

ARTS ACCESS VICTORIA

Arts Access Society Incorporated

ABN 34 192 751 897

Financial Report

For the year ending 31 December 2018

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

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Board Report

Our board members presently report on the incorporated association for the financial year ended 31 December 2018

Members of The Board

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

Brad Sadler (Chairperson)
Sharon Flanagan (Deputy Chair resigned April 2018)
Peter Crowle (Treasurer)
Kate Hood
Luke King
Emma Dawson (Resigned December 2017)
Kristy Spillman
Rod McNeil (Resigned December 2018)

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 tell; and
- 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:

- 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
- Strengthen the capacity of the community, disability, and arts and cultural sectors to take on and deliver high quality, sustainable programs through collaborative approaches

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

In 2018 Arts Access Victoria has recorded an operating surplus of \$19,993 (*2017 operating deficit (\$7,228)*). The movement in the value of the Trust fund and Asset Sales as at 31 Dec 2018 was a decline of (\$85,820) - (*2017 was an increase of \$34,881*). The Net Result for the Year is a deficit of (\$65,827), (*2017 a surplus of \$27,653*). It is worth pointing out that as at the end of February 2019 the Trust Fund has recovered most of losses given the recovery of the Stock Market and the improvement in the financial performance of the Fund in 2019.

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:

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

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 2018 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
-

Arts Access Society Incorporated, Trading As Arts Access Victoria
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**Statement of Profit or Loss and Other Comprehensive Income
For The Year Ending 31 December 2018**

	Dec-18 \$	Dec-17 \$
Revenue		
Event income	2,509	6,760
Activities Income	318,437	195,013
Private Sector and Other Income	18,190	37,653
Interest Income	42,530	2,885
* Government Grants Operation	1,693,760	1,106,689
* Government Grants Projects	134,709	52,587
Funds Brought Forward from Last Year	433,848	686,030
Funds Transferred to Next Year	(262,262)	(433,848)
Total Revenue from Ordinary Activities	2,381,721	1,653,769
Expenses		
Salaries, Wages and Artist Fees	1,342,806	1,059,618
Programs Costs	445,702	166,349
Marketing & Communications	137,633	45,020
Infrastructure Costs (Admin)	395,425	348,681
Depreciation Expenses	40,162	41,329
Total Expenses from Ordinary Activities	2,361,728	1,660,997
Surplus/(Deficit) from Ordinary Activities before income tax	19,993	(7,228)
Income Tax Expense	0	0
Surplus/(Deficit) from Ordinary Activities after income tax, attributable to the members of Arts Access Society Incorporated.	19,993	(7,228)
Other comprehensive income/expense for the year net of tax	0	0
Asset Sales & Market Revaluation of Investments	(85,820)	34,881
Total comprehensive surplus/(deficit) for the year attributable to members of Arts Access Society Incorporated	(65,827)	27,653
Specified Funding		
* City of Melbourne - Other Film Festival	50,000	60,000
* Creative Victoria, Organisations Investment Program Four-year funding 2017 - 2020	336,000	336,000
* The Australia Council Four Year funding 2017 - 2020	272,700	270,000

Arts Access Society Incorporated, Trading As Arts Access Victoria
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Statement of Financial Position
For The Year Ending 31 December 2018

	Note	As at Dec-18 \$	As at Dec-17 \$
Assets			
Current Assets			
Cash Assets	2	647,659	702,370
Receivables	3	71,173	259,474
Prepayments	5	9,468	42,810
<i>Total Current Assets</i>		<u>728,300</u>	<u>1,004,654</u>
Non-Current Assets			
Property, plant and equipment	6	107,357	123,083
Website	7	14,777	21,597
AA Trust Investment Holding	14	787,753	732,210
<i>Total Non-Current Assets</i>		<u>909,887</u>	<u>876,890</u>
Total Assets		<u>1,638,186</u>	<u>1,881,544</u>
Liabilities			
Current Liabilities			
Payables	8	64,596	107,549
Employee Entitlements	9	0	9,016
Provisions	10	43,687	48,999
Income in Advance	11	644,213	738,198
<i>Total Current Liabilities</i>		<u>752,496</u>	<u>903,762</u>
Non-Current Liabilities			
Provisions	10	22,385	48,649
<i>Total Non-Current Liabilities</i>		<u>22,385</u>	<u>48,649</u>
Total Liabilities		<u>774,881</u>	<u>952,411</u>
Net Assets		<u>863,305</u>	<u>929,133</u>
Members' Funds			
Accumulated surplus brought forward	13	929,133	901,480
Surplus/ (Deficit) This Year		(65,827)	27,653
Total Members' Funds		<u>863,306</u>	<u>929,133</u>

Arts Access Society Incorporated, Trading As Arts Access Victoria
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**Statement of Changes in Equity
For The Year Ending 31 December 2018**

	Note	Total
Balance at 30 June 2016		901,480
Surplus (Deficit) attributable to members		(7,228)
Market Revaluation of Investment Increase (Decrease)		34,881
Balance at 31 December 2017		929,133
Surplus (Deficit) attributable to members		19,993
Market Revaluation of Investment Increase (Decrease)		(85,820)
Balance at 31 December 2018		863,306

Arts Access Society Incorporated, Trading As Arts Access Victoria
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Statement of Cash Flows
For The Year Ending 31 December 2018

	Note	Dec-18 \$	Dec-17 \$
Cash Flow From Operating Activities			
Government Grants Operations (inc GST)		1,863,136	1,202,420
Government Grants Projects (inc GST)		148,180	169,222
Events, Activities and Other Income (inc GST)		375,250	291,403
Payments to Suppliers and employees		(2,410,648)	(1,452,017)
Interest received		42,530	2,885
Net cash provided by (used in) operating activities	A	18,448	213,913
Cash Flow From Investing Activities			
(Increase)/Decrease in Investment Holding		(55,543)	(21,479)
Proceeds from Sale of Plant		0	0
Payments for Intangible Assets - Website		0	0
Payments for property, plant and equipment		(17,616)	(32,630)
Net cash provided by (used in) investing activities		(73,159)	(54,109)
Net increase (decrease) in cash held		(54,711)	159,804
Cash at the beginning of the year		702,370	542,566
Cash at the end of the year (Note A)		647,659	702,370

Arts Access Society Incorporated, Trading As Arts Access Victoria
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Statement of Cash Flows
For The Year Ending 31 December 2018

	Note	Dec-18 \$	Dec-17 \$
Note A			
Reconciliation of Net Cash Provided By/ Used In Operating Activities to Net Profit			
Operating profit (loss) after tax		(65,827)	27,653
Add back non-cash items:			
Depreciation		40,162	41,329
Net cash provided by operating activities before changes in Assets and Liabilities		(25,665)	68,982
Changes in assets and liabilities during the financial year:			
(Increase) decrease in trade and term debtors		192,880	120,438
(Increase) decrease in deposits paid		25,622	150
(Increase) decrease in prepayments		7,720	(8,348)
(Increase) decrease in inventory		0	0
Increase (decrease) in trade creditors and accruals		(42,953)	7,136
Increase (decrease) in employee entitlements		(9,016)	(26,687)
Increase (decrease) in provisions		(31,576)	1,999
Increase (decrease) in income in short-term financial liabilities		(4,579)	(1,775)
Increase (decrease) in income in advance		(93,985)	52,168
Net cash provided by (used in) operating activities		<u>18,448</u>	<u>214,063</u>

Notes to the Financial Statements For The Year Ending 31 December 2018

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 is recognised when it is probable that the economic benefit will flow to the association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

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 reciprocal grants are carried forward as current liabilities as an obligation to deliver the economic value that exists to the funding provider.

**Notes to the Financial Statements
For The Year Ending 31 December 2018**

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 2018**

1. Statement of Significant Accounting Policies (cont.)

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.

Depreciation

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 2018**

	Dec-18 \$	Dec-17 \$
Note 2: Cash Assets		
Cash At Bank	97,459	255,640
CBA Online Savings	549,600	446,130
Petty Cash	600	600
	<u>647,659</u>	<u>702,370</u>

Note 3: Receivables		
Trade debtors	37,306	227,172
Sundry debtor	0	3,014
Interest Receivable	33,867	29,288
	<u>71,173</u>	<u>259,474</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
2017						
Interest Receivable	29,288		29,288	-	-	-
Other Receivables	230,186		230,186	-	-	-
Total	<u>259,474</u>	-	<u>259,474</u>	-	-	-
2018						
Interest Receivable	33,867		33,867	-	-	-
Other Receivables	37,306		36,666	-	-	-
Total	<u>71,173</u>	-	<u>70,533</u>	-	-	-

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**Notes to the Financial Statements
For The Year Ending 31 December 2018**

	Dec-18 \$	Dec-17 \$
Note 4: Inventory	Nil	Nil
Note 5: Other Assets		
Current Prepayments		
Insurance	4,757	1,183
Rent	0	25,622
Other Prepayments	4,711	16,005
	<u>9,468</u>	<u>42,810</u>
Note 6: Property, Plant and Equipment		
Leasehold improvements:		
At cost	77,351	77,351
Less: Accumulated depreciation	<u>(60,985)</u>	<u>(53,250)</u>
	16,366	24,101
Computer & Furniture:		
At cost	148,179	130,563
Less: Accumulated depreciation	<u>(124,267)</u>	<u>(118,281)</u>
	23,912	12,282
Motor vehicles:		
Motor vehicle	31,902	31,902
Less: Accumulated depreciation	<u>(11,165)</u>	<u>(4,785)</u>
Nebular Trailer	132,407	132,407
Less: Accumulated depreciation	<u>(86,065)</u>	<u>(72,824)</u>
	67,079	86,700
Total Property, Plant & Equipment	107,357	123,083
Note 7: Website		
Website Development:		
At cost	34,100	34,100
Less: Accumulated depreciation	<u>(19,323)</u>	<u>(12,503)</u>
	<u>14,777</u>	<u>21,597</u>

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**Notes to the Financial Statements
For The Year Ending 31 December 2018**

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

	Office Furniture and Equipment	Motor Vehicles	Leasehold	Website	Total
Carrying amount at 31/12/18	23,912	67,079	16,366	14,777	122,134
Additions as cost	17,616	0	0	0	17,616
Disposals	0	0	0	0	0
Depreciation expense	5,986	19,621	7,735	6,820	40,162
Carrying amount at 31/12/17	12,282	86,700	24,101	21,597	144,680
Additions as cost	728	31,902	0	0	32,630
Disposals	0	0	0	0	0
Depreciation expense	8,748	18,026	7,735	6,820	41,329
Carrying amount at 31/12/2016	20,302	72,824	31,836	28,417	153,379

	Dec-18 \$	Dec-17 \$
Note 8: Payables		
Trade creditors	58,196	54,462
GST Payable		46,688
Audit Fees	6,400	6,400
	<u>64,596</u>	<u>107,549</u>

Note 9: Employee Entitlements

Current Liability

PAYG Withholding Payable	0	9,016
Accrued Superannuation	0	0
	<u>0</u>	<u>9,016</u>

Note 10: Provisions

Current Liability

Provision for Annual Leave	43,687	48,999
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Non-Current Liability

Provision for Long Service Leave	22,385	48,649
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Arts Access Society Incorporated, Trading As Arts Access Victoria
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**Notes to the Financial Statements
For The Year Ending 31 December 2018**

	Dec-18 \$	Dec-17 \$
Note 11: Income in Advance		
Program Funds Carried Forward	356,499	433,848
Grant Funds Received in Advance	<u>287,714</u>	<u>304,350</u>
	<u>644,213</u>	<u>738,198</u>

NOTE: We now recognize Grant Funding that is invoiced in the current year for the following year as Grants Received in Advance to differentiate them from Unspent program funds carried forward.

Note 12: Capital and Leasing Commitments

Operating Lease Commitments

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	100,000	100,000
• Greater than five years	<u>0</u>	<u>0</u>
	<u>150,000</u>	<u>150,000</u>

Note 13: Retained Surplus

Retained surplus/ (deficit) at the beginning of year	929,133	901,480
Operating Surplus/(deficit) attributable to members	19,993	(7,228)
Market Revaluation of investments	<u>(85,820)</u>	<u>34,881</u>
Retained surplus/ (deficit) at end of year	<u>863,306</u>	<u>929,133</u>

Note 14: Events after the balance sheet date - Arts Access Trust Fund Value

The Arts Access Trust Fund is managed by ANZ Trustees. For the Year to 31 Dec 2018 the Fund recorded a loss in value of (\$85,820). This loss is attributable to the fall in the stock market in the Oct - Dec 2018 quarter. This fall was principally caused by the fall in the value of Bank Stocks that occurred during the Royal Commission into the Banks. However it transpired that the market overreacted and most of the Stock Market losses were recovered by Feb 2019. The balance of the Trust as at 31st March 2019 was \$887,986.

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 2018

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 139 is as follows:

	Dec-18 \$	Dec-17 \$
Financial Assets		
Cash and cash equivalents	647,659	702,370
Loan and receivables	71,173	259,474
Total financial assets	<u>718,832</u>	<u>961,844</u>
Financial Liabilities		
Financial liabilities at amortized cost		
• Trade and other payables	64,596	107,549
• Grants unspent and in advance	644,213	738,198
Total financial liabilities	<u>708,809</u>	<u>845,747</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 2018**

(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	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	64,596	107,549	-	-	64,596	107,549
Income in Advance	644,213	738,198	-	-	644,213	738,198
Total expected outflows	708,809	845,747			708,809	845,747
Financial assets - cash flows realizable						
Cash and cash equivalents	647,659	702,370	-	-	647,659	702,370
Trade and other receivables	71,173	259,474	-	-	71,173	259,474
Total anticipated inflows	718,832	961,844			718,832	961,844
Net inflows (outflows) on financial instruments	10,023	116,097			10,023	116,097

(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
		\$		\$
Year ended 31 Dec 2018				
+ or - 2% in interest rates of \$550k	+/-	11,000	+/-	11,000
+ or - 10% in listed investments of \$787k	+/-	78,700	+/-	78,700
Year ended 31 Dec 2017				
+ or - 2% in interest rates	+/-	8,920	+/-	8,920
+ or - 10% in listed investments	+/-	73,200	+/-	71,073

Notes to the Financial Statements For The Year Ending 31 December 2018

(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 2015/16 were negative reflecting a difficult year on all financial markets.

Note 17: Key Management Personnel Compensation

	Dec-18	Dec-17
	\$	\$
Salary and wages	299,000	211,179
Short term employee benefits (annual and sick leave entitlements)	43,687	29,888
Long term employee benefits (superannuation and long service leave)	22,385	35,441
Termination benefits		
	<u>365,072</u>	<u>276,508</u>

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 Company, the auditor of the association.

	Dec-18	Dec-17
	\$	\$
Audit services - E Townsend & Co	6,400	6,400
Audit of the financial statements		
	<u>6,400</u>	<u>6,400</u>

Note 20: Contingent Liabilities

The Association had no contingent liabilities as at 31 December 2018

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.

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

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 2018

The board declare that in their opinion the financial report as set out on pages 3 to 21:

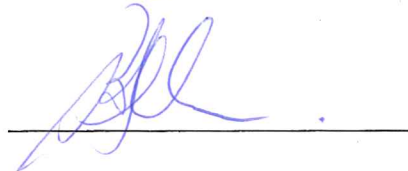
1. The financial statements and Notes satisfy the requirements of the Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission Act 2012.
2. There are reasonable grounds to believe that Arts Access Victoria is able to pay its debts as and when they become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



Committee Member:



Dated:

**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 2018, 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 31st December 2018 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.

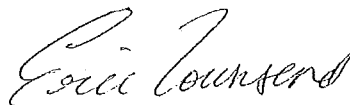
Arts Access Society Incorporated, Trading As Arts Access Victoria
ABN 34 192 751 897

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



Name of Auditor Eric Townsend

Address 15 Taylor Street
Ashburton Vic 3147

Dated:

