

Access Arts Inc.

ABN 82 066 160 761

Annual Financial Report - 31 December 2017

Access Arts Inc.
Management committee members' report
31 December 2017

The management committee members present their report, together with the financial statements, on the incorporated association for the year ended 31 December 2017.

Officers

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Thomas Bradley QC - President
Nicola Leahy - Treasurer (appointed 22 March 2017)
Elizabeth Crawford - Secretary
Catherine Black - former Treasurer (resigned 22 February 2017)

Committee members


The following persons were committee members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:


Thomas Bradley QC
Nicola Leahy (appointed 22 March 2017)
Elizabeth Crawford
Patrice McKay
Sam Nicolosi
Angela Tillmanns
Lorelei Baum (appointed 22 March 2017)
Weston Bruner (appointed 19 April 2017)
Stephanie Parkin (resigned 19 July 2017)
Patrick Tyro-Burns (appointed 22 March 2017, resigned 8 August 2017)
Catherine Black (resigned 22 February 2017)

Principal activities

The principal activity of the association during the financial year was working with people with disability and disadvantage, in the arts.

On behalf of the management committee members


Thomas Bradley QC
President
19 March 2018


Nicola Leahy
Treasurer

**Access Arts Inc.
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31 December 2017**

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General information

The financial statements cover Access Arts Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Access Arts Inc.'s functional and presentation currency.

Access Arts Inc. is a not-for-profit incorporated association registered under the Associations Incorporation Act Queensland (1981), and is registered as a charity under the Australian Charities and Not-for-profits Commission Act 2012. The association operates in Australia.

The financial statements were authorised for issue on 19 March 2018.

Access Arts Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2017

	2017	2016
	\$	\$
Revenue		
Government grants - Arts Queensland	266,361	225,679
Government grants - Department of Communities, Child Safety and Disability Services	325,207	340,047
Government grants - Department of Prime Minister and Cabinet	67,296	67,296
Other grants	8,246	-
Donations	12,861	8,359
Workshop fees	25,504	25,237
Interest	3,484	2,729
Other revenue	70,587	40,468
Total revenue	<u>779,546</u>	<u>709,815</u>
Expenses		
Bad and doubtful debts	-	(6,083)
Computer and IT expenses and support	(10,370)	(6,490)
Consultants and contractors	(44,169)	(12,547)
Employee benefits expense	(541,047)	(482,370)
Depreciation and amortisation expense	(3,519)	(3,730)
Insurance	(7,448)	(10,527)
Marketing, promotion and publicity	(12,670)	(5,214)
Partnership and project expenses	(15,296)	(15,307)
Postage, internet and telephone	(6,443)	(6,097)
Printing and stationery	(3,886)	(6,953)
Rent and outgoings	(37,108)	(34,117)
Repairs and maintenance	(1,037)	(10,776)
Resource materials	(5,785)	(8,409)
Staff, Board and Arts worker training	(2,120)	(3,239)
Travel and accommodation	(8,019)	(6,815)
Venue and equipment hire	(39,861)	(19,750)
Other expenses	(32,183)	(27,954)
Total expenses	<u>(770,961)</u>	<u>(666,378)</u>
Surplus before income tax expense	8,585	43,437
Income tax expense	-	-
Surplus after income tax expense for the year attributable to the members of Access Arts Inc.	8,585	43,437
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year attributable to the members of Access Arts Inc.	<u>8,585</u>	<u>43,437</u>

Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Access Arts Inc.
Statement of financial position
As at 31 December 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	4	339,470	280,529
Trade and other receivables	5	70	18,495
Other	6	12,598	12,511
Total current assets		<u>352,138</u>	<u>311,535</u>
Non-current assets			
Property, plant and equipment	7	7,378	10,897
Total non-current assets		<u>7,378</u>	<u>10,897</u>
Total assets		<u>359,516</u>	<u>322,432</u>
Liabilities			
Current liabilities			
Trade and other payables	8	45,118	27,941
Employee benefits	9	18,362	8,843
Other	10	2,294	-
Total current liabilities		<u>65,774</u>	<u>36,784</u>
Non-current liabilities			
Employee benefits	11	6,560	-
Total non-current liabilities		<u>6,560</u>	<u>-</u>
Total liabilities		<u>72,334</u>	<u>36,784</u>
Net assets		<u>287,182</u>	<u>285,648</u>
Equity			
Restricted reserves	12	124,415	131,466
Retained surpluses		162,767	154,182
Total equity		<u>287,182</u>	<u>285,648</u>

Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Access Arts Inc.
Statement of changes in equity
For the year ended 31 December 2017

	Restricted reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2016	129,978	110,745	240,723
Surplus after income tax expense for the year	-	43,437	43,437
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	43,437	43,437
Net movement in reserves (note 12)	1,488	-	1,488
Balance at 31 December 2016	<u>131,466</u>	<u>154,182</u>	<u>285,648</u>

Refer to note 3 for detailed information on Restatement of comparatives.

	Restricted reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2017	131,466	154,182	285,648
Surplus after income tax expense for the year	-	8,585	8,585
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	8,585	8,585
Net movement in reserves (note 12)	(7,051)	-	(7,051)
Balance at 31 December 2017	<u>124,415</u>	<u>162,767</u>	<u>287,182</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Access Arts Inc.
Statement of cash flows
For the year ended 31 December 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from government and customers (inclusive of GST)		859,292	678,591
Payments to suppliers and employees (inclusive of GST)		<u>(796,784)</u>	<u>(651,087)</u>
		62,508	27,504
Interest received		<u>3,484</u>	<u>2,729</u>
Net cash from operating activities		<u>65,992</u>	<u>30,233</u>
Cash flows from investing activities			
Net cash from investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Movements in equity - other		<u>(7,051)</u>	<u>-</u>
Net cash used in financing activities		<u>(7,051)</u>	<u>-</u>
Net increase in cash and cash equivalents		58,941	30,233
Cash and cash equivalents at the beginning of the financial year		<u>280,529</u>	<u>250,296</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>339,470</u></u>	<u><u>280,529</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated 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 impact on the financial performance or position of the association.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for not-for profit oriented entities, and the Australian Charities and Not-for-profits Commission Act 2012.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

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 incorporated association's 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.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. No amounts are included in the financial statements for services donated by volunteers.

Grants

Revenue from non-reciprocal grants (contributions), is recognised when the association obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the association and the amount of the contribution can be measured reliably. A non-reciprocal grant or contribution is the receipt by the association of an asset, including the right to receive cash or other forms of asset without giving approximately equal value to the grantor.

Rendering of services

Revenue from the rendering of services is generally recognised once the service has been delivered.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

Income tax

As the incorporated association 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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the incorporated association will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Production equipment	20% per annum
Office furniture and equipment	20% per annum

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Accruals are represented by liabilities for goods and services incurred prior to the year end date that have not yet been paid, invoiced or formally agreed with the supplier.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Access Arts Inc.
Notes to the financial statements
31 December 2017

Note 1. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Restatement of comparatives

Correction of error

At 31 December 2016, the association had invoiced Arts Queensland for the first instalment of its funding under the new Organisations Fund grant which was only due in the 2017 financial year. The amount invoiced (\$100,000) was included in Trade Receivables (current assets) in the financial statements with a corresponding credit recorded in Unexpended Grants (current liabilities). The grant was not due at 31 December 2016 and consequently, Trade Receivables and Unexpended Grants were overstated by \$100,000. A correction has been effected retrospectively by way of a prior year adjustment in the 31 December 2017 financial statements reducing the 31 December 2016 comparative amount of Trade Receivables by \$100,000 and Unexpended Grants by the same amount. This adjustment has no impact on the net surplus for the year ended 31 December 2016 or on the net assets or on retained surpluses.

The association received grant funding of \$26,689 in the 2016 financial year which it deferred and recognised under Unexpended Grants (current liabilities) in the statement of financial performance. In terms of the association's revenue recognition accounting policy, revenue from grants is recognised when the association obtains control of the grant or the right to receive the grant, it is probable that the economic benefits comprising the grant will flow to the association and the amount of the grant can be measured reliably. These grants should have been brought to account as revenue in the 2016 financial year. The 31 December 2016 comparatives have been restated by increasing grant revenue by \$26,689 and reducing Unexpended Grants by the same amount resulting in an increase in the surplus for that year.

Reclassification

Under Australian Accounting Standards, disclosure is required of the amount of each significant category of revenue recognised during the year. Revenue for the year ended 31 December 2016 included Other Revenue of \$670,037. The significant categories in this Other Revenue balance have been separately disclosed in the statement of profit or loss and other comprehensive income.

Under Australian Accounting Standards, each material class of expense in the statement of profit and loss should be separately disclosed, and unclassified expenses (shown as Other Expense') should be immaterial both individually and in aggregate. As a consequence, certain expenses that comprised unclassified expenses at 31 December 2016 have been separately disclosed in the statement of profit or loss and other comprehensive income.

The following reclassifications have been made to the statement of financial position at 31 December 2016 in order to comply with the presentation requirements of Australian Accounting Standard AASB 101 'Presentation of Financial Statements':

- (a) Restricted and Other reserves of \$40,146 and \$36,062 respectively were transferred from current liabilities (Other) to equity (Designated Reserves and Retained Surpluses respectively)
- (b) Rental deposits of \$7,175 have been reclassified from Trade and Other Receivables to Other Assets (under current assets)
- (c) Employee annual leave provision of \$8,843 has been reclassified from Trade and Other Payables to Employee Benefits (under current liabilities)
- (d) Input tax credits of \$1,158 have been reclassified from current assets (Trade and Other Receivables) to current liabilities (Trade and Other Payables)

The above reclassifications had no impact on the net surplus for that year.

Access Arts Inc.
Notes to the financial statements
31 December 2017

Note 3. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

	2016 \$ Reported	\$ Adjustment	2016 \$ Restated
Revenue			
Government grants - Arts Queensland	-	225,679	225,679
Government grants - Department of Communities, Child Safety and Disability Services	-	340,047	340,047
Government grants - Department of Prime Minister and Cabinet	-	67,296	67,296
Donations	-	8,359	8,359
Workshop fees	-	25,237	25,237
Interest	2,729	-	2,729
Other revenue	670,037	(629,569)	40,468
Rendering of services	10,359	(10,359)	-
Expenses			
Bad and doubtful debts	(6,083)	-	(6,083)
Computer and IT expenses and support	-	(6,490)	(6,490)
Consultants and contractors	-	(12,547)	(12,547)
Employee benefits expense	(482,370)	-	(482,370)
Depreciation and amortisation expense	(3,730)	-	(3,730)
Insurance	-	(10,527)	(10,527)
Marketing, promotion and publicity	-	(5,214)	(5,214)
Partnership and project expenses	-	(15,307)	(15,307)
Postage, internet and telephone	-	(6,097)	(6,097)
Printing and stationery	-	(6,953)	(6,953)
Rent and outgoings	-	(34,117)	(34,117)
Repairs and maintenance	-	(10,776)	(10,776)
Resource materials	-	(8,409)	(8,409)
Staff, Board and Arts worker training	-	(3,239)	(3,239)
Travel and accommodation	-	(6,815)	(6,815)
Venue and equipment hire	-	(19,750)	(19,750)
Other expenses	(165,296)	137,342	(27,954)
Accountancy expenses	(1,040)	1,040	-
Advertising expenses	(80)	80	-
Auditors remuneration	(4,633)	4,633	-
Freight and cartage	(229)	229	-
Lease expenses	(2,916)	2,916	-
Surplus before income tax expense	16,748	26,689	43,437
Income tax expense	-	-	-
Surplus after income tax expense for the year attributable to the members of Access Arts Inc.	16,748	26,689	43,437
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year attributable to the members of Access Arts Inc.	16,748	26,689	43,437

Access Arts Inc.
Notes to the financial statements
31 December 2017

Note 3. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	2016 \$	\$	2016 \$
	Reported	Adjustment	Restated
Assets			
Current assets			
Cash and cash equivalents	280,529	-	280,529
Trade and other receivables	126,828	(108,333)	18,495
Other	5,336	7,175	12,511
Total current assets	<u>412,693</u>	<u>(101,158)</u>	<u>311,535</u>
Non-current assets			
Property, plant and equipment	10,897	-	10,897
Total non-current assets	<u>10,897</u>	<u>-</u>	<u>10,897</u>
Total assets	<u>423,590</u>	<u>(101,158)</u>	<u>322,432</u>
Liabilities			
Current liabilities			
Trade and other payables	37,942	(10,001)	27,941
Employee benefits	-	8,843	8,843
Other	202,897	(202,897)	-
Total current liabilities	<u>240,839</u>	<u>(204,055)</u>	<u>36,784</u>
Total liabilities	<u>240,839</u>	<u>(204,055)</u>	<u>36,784</u>
Net assets	<u>182,751</u>	<u>102,897</u>	<u>285,648</u>
Equity			
Restricted reserves	91,320	40,146	131,466
Retained surpluses	91,431	62,751	154,182
Total equity	<u>182,751</u>	<u>102,897</u>	<u>285,648</u>

Note 4. Current assets - cash and cash equivalents

	2017 \$	2016 \$
Cash on hand	250	380
Cash at bank	214,805	149,083
Cash at bank - SAFE Fund	89,940	90,969
Cash at bank - Access Arts Achievement Awards	34,475	40,097
	<u>339,470</u>	<u>280,529</u>

The bank accounts for the SAFE Fund and the Access Arts Achievement Awards are restricted to the SAFE Fund reserve and Access Arts Achievement Awards reserve (refer note 12).

Access Arts Inc.
Notes to the financial statements
31 December 2017

Note 5. Current assets - trade and other receivables

	2017 \$	2016 \$
Trade receivables	-	18,100
Other receivables	70	395
	<u>70</u>	<u>18,495</u>

Note 6. Current assets - other

	2017 \$	2016 \$
Prepayments	5,423	5,336
Security deposits	7,175	7,175
	<u>12,598</u>	<u>12,511</u>

Note 7. Non-current assets - property, plant and equipment

	2017 \$	2016 \$
Production equipment - at cost	12,781	12,781
Less: Accumulated depreciation	(11,876)	(11,440)
	<u>905</u>	<u>1,341</u>
Office furniture and equipment - at cost	26,286	26,286
Less: Accumulated depreciation	(19,813)	(16,730)
	<u>6,473</u>	<u>9,556</u>
	<u>7,378</u>	<u>10,897</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Production equipment \$	Office furniture and equipment \$	Total \$
Balance at 1 January 2017	1,341	9,556	10,897
Depreciation expense	(436)	(3,083)	(3,519)
Balance at 31 December 2017	<u>905</u>	<u>6,473</u>	<u>7,378</u>

Access Arts Inc.
Notes to the financial statements
31 December 2017

Note 8. Current liabilities - trade and other payables

	2017 \$	2016 \$
Trade payables	1,620	4,497
Credit card facilities	1,316	2,146
Accrued expenses	9,720	-
BAS payable	14,646	13,860
Other payables	17,816	7,438
	<u>45,118</u>	<u>27,941</u>

Note 9. Current liabilities - employee benefits

	2017 \$	2016 \$
Annual leave	<u>18,362</u>	<u>8,843</u>

Note 10. Current liabilities - other

	2017 \$	2016 \$
Revenue received in advance	<u>2,294</u>	<u>-</u>

Note 11. Non-current liabilities - employee benefits

	2017 \$	2016 \$
Long service leave	<u>6,560</u>	<u>-</u>

Note 12. Equity - restricted reserves

Restricted reserves refer to donations and contributions made to the association where the contributor or donor has designated the funds towards a specific appeal or purpose.

	2017 \$	2016 \$
SAFE Fund	89,940	91,320
Access Arts Achievement Awards	<u>34,475</u>	<u>40,146</u>
	<u>124,415</u>	<u>131,466</u>

SAFE Fund

The SAFE fund was established by a Life Member to provide flexible assistance to emerging and professional artists living in Queensland who experience disability. Access Arts awards SAFE grants of up to \$1,000.

Access Arts Achievement Awards

The Access Arts Achievement Award provides up to \$10,000 funding for Queensland artists, arts workers and producers with disability working in any art form to create, develop, present, produce, exhibit and/or tour their work.

Access Arts Inc.
Notes to the financial statements
31 December 2017

Note 12. Equity - restricted reserves (continued)

Movements in restricted reserves

Movements in the restricted reserves during the current and previous financial year are set out below:

	SAFE Fund \$	Access Arts Achievements Awards \$	Total \$
Balance at 1 January 2016	89,978	40,000	129,978
Interest income	2,148	146	2,294
Grants	(806)	-	(806)
Balance at 31 December 2016	91,320	40,146	131,466
Interest income	1,570	(146)	1,424
Grants	(2,950)	-	(2,950)
Awards	-	(5,525)	(5,525)
Balance at 31 December 2017	<u>89,940</u>	<u>34,475</u>	<u>124,415</u>

Note 13. Key management personnel disclosures

Compensation

The aggregate compensation made to management committee members and other members of key management personnel of the incorporated association is set out below:

	2017 \$	2016 \$
Aggregate compensation	<u>106,744</u>	<u>98,054</u>

Note 14. Commitments

	2017 \$	2016 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	29,981	32,563
One to five years	-	29,981
	<u>29,981</u>	<u>62,544</u>

Operating lease commitments includes contracted amounts for the association's offices and equipment under non-cancellable operating leases expiring within 1 year. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Access Arts Inc.
Notes to the financial statements
31 December 2017

Note 15. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 13.

Transactions with related parties

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

Receivable from and payable to related parties

There were no trade receivables 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 16. Economic dependency

The association is dependent on Arts Queensland and the Queensland Department of Communities, Child Safety and Disability Services for the majority of its revenue. Grant income represents 84% (2016: 89%) of total revenue. The grants received from Arts Queensland and the Queensland Department of Communities, Child Safety and Disability Services comprise 40% (2016: 34%) and 49% (2016: 54%) of the total grant revenue respectively.

The association receives \$200,000 annually from Arts Queensland under The Organisations Fund grant. The grant represented 75% of the funding received from Arts Queensland in the 2017 financial year. This grant agreement expires on 31 December 2020. The other grants received from Arts Queensland during the 2017 financial year were for specific projects.

The association entered into a service agreement with the Queensland Department of Communities, Child Safety and Disability Services on 1 July 2017. The agreement expires on 30 June 2019. In terms of the agreement, the association receives annual grant funding of \$310,236 (excluding initiative specific allocations).

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Note 18. Remuneration of auditors

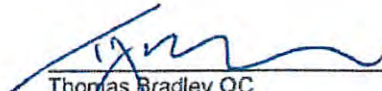
	2017	2016
	\$	\$
Audit services - Wessels & Co Pty Ltd (2016: Brian Tucker Accounting)		
Audit of the financial statements	<u>4,500</u>	<u>6,700</u>

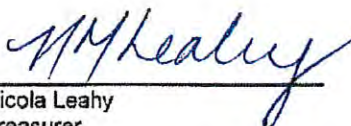
**Access Arts Inc.
Management committee members' declaration
31 December 2017**

In the management committee members' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, and the Australian Charities and Not-for-profits Commission Act 2012;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the management committee members


Thomas Bradley QC
President
19 March 2018


Nicola Leahy
Treasurer

Independent Auditor's Report

To the Members of Access Arts Inc.

Opinion

We have audited the financial report of Access Arts Inc. (the association), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Management Committee Members' declaration.

In our opinion the accompanying financial report of Access Arts 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 the association's financial position as at 31 December 2017 and of its financial performance for the year then ended; and
- (ii) complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association 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 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 opinion.

Other Information

The Management Committee are responsible for the other information. The other information comprises the content of the Management Committee Members' report on page 1 and the attached Unaudited Income Statement, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Committee for the Financial Report

The Management Committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Management Committee 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 Management Committee is responsible for assessing the 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 Management Committee either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

We communicate with the Management Committee 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.

Wessels & Co Pty Ltd

Wessels & Co Pty Ltd



Wayne Wessels
Director

Signed at Brisbane on 20 March 2018

Access Arts Inc.
 Unaudited income statement
 For the year ended 31 December 2017

	2017 \$	2016 \$
Revenue		
Expended Grants:		
Arts Queensland - Operating costs	200,000	164,430
Arts Queensland - Arts Leverage Fund	-	40,000
Arts Queensland - Project grant	66,361	21,249
Disability Services Queensland - Operating costs	260,494	280,324
Disability Services Queensland - Operating costs - Levi Diball	8,967	24,215
Disability Services Queensland - Service Development	55,746	26,708
Disability Services Queensland - Quality System Audit	-	8,800
Department of Prime Minister and Cabinet - Operating costs	67,296	67,296
Other grants	8,246	-
Other revenue	112,436	76,792
Total revenue	<u>779,546</u>	<u>709,814</u>
Expenses		
Bad and doubtful debts	-	(6,083)
Computer and IT expenses and support	(10,370)	(6,490)
Consultants and contractors	(44,169)	(12,547)
Employee benefits expense	(541,047)	(482,370)
Depreciation and amortisation expense	(3,519)	(3,730)
Insurance	(7,448)	(10,527)
Marketing, promotion and publicity	(12,670)	(5,214)
Partnership and project expenses	(15,296)	(15,307)
Postage, internet and telephone	(6,443)	(6,097)
Printing and stationery	(3,886)	(6,953)
Rent and outgoings	(37,108)	(34,117)
Repairs and maintenance	(1,037)	(10,776)
Resource materials	(5,785)	(8,409)
Staff, Board and Arts worker training	(2,120)	(3,239)
Travel and accommodation	(8,019)	(6,815)
Venue and equipment hire	(39,861)	(19,750)
Other expenses	(32,183)	(27,954)
Total expenses	<u>(770,961)</u>	<u>(666,378)</u>
Surplus for the year	8,585	43,436