Arts Law Centre of Australia

ABN 71 002 706 256

Financial Statements

For the Year Ended 31 December 2015

Arts Law Centre of Australia
ABN 71 002 706 256

Contents

For the Year Ended 31 December 2015

Directors' Report
31 December 2015

The directors present their report on Arts Law Centre of Australia for the financial year ended 31 December 2015.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

The Hon. Justice Margaret Beazley AO	President
Qualifications	LLB (Hons), LLD, University of Sydney
Experience	Admitted to the New South Wales Bar 1975; Queens Counsel 1989; Judge of the Federal Court of Australia 1993; first woman appointed to New South Wales Court of Appeal 1996 -currently its President; Officer in the Order of Australia. President of Arts Law since 2011.
Special responsibilities	Member of Risk and Governance Committee
The Hon. Peter Cadden Heerey AM QC	Vice President, resigned Jan 2016
Qualifications	BA LLB
Experience	Served as a Judge of the Federal Court of Australia for 18 years and at the Victorian Bar for 23 years. He has a particular interest in law and literature and has published in Australian and overseas academic journals on this and related topics.
Special responsibilities	Member of Risk and Governance Committee
Navid Bahadori	Treasurer, appointed 1 February 2015
Qualifications	LLB LLM Bachelor of Commerce (Accounting)
Experience	Co-founder & Managing Director at Broken Yellow, a film production and creative services company; legal practitioner & accountant; masters in commercial & taxation law; formerly Regional Taxation Manager at ResMed Australia; extensive commercial & accounting experience.
Special responsibilities	Member of Finance Committee
Andrew Wiseman	Appointed as Vice President on 28 Feb 2016. He was a previous director.
Qualifications	LLB (Hons), LLM
Experience	Intellectual property and technology lawyer with over 25 years experience. He has built his reputation through his work for high-profile international and domestic clients across many industries on copyright, piracy, licensing, marketing, confidentiality, trade mark and is one of Australia's leading music industry lawyers; partner of Allens-Linklaters since 1995.
Special responsibilities	Member of Finance Committee

Directors' Report

31 December 2015

Information on directors (continued)

Anita Jacoby	Resigned 27 February 2016
Qualifications	Graduate Diploma in Media, Australian Film, TV and Media School, MAICD
Experience	Award-winning TV producer and journalist with over 30 years experience, former Managing Director at ITV Australia; former executive of Zapruder's other films; also on boards of ITV Studios, Headspace & NSW Alzheimers Advisory Board; winner of 5 AFI Awards, an AACTA, Order of Australia medal.
Michelle Gibbings	
Qualifications	B.Business - Communications; B. Commerce
Experience	Transformation and change expert; Experience includes: strategy, compliance, governance and risk, change and program management; Held senior leadership positions at NAB and AMP; Degrees in Communications and Commerce; Masters in International Trade; Certified Compliance Professional from the Governance Risk and Compliance Institute; graduate of the Australian Institute of Company Directors.
Special responsibilities	Member of Risk and Governance Committee
Wayne Quilliam	
Qualifications	Photographer
Experience	Pre-eminent Indigenous photographic artist, curator and cultural adviser. Awards include NAIDOC Indigenous Artist of the Year, AIMSC Business of the year, Human Rights Media Award & Walkley Award for photojournalism. Highly valued practical working knowledge of Indigenous issues both nationally & internationally.
Enid Charlton	Appointed 13 April 2015
Qualifications	Executive in marketing and development
Experience	Executive in marketing and development; former Director of Marketing at Opera Australia; established successful marketing consultancy; winner of 3 ADMA awards; worked in tertiary education sector lecturing at UTS and in senior fundraising at UNSW, UTS, National Art School; former Director of Development Foundations & Corporate Relations at Macquarie University.
Tania Carol Chambers	Resigned 18 January 2015
Qualifications	BA (Hons), LLB, FAICB
Experience	Producer and consultant.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report

31 December 2015

Principal activities

The principal activity of Arts Law Centre of Australia during the financial year was the provision of legal services to artists and arts organisations.

No significant changes in the nature of the Company's activity occurred during the financial year.

Mission and objectives

Mission

Empower artists and creative communities through the law.

Vision

Arts Law Centre of Australia aspires to be widely recognised as the trusted source of advice for artists and creative communities and as the preeminent authority on artist's rights and arts law in Australia.

Organisational Values

In delivering our vision, Arts Law Centre of Australia is guided by the values of excellence, accessibility, empowerment of artists, integrity, collaboration and innovation.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Legal advice
- Professional development, education and legal resources
- Referrals to legal professionals
- Advocacy on law and policy issues for artists
- Legal services and resources to Indigenous communities and artists

Performance measures

The following measures are used within the Company to monitor performance:

- Number of telephone advices provided
- Number of document review services provided
- Number of subscribers to our service
- Number of educational seminars and workshops provided and attendances at each
- Number of publications produced and available for sale or distribution
- Number of Aboriginal and Torres Strait Islander clients assisted

Directors' Report
31 December 2015

Members guarantee

Arts Law Centre of Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $ 100 for members, subject to the provisions of the company's constitution.

At 31 December 2015, the collective liability of members was $800 (2014: $700)

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
The Hon. Justice Margaret Beazley AO	4	4
The Hon. Peter Cadden Heerey AM QC	4	2
Navid Bahadori	4	4
Andrew Wiseman	4	4
Anita Jacoby	4	2
Michelle Gibbings	4	4
Wayne Quilliam	4	2
Enid Charlton	3	3

Auditor's independence declaration

The Auditor's independence Declaration for the year ended 31 December 2015 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ....
Navid Bahadori

Dated 24 March 2016

W. W. Vick & Co.
Chartered Accountants
ABN 14 568 923 714

Auditor's Independence Declaration

To the Directors' of Arts Law Centre of Australia

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profits Commission Act 2012, as auditor for the audit of Arts Law Centre of Australia during the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

5th Floor
379-383 Pitt Street
Sydney NSW 2000

Dated: 24 March 2016

W W Vick & Co
Chartered Accountants

Peter Vlahopol - Partner

Fayworth House, Suite 503, 5th Floor, 379-383 Pitt Street, Sydney, NSW 2000
PO Box 20037, World Square, NSW 2002
Phone : 02 9266 0881 Fax : 02 9266 0886

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015	2014
		$	$
Revenue	3	926,647	1,350,276
Other income	3	140,257	110,665
Employee benefits expense		(962,518)	(896,558)
Depreciation and amortisation expense		(16,760)	(27,018)
Write-off of website cost		-	(14,566)
Finance cost		(3,454)	(5,478)
Other expenses	4	(234,007)	(308,278)
Surplus/(Deficit) before income tax		(149,835)	209,043
Income tax expense	1(b)	-	-
Total comprehensive income/(loss) for the year		(149,835)	209,043

The accompanying notes forms part of these financial statements

Arts Law Centre of Australia
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Statement of Financial Position

31 December 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	463,825	754,171
Trade and other receivables	6	195,283	42,631
Inventories	7	3,780	6,424
Other assets	8	3,400	2,815
TOTAL CURRENT ASSETS		666,288	806,041
NON-CURRENT ASSETS			
Property, plant and equipment	9	11,416	16,582
Intangible assets	10	42,562	52,192
TOTAL NON-CURRENT ASSETS		53,978	68,774
TOTAL ASSETS		720,266	874,815
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	104,642	78,931
Other liabilities	12	207,481	232,768
Employee benefits	13	143,335	151,298
TOTAL CURRENT LIABILITIES		455,458	462,997
NON-CURRENT LIABILITIES			
Employee benefits	13	14,634	11,809
TOTAL NON-CURRENT LIABILITIES		14,634	11,809
TOTAL LIABILITIES		470,092	474,806
NET ASSETS		250,174	400,009
EQUITY			
Retained earnings		250,174	400,009
		250,174	400,009
TOTAL EQUITY		250,174	400,009

The accompanying notes forms part of these financial statements

Arts Law Centre of Australia
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Statement of Changes in Equity

For the Year Ended 31 December 2015

2015	Retained Earnings	Total
	$	$
Balance at 1 January 2015	400,009	400,009
Surplus for the year	(149,835)	(149,835)
Balance at 31 December 2015	250,174	250,174

2014	Retained Earnings	Total
	$	$
Balance at 1 January 2014	190,966	190,966
Surplus for the year	209,043	209,043
Balance at 31 December 2014	400,009	400,009

The accompanying notes forms part of these financial statements

Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers and grants		873,982	1,373,522
Payments to suppliers and employees		(1,173,893)	(1,141,287)
Interest received		14,983	20,893
Finance cost		(3,454)	(5,478)
Net cash generated from operating activities		(288,382)	247,650
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(1,364)	(13,972)
Payment for acquisition of intangible asset		(600)	(48,100)
Net cash used in investing activities		(1,964)	(62,072)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease commitments		-	(9,954)
Net cash generated by/(used in) financing activities		-	(9,954)
Net increase/ (decrease) in cash held		(290,346)	175,624
Cash and cash equivalents at beginning of financial year		754,171	578,547
Cash and cash equivalents at end of financial year	5	463,825	754,171

The accompanying notes forms part of these financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2015

The financial report covers Arts Law Centre of Australia as an individual entity. Arts Law Centre of Australia is a not-for-for profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Arts Law Centre of Australia is Australian dollars.

The financial report was authorised for issue by the Board of Directors on 20 March 2016.

1 Basis of Preparation

Arts Law Centre of Australia applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the 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 stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements h

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria for each of the activities noted below have been met.

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

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

Arts Law Centre of Australia receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Summary of Significant Accounting Policies (continued)

(a) Revenue and other income

Donations

Donations and bequests are recognised as revenue when received.

Royalties

Royalties are recognised as revenue when the amount received from the agency collects the royalties.

Interest revenue

Interest is recognised using the effective interest method.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it

(b) Income Tax

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

(c) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term

(d) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

Summary of Significant Accounting Policies (continued)

(e) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 7.5 to 10 years.

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of five years. It is assessed annually for impairment.

(f) Inventories

Inventories comprise goods for resale and goods for distribution at no or nominal consideration as part of the Company's activities. Inventories held for sale are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Goods held for distribution are measured at cost, adjusted for loss of service potential, if any.

(g) Property, Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, 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.

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

Fixed asset class	Depreciation rate
Plant and equipment	10 % - 40 %

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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

Summary of Significant Accounting Policies (continued)

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised. 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).

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

Impairment

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(j) 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 insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Summary of Significant Accounting Policies (continued)

(k) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(l) Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgments

The directors 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.

Notes to the Financial Statements

For the Year Ended 31 December 2015

Summary of Significant Accounting Policies (continued)

(n) Critical Accounting Estimates and Judgments (continued)

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal company policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

2 Economic Dependence

Arts Law Centre of Australia is dependent on government grant funding for the majority of its revenue used to operate the business. At the date of this report, the directors have no reason to believe the government grant funding will not continue to support Arts Law Centre of Australia. Whilst some Federal and State grants are multi-year, others are on an annual basis only.

3 Revenue and Other Income

	Note	2015 $	2014 $
Revenue			
Grant Revenue	(a)	762,077	1,028,679
Member subscriptions		83,658	78,860
Fundraising income		46,143	162,398
Donations		20,186	59,602
		912,064	1,329,539
Other revenue			
Other interest received		14,583	20,737
		14,583	20,737
Total Revenue		926,647	1,350,276
Other Income			
Royalties		1,149	237
Recoveries		17,988	23,251
Sales of publications		47,428	55,155
Speaker fees received		45,062	27,375
Service Fee (IAC)		17,692	-
Other income		10,938	4,647
Total Other Income		140,257	110,665
Total Revenue and Other Income		1,066,904	1,460,941

Notes to the Financial Statements

For the Year Ended 31 December 2015

(a) Grant revenue

	2015 $	2014 $
Grant revenue received from:		
Australia Council for the Arts	244,320	442,622
Attorney-Generals Department	120,000	180,000
Ministry for the Arts	94,000	30,000
Screen Australia	-	25,000
Arts NSW	125,214	125,214
Creative Victoria	50,000	50,000
Arts Queensland	40,000	50,000
Department of Aboriginal Affairs WA	9,600	26,400
Department of Arts and Museums NT	10,000	25,000
Department of Culture and the Arts WA	15,000	15,000
Arts ACT	10,000	10,000
Arts Tasmania	7,000	7,000
Film Victoria	5,000	5,000
Arts SA	4,443	4,443
Screen Territory	-	4,000
Phonographic Performance Co of Australia	15,000	15,000
Copyright Agency Limited	-	12,000
Arts Access Australia	-	2,000
DCA WA Project	12,500	-
Total grant revenue	762,077	1,028,679

4 Result for the Year

Other expenses

Goods held for distribution expensed during the year	-	3,320
Travel and accommodation	74,252	71,805
Repairs and maintenance	19,767	14,596
Rent	14,961	16,169
Fundraising	12,627	86,665
Communication	12,380	12,024
Consultancy	10,100	9,808
Film Production Expenses	10,000	10,058
Insurance	9,934	10,632
Audit Fees	9,040	8,070
Printing & Stationery	7,311	8,292
Subscriptions - trade associations	6,937	8,398
Library costs	6,879	5,735
Website Development	5,667	2,193
Cleaning	4,631	2,398
Annual report cost	4,327	3,690
Others	25,194	34,425
	234,007	308,278

Notes to the Financial Statements

For the Year Ended 31 December 2015

	2015	2014
	$	$
5 Cash and cash equivalents		
Short-term bank deposits	357,456	464,090
Cash at bank	106,056	289,980
Cash on hand	313	101
	463,825	754,171

6 Trade and other receivables

CURRENT		
Trade receivables	194,647	41,595
Accrued revenue	636	1,036
Total current trade and other receivables	195,283	42,631

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

7 Inventories

CURRENT		
At cost:		
Goods held for distribution	2,386	4,374
At net realisable value:		
Goods held for sale	1,394	2,050
	3,780	6,424

8 Other assets

CURRENT		
Prepayments and deposits	3,400	2,815

9 Property, plant and equipment

Plant and equipment		
At cost	90,654	95,820
Accumulated depreciation	(79,238)	(79,238)
Total plant and equipment	11,416	16,582
Leasehold Improvements		
At cost	21,390	21,390
Accumulated amortisation	(21,390)	(21,390)
Total leasehold Improvements	-	-
Total property, plant and equipment	11,416	16,582

Notes to the Financial Statements

For the Year Ended 31 December 2015

9 Property, plant and equipment (continued)

Movements in Carrying Amounts

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

2015	Plant and Equipment $	Total $
Balance at the beginning of the year	16,582	16,582
Additions at cost	1,364	1,364
Depreciation expense	(6,530)	(6,530)
Carrying amount at the end of the year	11,416	11,416

10 Intangible Assets

	2015 $	2014 $
Patents, trademarks and other rights		
Cost	7,470	6,870
Accumulated amortisation and impairment	(3,388)	(2,778)
Net carrying value	4,082	4,092
Website development		
Cost	114,891	48,100
Accumulated amortisation and impairment	(76,411)	-
Net carrying value	38,480	48,100
Total Intangibles	42,562	52,192

2015	Patent, Trademark & Other Rights $	Computer Software $	Total $
Balance at the beginning of the year	4,092	48,100	52,192
Additions	600	-	600
Disposals	-	-	-
Amortisation charge	(610)	(9,620)	(10,230)
	4,082	38,480	42,562

Notes to the Financial Statements
For the Year Ended 31 December 2015

11 Trade and other payables

	2015	2014
	$	$
CURRENT		
Trade payables	21,960	18,016
Employee related accruals	37,439	26,827
Sundry payables and accrued expenses	20,518	18,138
Corporate credit card	109	203
GST payable	24,616	15,747
	104,642	78,931

12 Other liabilities

	2015	2014
Grants in Advance		
Australia Council for the Arts	122,160	122,160
Attorney-General Office	-	30,000
Other Grants	4,000	-
Total Grants in Advance	126,160	152,160
Unexpended Grants		
Grants in advance		
Ministry for the Arts	25,000	30,000
Department of Aboriginal Affairs Western Australia	-	9,600
DCA - WA Project	12,500	-
Total unexpended grants	37,500	39,600
Unearned Income		
Unearned membership subscription	39,276	35,553
Unearned income	4,545	5,455
Total unearned income	43,821	41,008
Total other liabilities	207,481	232,768

13 Employee Benefits

	2015	2014
Current liabilities		
Long service leave	45,375	44,327
Annual leave	97,960	106,971
	143,335	151,298
Non-current liabilities		
Long service leave	14,634	11,809
Total Employee Benefits	157,969	163,107

13 Employee Benefits (continued)

2015	Employee Benefits	Total
Analysis of total provisions		
Opening balance at 1 January 2015	163,107	163,107
Additional provisions raised during year	37,236	37,236
Amounts used	(42,374)	(42,374)
Balance at 31 December 2015	157,969	157,969

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(n).

14 Leasing Commitments

Operating leases

	2015	2014
Minimum lease payments:	$	$
- not later than one year	10,691	10,730
- between one year and five years	6,912	14,765
	17,603	25,495

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements. Increase in lease commitments may occur in line with the consumer price index (CPI).

In 19 March 2015, Arts Law Centre of Australia entered into equipment lease agreement with Fuji Xerox Australia with a minimum term of 60 months at a minimum rental charge of $394 per month. Charges are based on colour and black volume and impression charge. Depending on the usage, the minimum monthly charge may vary.

15 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 100 each towards meeting any outstanding obligations of the Company. At 31 December 2015, the number of members were 8 (2014: 7).

16 Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2015	2014
	$	$
Key management personnel compensation	366,181	360,888

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2015 (31 December 2014: None).

18 Other related party transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year, $25,974 (2014: $30,507) was paid to Rose Ayres as salaries and wages. Rose Ayres is the daughter of Robyn Ayres (Chief Executive Officer).

In addition, $62,536 (2014: $57,692) was paid to Suzanne Derry as salaries and wages. Suzanne Derry is the spouse of Navid Bahadori (Treasurer and Member of Finance Committee).

Notes to the Financial Statements

For the Year Ended 31 December 2015

19 Financial risk management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015	2014
Financial assets		**$**	**$**
Cash and cash equivalents	5	463,825	754,171
Loans and receivables	6	194,647	41,595
Total financial assets		658,472	795,766
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	11	80,026	63,184
Total financial liabilities		80,026	63,184

20 Fundraising Appeals Conducted During the Financial Year

The following disclosures for the current period are included to comply with the Charitable Fundraising Act (NSW) 1991. During the financial year the Company raised funds through solicited corporate and general donations; gifts and the conduct of fundraising events and activities

Results from fundraising appeals

	2015	%	2014	%
	$		$	
Gross income from fundraising, donations and contributions	51,897		176,202	
Total cost of fundraising	14,391		91,127	
Net surplus from fundraising	37,506	72 %	85,075	48 %
Total income	1,066,904		1,460,941	
Total expenditure	1,216,739		1,251,898	
Payments to Arts Law Centre of Australia fundraising as a percentage of total income	1.35 %		6.24 %	
Payments to Arts Law Centre of Australia fundraising as a percentage of total expenditure	1.18 %		7.28 %	

Total direct payments fundraising events include payments to subcontractors who directly execute fundraising activities as well as payments for awards and prizes. The balance of expenditure incurred by the Company was applied to general operations which, while not directly allocated to a specific fundraising event, are applied to the furtherance of the Company's overall charitable objectives.

21 Events Occurring After the Reporting Date

The financial report was authorised for issue on 18 March 2016 by the Board of Directors. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Arts Law Centre of Australia
ABN 71 002 706 256

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:

    a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 31 December 2015 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. Pursuant to Schedule 1, Section 7(3) of the Charitable Fundraising Regulation 2008;
   a. the income statement is drawn up as to give a true and fair view of income and expenditure of the Company for the year ended 31 December 2015 with respect to fundraising appeals;

   b. the statement of financial position and statement of cash flows are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2015 with respect to fundraising appeals;

   c. the provisions of the *Charitable Fundraising Act 1991* and the regulations under the Act and the conditions attached to the Company have been complied with for the year ended 31 December 2015; and

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

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....
Navid Bahadori

Dated 18 March 2016

W. W. Vick & Co.
Chartered Accountants
ABN 14 568 923 714

Independent Audit Report to the Directors of Arts Law Centre of Australia

Report on the Financial Report

We have audited the accompanying financial report of Arts Law Centre of Australia, which comprises the statement of financial position as at 31 December 2015, 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, notes comprising a summary of significant accounting policies, other explanatory information and directors' declaration.

Directors' Responsibility for the Financial Report

The Directors' of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, and the Australian Charities and Not-for-Profits Commission Regulations 2013, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial report.

Additional scope pursuant to the Charitable Fundraising Act 1991

In addition, our audit report has been prepared for the members of the Company in accordance with Section 24(2) of the Charitable Fundraising Act 1991. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the Corporations Act 2001. These additional procedures included obtaining an understanding of the internal control structure for fund raising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising Act 1991 and Regulations. It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal period end financial adjustments for such matters as accrual, prepayments, provisioning and valuation necessary for period end financial statement preparation. The performance of our audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial statements. The review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems. The audit opinion expressed in this report pursuant to the Charitable Fundraising Act 1991 and Regulations has been formed on the above basis.

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

W. W. Vick & Co.

Chartered Accountants

ABN 14 568 923 714

Independent Audit Report to the Directors of Arts Law Centre of Australia

Basis for Qualified Opinion

It is not always practicable for the Company to establish accounting controls over all forms of donations prior to receipt of these funds and accordingly it is not possible for our examination to include procedures which extend beyond the amounts of such income recorded in the accounting records of the Company.

In respect to the qualification above, based on our review of the internal controls, nothing has come to our attention, which would cause us to believe that the internal controls over income from fundraising and donations by the Company are not appropriate.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Arts Law Centre of Australia is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

a) giving a true and fair view of the Company's financial position as at 31 December 2015, and its financial performance and its cash flows for the year then ended; and

b) complies with Australian Accounting Standards - Reduced Disclosure Requirements and Div 60 of the Australian Charities and Not-for-Profits Commission Act 2012, and the Australian Charities and Not-for-Profits Commission Regulations 2013.

Report on Other Legal and Regulatory Requirements

Qualified Opinion pursuant to the Charitable Fundraising Act 1991

In our opinion, except for the effects, if any of the qualification set out above:

(a) The financial report of Arts Law Centre of Australia gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 31 December 2015;

(b) The financial report has been properly drawn up, and the associated records have been properly kept for the period 1 January 2015 to 31 December 2015, in accordance with the Charitable Fundraising Act 1991 and its Regulations;

(c) Money received as a result of fundraising appeal activities conducted during the period from 1 January 2015 to 31 December 2015 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and its Regulations; and

(d) There are reasonable grounds to believe that Arts Law Centre of Australia will be able to pay its debts as and when they fall due.

W W Vick & Co

Chartered Accountants

Peter Vlahopol - Partner

Sydney

24 March 2016

W. W. Vick & Co.
Chartered Accountants
ABN 14 568 923 714

Disclaimer

For the Year Ended 31 December 2015

The additional financial data presented on pages **29 - 30** is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 December 2015. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Arts Law Centre of Australia) in respect of such data, including any errors of omissions therein however caused.

5th Floor
379-383 Pitt Street
Sydney NSW 2000

W W Vick & Co
Chartered Accountants

Peter Vlahopol - Partner

Dated: 24 March 2016

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