

# **Arts Access Society Inc Trading as Arts Access Victoria**

34 192 751 897

## **Financial Statements**

**For the Year Ended 31 December 2022**

# Arts Access Society Inc

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For the Year Ended 31 December 2022

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# Arts Access Society Inc

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## Board Report

For the Year Ended 31 December 2022

Our board members presently report on the incorporated association for the financial year ended 31 December 2022.

## Members of The Board

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

Amanda Lawrie-Jones (Chair)

Brad Sadler (Vice Chair)

Peter Crowle (Treasurer until April 2022)

Laura Purbrick (Treasurer since April 2022)

Kate Hood

Luke King (finished April 2022)

Brooke Daly (joined April 2022)

Jodi Nicks (joined April 2022)

Nic Vogelpoel (joined April 2022)

Sam Martin (joined April 2022)

Board Observership 2022 Erin Kanygin

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 Deaf and Disabled people, 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 accessible practice, which positions Deaf and Disabled artists as valued creators and innovators with unique and compelling stories to tell; and
- The development and growth of processes and outcomes associated with inclusive and accessible arts practice through rigorous evaluation and critique.

# Arts Access Society Inc

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## Board Report

For the Year Ended 31 December 2022

### Objectives

The objectives of Arts Access Victoria are:

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

### Goals and Strategies

1. Define and build cultural equity for Deaf and Disabled people
  - Map, develop and nurture a culture of disability-led self-determination.
  - Recognise and cultivate creativity, talent and leadership.
  - Develop and deliver a world class disability-led artistic program to disrupt the status quo and demonstrate cultural equity in action.
2. Target and shift the barriers and conditions that maintain cultural inequity.
  - Identify and map cultural equity barriers and conditions for state-wide hybrid delivery.
  - Establish a disability-led public change narrative for the inclusion of diverse artistic and cultural assets made by Deaf and Disabled people.
  - Embed a disability-led creative exchange framework with strategic local, national and international partners.
3. Position AAV as a resilient and dynamic powerhouse to extend our role and impact.
  - Ensure Deaf and Disabled people have a voice and actively shape AAV's decision-making.
  - Proactively review, evaluate and adapt our program and service offer in response to changing needs.
  - Invest in personnel, technology and infrastructure.
  - Develop new and maximise existing nongovernment revenue streams in a post-pandemic economy

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

# Arts Access Society Inc

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## Board Report

For the Year Ended 31 December 2022

- Training and professional development

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

## Operating Result

AAV completed the year with an operational surplus of \$280,496 and an overall surplus of \$230,889 due to an decrease in our trust fund by \$65,540. AAV successfully minimised the COVID-19 impact to our operations and maintained our financial position. Due the incredible work of our staff to transfer our programs to hybrid environment, programs numbers, and consequently NDIS income, increased. We received Federal and State government support that's 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 sections 60-40 of the Australian Charities and Not-for-profit Commission Act 2012 is included on page 4.

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



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Board member: Nic Vogelpoel

Date: 4/5/2023



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Board member: Amanda Lawrie-Jones

Date: 5/5/2023

## Arts Access Society Inc

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### Auditor's Independence Declaration to the Responsible Persons of Arts Access Society Inc

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2022* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

  
Saward Dawson



Jeffrey Tulk  
Partner

Dated: 12 May 2023

Blackburn, Victoria

# Arts Access Society Inc

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## Statement of Profit or Loss

For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue	5	3,193,326	2,562,723
Employee benefits expense		(1,729,558)	(1,749,379)
Depreciation and amortisation expense		(72,829)	(76,633)
Program cost		(787,471)	(496,082)
Marketing and communications		(20,090)	(22,801)
Infrastructure cost (Admin)		(302,069)	(278,345)
Interest expense - leases		(813)	-
<b>Surplus from continuing operations</b>		<b>280,496</b>	<b>(60,517)</b>
<b>Investment activities:</b>			
Interest & dividend income		15,933	43,216
Net gain/(loss) on financial assets - FVTPL		(65,540)	128,356
<b>Gain/(loss) on investments</b>		<b>(49,607)</b>	<b>171,572</b>
<b>Surplus for the year</b>		<b>230,889</b>	<b>111,055</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>230,889</b>	<b>111,055</b>

The accompanying notes form part of these financial statements.

# Arts Access Society Inc

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## Statement of Financial Position

As At 31 December 2022

	Note	2022 \$	2021 Restated \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	1,377,490	1,265,872
Trade and other receivables	8	27,646	98,493
Other assets	9	18,840	29,556
TOTAL CURRENT ASSETS		<u>1,423,976</u>	<u>1,393,921</u>
NON-CURRENT ASSETS			
Other financial assets	10	1,030,350	1,077,352
Property, plant and equipment	11	38,450	60,633
Intangible assets	12	76,197	113,945
Right-of-use assets	13	59,249	-
TOTAL NON-CURRENT ASSETS		<u>1,204,246</u>	<u>1,251,930</u>
TOTAL ASSETS		<u><u>2,628,222</u></u>	<u><u>2,645,851</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	14	232,747	143,537
Lease liabilities	13	33,427	-
Employee benefits	16	165,041	92,000
Income in Advance	15	421,190	875,984
TOTAL CURRENT LIABILITIES		<u>852,405</u>	<u>1,111,521</u>
NON-CURRENT LIABILITIES			
Lease liabilities	13	26,187	-
Employee benefits	16	35,795	51,384
TOTAL NON-CURRENT LIABILITIES		<u>61,982</u>	<u>51,384</u>
TOTAL LIABILITIES		<u>914,387</u>	<u>1,162,905</u>
NET ASSETS		<u><u>1,713,835</u></u>	<u><u>1,482,946</u></u>
<b>EQUITY</b>			
Reserves		460,000	385,000
Retained earnings		1,253,835	1,097,946
TOTAL EQUITY		<u><u>1,713,835</u></u>	<u><u>1,482,946</u></u>

The accompanying notes form part of these financial statements.



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## Statement of Changes in Equity

For the Year Ended 31 December 2022

2022

	Retained Earnings	Grant Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2022</b>	1,097,946	385,000	1,482,946
Surplus for the year	230,889	-	230,889
Transfers from retained earnings to grant reserve	(75,000)	75,000	-
<b>Balance at 31 December 2022</b>	<b>1,253,835</b>	<b>460,000</b>	<b>1,713,835</b>

2021 Restated

	Retained Earnings	Grant Reserve	Total
	\$	\$	\$
<b>Balance at 1 January 2021</b>	1,086,891	-	1,086,891
Retrospective adjustments to error in prior year	-	285,000	285,000
<b>Balance at 1 January 2021 restated</b>	1,086,891	285,000	1,371,891
Surplus for the year	111,055	-	111,055
Transfers from retained earnings to grants reserve	(100,000)	100,000	-
<b>Balance at 31 December 2021</b>	<b>1,097,946</b>	<b>385,000</b>	<b>1,482,946</b>

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The accompanying notes form part of these financial statements.

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## Statement of Cash Flows

For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and donors	690,302	636,610
Payments to suppliers and employees	(2,913,394)	(2,571,239)
Interest received	59,027	43,216
Grants received	2,306,754	2,257,347
Net cash provided by/(used in) operating activities	22 <u>142,689</u>	<u>365,934</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investment	36,000	-
Purchase of property, plant and equipment	(4,434)	(12,768)
Payment for investments	(54,538)	(4,418)
Net cash provided by/(used in) investing activities	<u>(22,972)</u>	<u>(17,186)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of lease liabilities	(8,099)	-
Net cash provided by/(used in) financing activities	<u>(8,099)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	111,618	348,748
Cash and cash equivalents at beginning of year	<u>1,265,872</u>	<u>917,124</u>
Cash and cash equivalents at end of financial year	7 <u><u>1,377,490</u></u>	<u><u>1,265,872</u></u>

The accompanying notes form part of these financial statements.

# Arts Access Society Inc

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## Notes to the Financial Statements

### For the Year Ended 31 December 2022

The financial report covers Arts Access Society Inc as an individual entity. Arts Access Society Inc is a not-for-profit Association, registered and domiciled in Australia.

The principal activities of the Association for the 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.

The functional and presentation currency of Arts Access Society Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

## 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosure and the *Australian Charities and Not-for-profits Commission Act 2022*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

## 2 Summary of Significant Accounting Policies

### (a) Revenue and other income

#### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts.

##### Operating Grants, Donations and Bequests

When the Association receives operating grant funding, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

##### Capital Grant

When the Association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions) recognised under other Australian Accounting Standards.

The Association recognises income in profit or loss when or as the Association satisfies its obligations under terms of the grant.

##### Dividend income

The Association recognises dividends in profit or loss only when the Association's right to receive payment of the dividend is established.

# Arts Access Society Inc

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Notes to the Financial Statements

For the Year Ended 31 December 2022

## 2 Summary of Significant Accounting Policies

### (a) Revenue and other income

#### Revenue from contracts with customers

#### Interest income

Interest income is recognised using the effective interest method.

### (b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

### (d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

#### Plant and equipment

Plant and equipment are measured using the cost model.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 2 Summary of Significant Accounting Policies

#### (d) Property, plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20%
Motor Vehicles	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

##### *Amortised cost*

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### Financial assets

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### Financial assets

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

#### (f) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.



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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 2 Summary of Significant Accounting Policies

#### (g) Intangible assets

##### Website and computer software

Websites and computer software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of five years.

#### (h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (i) Leases

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

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

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

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

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

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

##### *Exceptions to lease accounting*

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (j) Employee benefits

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 2 Summary of Significant Accounting Policies

**(j) Employee benefits**

the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

**Defined contribution schemes**

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

**(k) Economic dependence**

Arts Access Society Inc is dependent 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.

**(l) Adoption of new and revised accounting standards**

The Association has adopted AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*.

### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

**Key estimates - impairment of property, plant and equipment**

As described in Note 1(d), the Association reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

**Key estimates - Performance obligations under AASB 15**

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 3 Critical Accounting Estimates and Judgments

#### Key estimates - Performance obligations under AASB 15

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Retrospective Restatement

Historically, the Association has deferred NDIS transition funding when received. Grant revenue was recognised when the money is spent. This accounting treatment is inconsistent with the requirement of AASB 15 Revenue from Contracts with Customers and AASB 1058 income of Not-for-Profit Entities as the funding does not have sufficiently specific performance obligations. Accordingly, a restatement is made to recognised NDIS transition funding as revenue when received.

The Association has created a reserve to earmark funding received and recognised as revenue but not spent.

The aggregate effect of the error on the financial statements for the year ended 31 December 2022 is as follows:

	Previously stated \$	31 December 2021 Adjustments \$	Restated \$	Previously stated \$	1 January 2021 Adjustments \$	Restated \$
<b>Statement of Financial Position</b>						
Income received in advance	1,160,984	(285,000)	875,984	1,055,083	(285,000)	770,083
Grants reserves	-	385,000	385,000	-	285,000	285,000
Retained earnings	1,197,947	(100,000)	1,097,947	1,086,891	-	1,086,891

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 5 Revenue

#### Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from government grants and other grants:		
- State government grant - Creative Victoria	970,004	670,426
- Creative Victoria Strategic Investment Fund - Stage 1	-	60,000
- Creative Victoria - Accelerating Cultural Change Pilot Program	254,885	105,115
- Other state government grants	379,977	245,798
- Federal government grant - Australia Council for the Arts	491,590	318,215
- Other federal government grant	48,589	289,281
- Local government grant	186,105	247,500
- Other funding	66,000	10,000
	<u>2,397,150</u>	<u>1,946,335</u>
Other revenue		
- NDIS Participant income	534,305	444,588
- Activities income	237,511	171,800
- Donations	24,360	-
	<u>796,176</u>	<u>616,388</u>
<b>Total other revenue</b>	<u>796,176</u>	<u>616,388</u>
<b>Total Revenue</b>	<u><u>3,193,326</u></u>	<u><u>2,562,723</u></u>

# Arts Access Society Inc

34 192 751 897

## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 6 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Other expenses:		
Employee benefit expenses:		
- Salary and wages	1,548,585	1,589,962
- Defined benefit contributions	160,440	138,581
- Staff on-cost	20,533	20,836
Total employee benefit expenses	<u>1,729,558</u>	<u>1,749,379</u>
Depreciation & amortisation:		
- Depreciation - Plant and equipments	26,617	37,748
- Amortisation - Intangibles	37,748	38,885
- Depreciation - leased buildings	8,464	-
Total depreciation & amortisation	<u>72,829</u>	<u>76,633</u>
Short term lease	24,686	35,056
Interest expense - leases	813	-
Auditor's remuneration:		
- Audit services - Saward Dawson	13,600	-
- Audit services - E Townsend & Co	850	7,909
Total auditor's remuneration	<u>14,450</u>	<u>7,909</u>
<b>7 Cash and Cash Equivalents</b>		
Cash at bank and in hand	1,377,490	1,265,872
<b>8 Trade and Other Receivables</b>		
CURRENT		
Trade receivables	27,646	55,399
Interest accrual	-	43,094
<b>Total current trade and other receivables</b>	<u>27,646</u>	<u>98,493</u>
<b>9 Other assets</b>		
CURRENT		
Prepayments	18,840	29,556

# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 10 Other Financial Assets

#### Financial assets at fair value through profit or loss

	2022	2021
	\$	\$
NON-CURRENT		
Managed funds - Equity Trustees	1,030,350	1,077,352
<b>Total</b>	<b>1,030,350</b>	<b>1,077,352</b>

Art Access Victoria established a Perpetual Charitable Trust with the Victorian Community Foundation by deed on 12 July 1993 known as Arts Access Sub-Trust. The trust is maintained exclusively for providing benefits to Arts Access Victoria.

The managed funds are held under the name of Victorian Community Foundation as trustees for Arts Access Sub-Trust.

### 11 Property, plant and equipment

#### PLANT AND EQUIPMENT

##### Motor vehicles

At cost	164,309	164,309
Accumulated depreciation	(164,308)	(156,093)
<b>Total motor vehicles</b>	<b>1</b>	<b>8,216</b>

##### Computer equipment

At cost	226,632	222,198
Accumulated depreciation	(188,183)	(169,781)
<b>Total computer equipment</b>	<b>38,449</b>	<b>52,417</b>
<b>Total plant and equipment</b>	<b>38,450</b>	<b>60,633</b>
<b>Total property, plant and equipment</b>	<b>38,450</b>	<b>60,633</b>

# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 11 Property, plant and equipment

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles \$	Computer equipment \$	Total \$
<b>Year ended 31 December 2022</b>			
Balance at the beginning of year	8,216	52,417	60,633
Additions	-	4,434	4,434
Depreciation expense	(8,215)	(18,402)	(26,617)
<b>Balance at the end of the year</b>	<b>1</b>	<b>38,449</b>	<b>38,450</b>

	Motor Vehicles \$	Computer equipment \$	Total \$
<b>Year ended 31 December 2021</b>			
Balance at the beginning of year	27,837	56,878	84,715
Additions	-	12,770	12,770
Depreciation expense	(19,621)	(17,231)	(36,852)
<b>Balance at the end of the year</b>	<b>8,216</b>	<b>52,417</b>	<b>60,633</b>

### 12 Intangible Assets

	2022 \$	2021 \$
Website & computer software		
Cost	222,840	222,840
Accumulated amortisation and impairment	(146,643)	(108,895)
<b>Total Intangible assets</b>	<b>76,197</b>	<b>113,945</b>

# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 12 Intangible Assets

#### 12 Intangible Assets

##### (a) Movements in carrying amounts of intangible assets

	Website & computer software \$	Total \$
<b>Year ended 31 December 2022</b>		
Balance at the beginning of the year	113,945	113,945
Amortisation	(37,748)	(37,748)
<b>Closing value at 31 December 2022</b>	<b>76,197</b>	<b>76,197</b>

### 13 Leases

#### Right-of-use assets

The Association's lease a building for a term of 2 years. There is no option to extend the lease under the current agreement.

	2022 \$	2021 \$
At cost	67,713	-
Accumulated amortisation	(8,464)	-
<b>Total</b>	<b>59,249</b>	<b>-</b>

	Buildings \$	Total \$
<b>Year ended 31 December 2022</b>		
<b>Movements in carrying amount:</b>		
<b>Leased Building:</b>		
Opening balance	-	-
Additions to right-of-use assets	67,713	67,713
Depreciation expense	(8,464)	(8,464)
<b>Net carrying amount at year end</b>	<b>59,249</b>	<b>59,249</b>



# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 13 Leases

#### Lease liabilities

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

	<b>&lt; 1 year</b>	<b>1 - 5 years</b>	<b>&gt; 5 years</b>	<b>Total undiscounted lease liabilities</b>	<b>Lease liabilities included in this Statement Of Financial Position</b>
	\$	\$	\$	\$	\$
<b>2022</b>					
Lease liabilities	35,648	26,736	-	62,384	59,614

### 14 Trade and Other Payables

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>CURRENT</b>		
Trade payables	144,302	127,749
Sundry payables and accrued expenses	88,445	15,788
	<u>232,747</u>	<u>143,537</u>

### 15 Income in Advance

	<b>2022</b>	<b>2021 Restated</b>
	\$	\$
<b>CURRENT</b>		
Creative Victoria funding received in advance	-	254,885
Australia Council funding received in advance	224,422	222,200
Auspice grant received in advance	122,308	222,532
Government grant received in advance	56,000	103,438
Other fundings received in advance	18,460	72,929
	<u>421,190</u>	<u>875,984</u>

# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 16 Employee Benefits

Current liabilities		
Annual leave	137,690	92,000
Long service leave	27,351	-
	<u>165,041</u>	<u>92,000</u>
Non-current liabilities		
Long service leave	35,795	51,384
	<u>35,795</u>	<u>51,384</u>

### 17 Grant Reserve

The grant reserve records grant funding received and recognised as revenue in accordance with Note 2(a) but not spent.

### 18 Financial Risk Management

#### Financial assets

Held at amortised cost:

Cash and cash equivalents	1,377,490	1,265,872
Trade and other receivables	27,646	98,493

Fair value through profit or loss (FVTPL):

Managed funds - Equity Trustees	1,030,350	1,077,352
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#### Total financial assets

	<u>2,435,486</u>	<u>2,441,717</u>
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#### Financial liabilities

##### Financial liabilities measured at amortised cost

Trade and other payable	232,747	143,537
Lease liabilities	59,614	-

#### Total financial liabilities

	<u>292,361</u>	<u>143,537</u>
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### 19 Key Management Personnel Remuneration

The remuneration paid to key management personnel of the Association is \$ 351,201 (2021: \$ 436,231).

### 20 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2022 (31 December 2021:None).

# Arts Access Society Inc

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## Notes to the Financial Statements

For the Year Ended 31 December 2022

### 21 Related Parties

Key management personnel - refer to Note 19.

There was no remuneration paid or payable to directors of the Association during the current or previous financial year.

There were no transactions with related parties during the current or previous financial year. Related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. Board is not remunerated

### 22 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

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

	2022	2021
	\$	\$
Surplus for the year	230,889	111,055
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	46,212	38,885
- depreciation	26,617	37,748
- net (gain)/loss on financial assets - FVTPL	65,540	(128,356)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	70,847	230,841
- (increase)/decrease in other assets	10,716	(17,744)
- increase/(decrease) in income in advance	(454,794)	105,901
- increase/(decrease) in trade and other payables	89,210	(28,850)
- increase/(decrease) in provisions	57,452	16,454
Cashflows from operations	<u>142,689</u>	<u>365,934</u>

### 23 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

# Arts Access Society Inc

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Notes to the Financial Statements

For the Year Ended 31 December 2022

## 24 Statutory Information

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

Arts Access Society Inc  
222 Bank Street  
South Melbourne VIC 3125

# Arts Access Society Inc

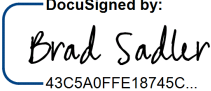
34 192 751 897

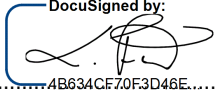
## Directors' Declaration

The board of directors declare that in their opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

DocuSigned by:  
  
43C5A0FFE18745C...  
Director .....  
Brad Sadler

DocuSigned by:  
  
4B634CF70F3D46E...  
Director .....  
Laura Purbrick

Dated 5/1/2023

4/30/2023

## Arts Access Society Inc

Independent Audit Report to the members of Arts Access Society Inc

### Report on the Audit of the Financial Report

#### Qualified Opinion

We have audited the financial report of Arts Access Society Inc, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial report of Arts Access Society Inc is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of Association's financial position as at 31 December 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

#### Basis for Qualified Opinion

#### Comparative figures and opening balances

We are appointed as auditors of the Association for the financial year ended 30 June 2022. The financial report for Association the year ended 31 December 2021 was audited by another auditor, E Townsend & Co who expressed an unmodified opinion on the financial report. During our audit for the 2022 financial year, we were unable to obtain sufficient appropriate audit evidence for the comparative figures to 2022 financial report. Accordingly, we are unable to express an opinion on this matter.

Due to the limitation described above and the impact the opening statement of financial position has on the current year performance, we are unable to express an opinion on whether the statement of profit or loss for the ended 31 December 2022 is accurate or complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2022* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Arts Access Society Inc

### Independent Audit Report to the members of Arts Access Society Inc

#### Responsibilities of Responsible Entities for the Financial Report

The responsible persons of Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine 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, the responsible persons are responsible for assessing Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate Association or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Association to cease to continue as a going concern.

## Arts Access Society Inc

### Independent Audit Report to the members of Arts Access Society Inc

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Saward Dawson

Saward Dawson



Jeffrey Tulk  
Audit Partner

Blackburn, Victoria

Dated: 12 May 2023