:		
	31,902	31,902
Less: Accumulated depreciation	<u>(23,925)</u>	<u>(17,545)</u>
Nebular Trailer	132,407	132,407
Less: Accumulated depreciation	<u>(112,547)</u>	<u>(99,306)</u>
	<u>27,837</u>	<u>47,458</u>
Websites		
At cost	222,840	186,240
Less: Accumulated depreciation	<u>(70,010)</u>	<u>(30,305)</u>
	<u>152,830</u>	<u>155,935</u>
<b>Total Property, Plant &amp; Equipment</b>	<b>238,441</b>	<b>267,355</b>

**Notes to the Financial Statements  
For The Year Ending 31 December 2020**

Movements in carrying amounts for each class of property, plant and equipment

	13310	13410 & 13440	13170	13430	
	Office Furniture and Equipment	Motor Vehicles	Leasehold	Website	Total
<b>Carrying amount at 31/12/20</b>	<b>56,878</b>	<b>27,837</b>	<b>896</b>	<b>152,830</b>	<b>238,441</b>
Additions as cost	17,691	0	0	36,600	54,291
Disposals	0	0	0	0	0
Depreciation expense	16,144	19,621	7,735	39,705	83,205
<b>Carrying amount at 31/12/19</b>	<b>55,331</b>	<b>47,458</b>	<b>8,631</b>	<b>155,935</b>	<b>267,355</b>
Additions as cost	43,559	0	0	152,140	195,699
Disposals	0	0	0	0	0
Depreciation expense	12,140	19,621	7,735	10,982	50,478
<b>Carrying amount at 31/12/2018</b>	<b>23,912</b>	<b>67,079</b>	<b>16,366</b>	<b>14,777</b>	<b>122,134</b>

	Dec-20 \$	Dec-19 \$
<b>Note 8: Payables</b>		
Trade creditors	156,796	132,039
Audit Fees	<u>7,000</u>	<u>7,000</u>
	<u>163,796</u>	<u>139,039</u>
<b>Note 9: Employee Entitlements</b>		
PAYG Withholding Payable	0	0
Accrued Superannuation	<u>0</u>	<u>119</u>
	<u>0</u>	<u>119</u>
<b>Note 10: Provisions</b>		
<b>Current Liability</b>		
Provision for Annual Leave	87,329	68,520
<b>Non-Current Liability</b>		
Provision for Long Service Leave	39,601	31,616

**Notes to the Financial Statements**  
**For The Year Ending 31 December 2020**

	Dec-20	Dec-19
	\$	\$
<b>Note 11: Program Funds carried forwards/Contract Liabilities</b>		
NDIS Transition Funds - carried forward/Contract Liabilities	140,000	140,000
Unspent Other Film Festival - transfer to 2020	0	15,000
Auspice - Anna Seymour	0	2,742
Auspice - Michael Crane 5263	10,050	10,050
Auspice - Greg Muir	3,820	6,780
Stella Young Award	469	469
Auspice - Eva Sifis	3,600	0
Auspice - Ahmarnya Price	14,860	0
Auspice - Llewlllyn Bates	3,600	0
Auspice - Tamar Dolev	1,200	0
Jonathan Goodf - Sustaining Creat	3,449	0
Auspice - Michael Crane	215	0
Auspice - Little Brother Big Sister	12,376	0
Auspice - Adam Knapper City of Yarra	743	0
Engage / Nexus 5020	32,549	0
<b>Income in Advance/Contract Liabilities</b>	<b>226,931</b>	<b>175,041</b>
<b>Note 11: Grant Funds Received in Advance</b>		
Arts Centre for 2020	8,000	8,000
Estimate of DHHS Reimbursement for overpayment for SRS	20,000	20,000
Creative Victoria - NDIS Transition Funding	150,000	150,000
Creative Victoria - Jan - June 2020 Contract	168,000	168,000
Australia Council - Jan - June 2020 Contract	154,000	139,091
Patricia Corneli funding - L Hall Scholarship	2,000	2,000
Arts Centre funding for 2020 - Into the Groove	0	15,000
City of Melbourne Art Grant 2021	56,850	0
Stimulous Business Support Grant - BSFe - Arts Access Victoria	10,000	0
Australia Council - Ahmarnya Price, The Splendid Anomily	10,000	0
Casey City of Council -2021 - Seasonal Studios	2,000	0
Local Government - 2020/2021 Darebin Community Grants Program	7,000	0
Arts Centre Melbourne - In to the Groove	10,460	0
Casey Arts Development Project Balance	6,827	0
Mou - Funding for Victoria Together Program)	54,198	0
ADS Thomas St Sculpture Project	6,217	0
City of Kingston for Art Day South	5,000	0
<b>Grant Funds Received in Advance</b>	<b>670,552</b>	<b>502,091</b>
<b>Note 11: Income Received in Advance</b>		
Creative Victoria - Music Fund	97,600	0
Creative Victoria - Strategic Investment Grant*	79,767	0
<i>*Portion of \$118,088 carried forward after recognising \$38,321 in 2020 Income</i>	177,367	0
<b>Total Income in Advance</b>	<b>1,074,850</b>	<b>677,132</b>

**Notes to the Financial Statements**  
**For The Year Ending 31 December 2020**

	Dec-20	Dec-19
	\$	\$
<b>Note 12: Capital and Leasing Commitments</b>		
<b>Operating Lease Commitments</b>		
Non-cancellable operating lease contracted for but not capitalized in the financial statements		
Payable – minimum lease payments		
□ No longer than one year	50,000	50,000
□ Longer than one year but not longer than five years	50,000	100,000
□ Greater than five years	<u>0</u>	<u>0</u>
	<u>100,000</u>	<u>150,000</u>
<b>Note 13: Retained Surplus</b>		
Retained surplus/ (deficit) at the beginning of year	997,188	863,306
Operating Surplus/(deficit) attributable to members	106,148	(59,155)
Market Revaluation of investments	<u>(36,212)</u>	<u>193,037</u>
Retained surplus/ (deficit) at end of year	<u>1,067,124</u>	<u>997,188</u>

**Note 15: Economic Dependence**

The entity is economically dependent on Commonwealth, State and Local Government grant funding and philanthropic grant funding. If funds are not spent in accordance with grant conditions, grants can be reclaimed in full or part and future funds can be suspended. The entity is dependent on the continued receipt of grants. Arts Access is in the process of transitioning to the National Disability Insurance Scheme (NDIS). This means that for a number of significant programs we will no longer receive grants but contract with individual participants. We are assuming that we will be able to retain our current level of income following this transition.

**Notes to the Financial Statements  
For The Year Ending 31 December 2020**

**Note 16: Financial Risk Management**

The entity's financial instruments consist of deposits with banks and short-term investments, accounts receivable and payables. The total for each category of financial instruments measured in accordance with AASB 9 is as follows:

	Dec-20	Dec-19
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	919,538	364,521
Loan and receivables	<u>329,334</u>	<u>262,926</u>
Total financial assets	<u>1,248,872</u>	<u>627,447</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortized cost		
<input type="checkbox"/> Trade and other payables	174,800	139,039
<input type="checkbox"/> Grants unspent and in advance	897,483	677,132
<input type="checkbox"/> Income received in advance	<u>177,367</u>	<u>          </u>
Total financial liabilities	<u>1,249,650</u>	<u>816,171</u>

**Financial Risk Management Policies**

The Board of Management's overall risk management strategy is to assist the entity in meeting its financial targets whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Management on a regular basis. These include credit risk policies and future cash flow requirement. The entity does not have any derivative instruments at the end of the reporting period.

**Specific Financial Risk Exposures and Management**

The main risks the entity is exposed to through its financial instruments are interest rates, liquidity and credit.

**(A) Credit risk**

Credit risk is the risk that parties that owe money do not pay. The maximum exposure to credit risk excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount net of any provisions for impairment of those assets as disclosed in the statement of financial position and notes to financial statements. The entity does not have any significant concentration of credit risk exposure to any single or group of counter-parties under financial instruments entered into by the entity.

**Notes to the Financial Statements  
For The Year Ending 31 December 2020**

**(B) Liquidity Risk**

Liquidity risk arises due to the possibility that the entity might encounter difficulty in settling its own debts or facilities. The entity manages this risk by managing credit risk on amounts owed to it and through monitoring cash flows. Financial liability and financial asset maturity analysis:

	Within 1 year		Over 1 year		Total	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade and other payables	174,800	139,039	-	-	174,800	139,039
Income in Advance	1,074,850	677,132	-	-	1,074,850	677,132
<b>Total expected outflows</b>	<b>1,249,650</b>	<b>816,171</b>			<b>1,249,650</b>	<b>816,171</b>
<b>Financial assets - cash flows realizable</b>						
Cash and cash equivalents	919,538	364,521	-	-	919,538	364,521
Trade and other receivables	329,334	262,926	-	-	329,334	262,926
<b>Total anticipated inflows</b>	<b>1,248,872</b>	<b>627,447</b>			<b>1,248,872</b>	<b>627,447</b>
Net inflows (outflows) on financial instruments	<b>(778)</b>	<b>(188,724)</b>			<b>(778)</b>	<b>(188,724)</b>

**(C) Market Risk/ Interest Rate Risk**

Exposure to interest rate risk arises whereby future changes in interest rates will affect future cash flows or the fair value of financial assets and liabilities.

Sensitivity Analysis

The following table illustrates sensitivities to the entity's exposure to interest rates and equity prices (if equities held). The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in any particular variable is dependent on other variables.

		Profit		Equity
		\$		\$
<b>Year ended 31 Dec 2020</b>				
+ or - 1% in interest rates of \$300k	+/-	9,000	+/-	9,000
+ or - 10% in listed investments of \$980k	+/-	94,500	+/-	94,500
<b>Year ended 31 Dec 2019</b>				
+ or - 1% in interest rates of \$300k	+/-	3,000	+/-	3,000
+ or - 10% in listed investments of \$787k	+/-	98,000	+/-	98,000



## Notes to the Financial Statements For The Year Ending 31 December 2020

**(D) Foreign Currency Risk**

The entity is not exposed to fluctuations in foreign currency.

**(E) Investment Risk - Arts Access Trust**

The Arts Access Trust was established by deed on 12 July 1993 as a perpetual Charitable Trust. The assets are held in perpetuity on behalf of the Victorian Community Foundation by Equity Trustees. Investment decisions are the responsibility Equity Trustees and Arts Access is reliant on them to make prudent investment decisions. Returns in 2020 were positive reflecting a positive year on all financial markets.

**Note 17: Key Management Personnel Compensation**

	Dec-20	Dec-19
	\$	\$
Salary and wages	286,058	238,000
Short term employee benefits (annual and sick leave entitlements)	78,648	26,431
Long term employee benefits (superannuation and long service leave)	27,176	14,080
Termination benefits		
	391,882	278,511

**Note 18: Related Party Transaction**

*Transactions with related parties*

There were no transactions with related parties during the current or previous financial year.

*Receivable from and payable to related parties*

There were no trade receivable from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 19: Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by E. Townsend and Co, the auditor of the association.

	Dec-20	Dec-19
	\$	\$
Audit services - E. Townsend & Co		
Audit of the financial statements	7,000	7,000
	7,000	7,000

**Note 20: Contingent Liabilities**

The Association had no contingent liabilities as at 31 December 2020

**Note 21: Entity Details**

The registered office of Arts Access Society Incorporated, trading as Arts Access Victoria, is 222 Bank Street, South Melbourne VIC 3125. The principal place of business is at the registered office.

### Director's Declaration

per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013 and the Association Incorporation Reform Act 2012

### For The Year Ending 31 December 2020

The board declare that in their opinion the financial report as set out on pages 3 to 23:

1. The financial statements and Notes satisfy the requirements of the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012.
2. There are reasonable grounds to believe that Arts Access Victoria is able to pay its debts as and when they become due and payable.

Signed in accordance with the Associations Incorporation Reform Act 2012 and subsection 60.12(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Committee Member:



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Committee Member:



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Dated: 26/04/2021

## **Independent Auditor's Report to the Members of Arts Access Society Incorporated**

### **Opinion**

I have audited the financial report of the Arts Access Victoria (the Entity) which comprises the Statement of Financial Position as at 31st December 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the declaration by those charged with governance.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Entity as at the 31<sup>st</sup> December 2020 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the Associations Incorporation Reform Act 2012 and Division 60 of the Australian Charities and Not-for-profits Commission regulation 2013.

### **Basis for Opinion.**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Entity in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## **Independent Auditor's Report to the Members of Arts Access Society Incorporated**

### **Auditor's responsibility for the Audit of the Financial Report**

My 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 my 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 I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 the basis for my 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 Entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists. I am required to draw attention in my auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease or continue as a going concern.

**Arts Access Society Incorporated, Trading As Arts Access Victoria  
ABN 34192 751897**

**Independent Auditor's Report to the Members of  
Arts Access Society Incorporated**

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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including deficiencies in internal control that I identify during my audit .

**Name of firm** E Townsend & Co

A handwritten signature in black ink that reads "Eric Townsend". The signature is written in a cursive style with a large initial 'E'.

**Name of Auditor** Eric Townsend

**Address** 15 Taylor Street  
Ashburton Vic 3147

**Dated:** 26<sup>th</sup> April 2021