

Arts Law Centre of Australia

ABN 71 002 706 256

Financial Report

For the Year Ended 31 December 2019



Arts Law Centre of Australia

ABN 71 002 706 256

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For the Year Ended 31 December 2019

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Directors' Report 31 December 2019

The directors present their report on Arts Law Centre of Australia for the financial year ended 31 December 2019.

1. General information

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, Vision and Values

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

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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 referrals to legal and other professionals
- 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

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 2019 the collective liability of members was \$900 (2018: \$700).

Information on Directors

The Hon. Justice John Sackar

President, elected 15 April 2019

Qualifications

B of Laws, Master of Laws Sydney University, Admitted as Barrister 1975, Appointed Queens Counsel 1987, and Appointed Justice of Supreme Court of NSW in 2011.

Experience

He practised in diverse areas of law both in trial and appellate work, in Australia, South East Asia and the United Kingdom. After practising as Queen's Counsel for nearly 25 years he was appointed a Judge of the Supreme Court of New South Wales in February 2011.

Special Responsibilities

Member of Risk & Governance Committee and Strategy

Andrew Wiseman

Vice President

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, trademark and is one of Australia's leading music industry lawyers; partner of Allens-Linklaters since 1995.

Special Responsibilities

Member of the Communications & Marketing Committee and Finance Committee

Directors' Report

31 December 2019

Sarah Kwok

Treasurer, elected 15 April 2019

Qualifications

B of Business (Finance) and B of Law from University of Technology, Graduate Certificate of Accounting from Deakin University, Melbourne and a Chartered Accountant.

Experience

Sarah Kwok is an Associate Director in the KPMG Enterprise Advisory practice and leads the financial modelling and investor readiness capability within Enterprise Sydney. Sarah has 8 years' experience as a trusted advisor to high growth technology start-ups and privately owned businesses in the mid-market. Sarah has extensive experience in buy-side and sell-side financial due diligence having advised start-ups, privately owned and public business across technology, media, manufacturing and construction. She has also assisted established businesses on growth strategy and the sustainability and feasibility of new projects.

Sarah is also on the board of 107 Projects, where she holds the role of the Treasurer.

Special Responsibilities

Member of Finance Committee and Strategy

Michelle Gibbings

Qualifications

B. Business Communications; B. Commerce; Masters International Trade

Experience

Michelle Gibbings is a leadership and career expert. The author of *Step Up: How to Build your Influence at Work*, and *Career Leap: How to reinvent and liberate your career*, Michelle is an international keynote speaker, advisor, facilitator and executive mentor for leading global organisations.

Michelle is a Certified Compliance Professional from the Governance Risk and Compliance Institute, and a graduate of the Australian Institute of Company Directors.

Michelle actively supports Arts and Community organisations, having served as a Board member for an independent theatre company and a community radio station. Michelle has been a director of Arts Law since October 2014.

Special Responsibilities

Member of Risk & Governance Committee and Strategy

Debra Camden

Qualifications

B. Business (Comm); Master of Business Administration.

Experience

More than 35 years' experience in media and communication, specialising in strategic communication planning and stakeholder engagement. The founder of a boutique communication consultancy; Has been a Journalist with the Brisbane Telegraph; Managing Director of Brisbane's tourism marketing authority; Director of Queensland Events Corporation Member of the Communication & Marketing Committee and Strategy

Special Responsibilities

Dr Andrew Lu OA

Directors' Report 31 December 2019

Qualifications	LLB from the University of Western Australia, LLM from the University of New England, and SJD from the Australian National University. He is a Fellow of ANZIIF and a Chartered Tax Adviser
Experience	<p>Dr Andrew Lu is a solicitor specialising in general insurance, health care liability, and medical defence. A partner of HBA Legal, he represents hospitals, health practitioners, and government in civil, coronial and disciplinary matters. He is an experienced trial and appellate advocate, and also appears at inquests and inquiries. Andrew graduated LLB from the University of Western Australia, LLM from New England, and SJD from The Australian National University. He is a Fellow of the Australian Academy of Law and of ANZIIF, adjunct Senior Lecturer at UWA Law School, and a sessional Member of the State Administrative Tribunal.</p> <p>Andrew is also a non-executive director of the Australian Youth Orchestra, and the National Gallery of Australia Foundation. A member of the Council of the Art Gallery of Western Australia Foundation, he chairs the Fulbright Commission's WA Selection Committee, and was awarded an Order of Australia medal in 2008.</p>
Special Responsibilities	Member of Risk & Governance Committee
Dr Emma Hicks	Appointed 7 November 2019
Qualifications	Doctor of Philosophy (PhD) and Bachelor of Visual Arts (first class honours) from Sydney College of the Arts (University of Sydney), Advanced Dip. of Graphic Design and a Dip. of Fine Arts.
Experience	<p>Dr Emma Hicks is a Sydney based artist, writer and academic of Gamilaroi and European heritage.</p> <p>In 2013, Emma received the Dr Charles Perkins AO memorial prize at USYD. As a contemporary artist, Emma has exhibited both nationally and internationally working across film, installation and performance.</p> <p>Emma's current roles include Coordinator for Aboriginal & Torres Strait Island Learning Programs at the Museum of Contemporary Art in the National Centre for Creative Learning and a casual academic for USYD. Emma is a current Australia Council peer assessor in the area of emerging and experimental arts. Emma also works as a freelance graphic designer. She has previously worked as a casual lecturer for Sydney College of the Arts across disciplines and as a sessional Lecturer for the National Art School. Emma has facilitated workshops in creative writing, professional art practice, filmmaking, Aboriginal art & culture & transcultural collaboration for institutions such as Sydney College of the Arts, UWSYD, USYD and National Art School.</p> <p>Emma is passionate about language revitalisation and reclamation and is currently studying Gamilaraay language at EORA TAFE.</p>
Special Responsibilities	Member of Artists in the Black

Directors' Report 31 December 2019

Dr Jared Thomas

Appointed 7 November 2019

Qualifications

PHD English, Creative Writing and Masters in English, Creative Writing (University of Adelaide), Graduate Diploma in English, Creative Writing and B. Arts (University of Adelaide).

Experience

Dr Jared Thomas is a Nukunu person of the Southern Flinders Ranges and the Curator of Aboriginal and Torres Strait Islander Art and Cultural Material at the South Australian Museum. An international award winning author, his titles for children include The Game Day series with Patty Mills, Dallas Davis, the Scientist and the City Kids for children, and Sweet Guy, Calypso Summer and Songs that Sound Like Blood for young adults. Jared's writing explores the power of belonging and culture.

Jared has worked as a University of South Australia Communications lecturer with a specialisation in protocols for art and creative production that involves Aboriginal people and culture, and Manager, Aboriginal and Torres Strait Islander Arts and Culture, Arts SA. He currently serves on the Australia Council for the Arts Aboriginal and Torres Strait Islander Strategy Panel. Jared is an Ambassador of the Indigenous Literacy Foundation and South Australian Premier's Reading Challenge.

Jared's pursuits through the South Australian Museum explore new methodologies and models for engaging Aboriginal people and communities in the telling of their stories and the custodianship of their material culture.

Special Responsibilities

Member of Artists in the Black

The Hon. Justice Margaret Beazley AO

President, resigned 20 February 2019

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 & Governance Committee

Navid Bahadori

Treasurer (Resigned 15 April 2019 - Treasurer)

Qualifications

LLB LLM B of Commerce (Accounting), Chartered Tax Advisor

Experience

Executive Producer and Managing Director at Broken Yellow, a film production and creative services company; solicitor and accountant; masters in commercial & taxation law; formerly Tax Manager at Deloitte Australia and Regional Taxation Manager at ResMed Australia; extensive commercial and accounting experience.

Special Responsibilities

Member of the Finance Committee and Strategy

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Directors' Report

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Bronwyn Bancroft

Resigned June 2019

Qualifications

Dip. of Visual Arts from Canberra School of Art, 2 Masters degrees, one in Studio Practice the other in Visual Art University of Sydney. Awarded Doctor of Philosophy from the University of Sydney in 2018.

Experience

Bronwyn Bancroft is a proud Bundjalung Woman and Artist. Bronwyn has been exhibiting nationally and internationally for over 3 decades. Collections that have acquired her work include National Gallery of Australia, Macquarie University, Art Gallery of New South Wales, Art Gallery of Western Australia, International House, University of Sydney, Parliament House Art Collection, State Library of New South Wales, State Library of Victoria, Australian Museum and Artbank, as well as in overseas collections such as Newark Museum USA, Prime Minister of Turkey, The Kelton Foundation USA, Volkerkunde Museum, Germany and Westpac USA. Bronwyn holds positions in the following organisations, Arts Law, Australian Indigenous Mentoring Experience (AIME), Commonwealth Bank RAP Committee and her own company, Designer Aboriginals Pty Ltd established 1985 (Director).

Special Responsibilities

Member of the Communications & Marketing Committee

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**Directors' Report
31 December 2019**

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

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

The Hon Justice John Sackar
 Andrew Wiseman
 Sarah Kwok
 Michelle Gibbings
 Debra Camden
 Dr Andrew Lu AO
 Dr Emma Hicks – Appointed 7 November 2019
 Dr Jared Thomas – Appointed 7 November 2019
 The Hon Justice Margaret Beazley – Resigned 20 February 2019
 Navid Bahadori
 Bronwyn Bancroft – Resigned June 2019

Directors Meetings	
Number eligible to attend	Number attended
6	3
6	6
6	6
6	6
6	6
6	4
2	2
2	1
1	1
6	5
3	1

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 for the year ended 31 December 2019 has been received and can be found on page 8 of the financial report.

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

Sarah Kwok

Director:

Sarah Kwok

Dated: 21 April 2020

W. W. Vick & Co.

Chartered Accountants

ABN 14 568 923 714



Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Arts Law Centre of Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, 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 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

W W Vick & CO

Chartered Accountants

Peter Vlahopol

Registered Company Auditor - No 4554

Chartered Accountants

Dated: 21 April 2020

North Sydney

Level 3, 1 James Place, North Sydney, NSW, 2060.
PO Box 20037, World Square, NSW 2002
Phone: 02 8071 0300

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Legislation



Arts Law Centre of Australia

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

		2019	2018
	Note	\$	\$
Revenue	6.	1,274,397	1,235,820
Finance income	6.	11,767	15,296
Other income	6.	287,336	258,250
Employee benefits expense		(1,166,935)	(1,064,887)
Depreciation and amortisation expense		(27,214)	(28,070)
Finance cost		(4,401)	(5,997)
Other operating expenses	7.	(404,599)	(291,875)
(Deficit)/ Surplus before income tax		(29,649)	118,537
Income tax expense	3.(a).	-	-
Total comprehensive income for the year		(29,649)	118,537

The accompanying notes form part of these financial statements.

Statement of Financial Position

31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	765,384	895,473
Trade and other receivables	9	236,917	212,901
Inventories	10	1,394	995
Other assets	13	9,314	997
TOTAL CURRENT ASSETS		1,013,009	1,110,366
NON-CURRENT ASSETS			
Property, plant and equipment	11	22,298	32,790
Intangible assets	12	9,795	20,782
Right-of-use assets	11	10,563	-
TOTAL NON-CURRENT ASSETS		42,656	53,572
TOTAL ASSETS		1,055,665	1,163,938
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	107,999	86,381
Borrowings	15	9,187	8,630
Lease liabilities	18	9,850	-
Employee benefits	16	141,886	152,927
Other liabilities	17	234,776	330,508
TOTAL CURRENT LIABILITIES		503,698	578,446
NON-CURRENT LIABILITIES			
Borrowings	15	781	9,888
Employee benefits	16	8,621	3,390
TOTAL NON-CURRENT LIABILITIES		9,402	13,278
TOTAL LIABILITIES		513,100	591,724
NET ASSETS		542,565	572,214
EQUITY			
Retained earnings		542,565	572,214
TOTAL EQUITY		542,565	572,214

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Retained Earnings \$	Total \$
Balance at 1 January 2019	572,214	572,214
<i>(Deficit) and total comprehensive income/(loss) for the year</i>	(29,649)	(29,649)
Balance at 31 December 2019	542,565	542,565

2018

	Retained Earnings \$	Total \$
Balance at 1 January 2018	453,677	453,677
Surplus and total comprehensive income for the year	118,537	118,537
Balance at 31 December 2018	572,214	572,214

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 December 2019

Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers and grants	1,508,782	1,309,785
Payments to suppliers and employees	(1,631,238)	(1,464,467)
Interest received	11,767	15,285
Finance costs	(4,401)	(5,997)
Net cash (used in)/provided by operating activities	<u>(115,090)</u>	<u>(145,394)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	-	(13,100)
Purchase of property, plant and equipment	(6,450)	(5,429)
Net cash (used in)/provided by investing activities	<u>(6,450)</u>	<u>(18,529)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(8,549)	(7,512)
Net cash (used in)/provided by financing activities	<u>(8,549)</u>	<u>(7,512)</u>
Net (decrease)/increase in cash and cash equivalents held	<u>(130,089)</u>	(171,435)
Cash and cash equivalents at beginning of year	<u>895,473</u>	1,066,908
Cash and cash equivalents at end of financial year	<u>8</u> <u>765,384</u>	<u>895,473</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers Arts Law Centre of Australia as an individual entity. Arts Law Centre of Australia is a not-for-profit Company, registered 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 those charged with governance on 31 March 2020.

Comparatives are consistent with prior years, unless otherwise stated.

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.

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 Australian Charities and Not for Profits Commission Act 2012.

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 have been rounded to the nearest dollar.

2. Change in Accounting policy

Revenue from Contracts with Customers – Adoption of AASB 15 and Income of Not-for-Profit Entities – Adoption of AASB 1058

The Company has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 January, 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 118, AASB 1004 and related interpretations.

Comparison of financial statement line items under AASB 15 and AASB 1058 compared to previous standards for the current year

There are no impacts of adopting AASB 15 and AASB 1058 on the Company's Statement of Profit and Loss and Other Comprehensive income, Statement of Financial Position, and Statement of Cash flows for the year ended 31 December 2019. The carrying amounts prior to adoption of AASB 15 and AASB 1058 are the same as AASB 15 and AASB 1058 carrying amounts.

Notes to the Financial Statements For the Year Ended 31 December 2019

Leases - Adoption of AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 January, 2019 and therefore the comparative information for the year ended 31 December 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Impact of adoption of AASB 16

Nature of change in accounting policy from adoption of AASB 16

The impact of adopting AASB 16 is described below:

Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short term leases and leases of low value assets).

Under AASB 16, the Company will recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities, included in finance costs, based on the interest rate implicit in the contract. Following the adoption of AASB 16, the Company has recognised a right-of-use asset of \$10,563 and corresponding liability over the office and photocopier lease.

3. Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Leases

For comparative year

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.

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Notes to the Financial Statements

For the Year Ended 31 December 2019

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company 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.

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 estimated life of the right-of-use assets is based on those of property, plant and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date.

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 Company'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 Company'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.

(c) Revenue and other income

For comparative year

Revenue is recognised when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australia Taxation Office.

Donations

Donations collected are recognised as revenue when the Company gains control, economic benefits are probable, and the amount of the donation can be measured reliably.

Revenue from Rendering of Services

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

Interest

Interest income is recognised as it accrues, using the effective interest method.

Notes to the Financial Statements For the Year Ended 31 December 2019

Revenue from contracts with customers

For current year

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 Company expects to receive in exchange for these goods and services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligations is transferred.

Grant Income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements, there may be some performance obligations where control transfers at a point in time and other which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Donations

Where donation income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

Revenue from Rendering of Services

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

Royalties

Royalties are recognised as revenue when the amounts are received from the collection agency.

Interest

Interest income is recognised as it accrues, using the effective interest method.

Other income

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

(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. 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 2019

(e). Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(f). 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 nil or nominal consideration have been recorded at the acquisition date fair value.

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(k) 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

Plant and equipment 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 % - 50 %

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.

(g). 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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

(h). Financial instruments

Financial instruments are recognised initially on the date that the Company 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 Company 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 Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of financial assets has increased significantly since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

Notes to the Financial Statements

For the Year Ended 31 December 2019

Financial assets

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

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

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company 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 Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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 Company 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 Company 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.

Financial liabilities

The Company 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 Company comprise trade payables, bank and other loans and finance lease liabilities.

(i). 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.

(j). Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee 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 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 high quality 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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

(k). Impairment of Assets

At the end of each reporting period, the Company 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 Company 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.

(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). Adoption of new and revised accounting

The Company has adopted all Standards which became effective for the first time at 31 December 2019. The adoption of these Standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company. Refer Note 2 for details of the changes due to Standards adopted.

4. 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

5. 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.

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.

Notes to the Financial Statements
For the Year Ended 31 December 2019

6. Revenue and Other Income

	Note	2019 \$	2018 \$
Revenue			
- Grant revenue	6 (a)	963,709	946,338
- Subscription income		101,228	100,650
- Fundraising income		141,030	152,244
- Donations		68,430	36,588
		1,274,397	1,235,820
Finance income			
- Other interest received		11,767	15,296
Total Revenue		1,286,164	1,251,116
Other Income			
- Royalties		1,700	2,536
- Recoveries		83,260	30,618
- Sales of publications		56,624	69,916
- Education Income		66,150	67,745
- Artists in the Black Peak Body Services		56,960	69,160
- Service Fee (IAC)		-	10,000
- Other income		22,642	8,275
		287,336	258,250
Total Revenue and Other Income		1,573,500	1,509,366
(a) Grant Revenue			
Grant revenue received from:			
- Australia Council for the Arts		249,229	246,764
- Attorney-Generals Department		181,990	189,807
- Department of Communications and the Arts		139,740	114,818
- Create NSW		125,250	125,250
- Creative Victoria		60,000	60,000
- Arts Queensland		50,000	50,000
- Department of Tourism and Culture - Arts NT		25,000	25,000
- Department of Local Government, Sport and Cultural Industries, Culture and the Arts (WA)		40,000	54,700
- Arts ACT		15,500	15,500
- Arts Tasmania		7,000	7,000
- Arts South Australia		30,000	25,000
- Film Victoria		-	5,000
- Phonographic Performance Company of Australia		15,000	15,000
- Copyright Agency Limited		-	-
- APRA AMCOS		25,000	12,500
- Others		-	-
		963,709	946,338

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Result for the Year

Note	2019 \$	2018 \$
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The result for the year includes the following specific expenses:

Other expenses:		
Annual report costs	5,182	4,458
Audit fees	7,000	11,000
Cleaning	8,560	8,400
Communications	17,701	13,717
Consultancy	17,801	6,665
Film Production Expenses	8,291	23,986
Fundraising	59,564	31,155
Insurance	9,244	9,231
Library costs	8,581	7,712
Printing and stationery	10,109	7,677
Repairs and maintenance	12,155	14,816
Rent	32,116	17,364
Subscriptions – trade associations	5,686	7,909
Travel and accommodation	116,240	71,922
Website development	32,412	14,150
Other expenses	53,957	41,713
	404,599	291,875

8. Cash and Cash Equivalents

	2019 \$	2018 \$
Cash at bank and in hand	46,221	37,968
Short-term deposits	719,163	857,505
	765,384	895,473

9. Trade and Other Receivables

CURRENT		
Trade receivables	236,353	204,774
Interest Accrued	564	564
Other receivables	-	7,563
Total current trade and other receivables	236,917	212,901

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2019

(a). Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2019 is determined as Nil.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company has recognised a loss allowance of Nil against all receivables greater than 90 days because historical experience has indicated that these receivables are generally recoverable late.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over - years past due, whichever occurs first.

10. Inventories

CURRENT

At cost:

Goods held for distribution

Note	2019 \$	2018 \$
	1,394	995
	1,394	995

11. Property, plant and equipment

PLANT AND EQUIPMENT

Plant and equipment

At cost

Accumulated depreciation

Total plant and equipment

Leasehold Improvements

At cost

Accumulated amortisation

Total leasehold improvements

Total property, plant and equipment

	92,607	86,872
	(70,309)	(54,082)
	22,298	32,790
	21,390	21,390
	(21,390)	(21,390)
	-	-
	22,298	32,790

Notes to the Financial Statements For the Year Ended 31 December 2019

RIGHT-OF-USE ASSETS

	2019	2018
	\$	\$
Lease asset – Office (at cost)	25,464	-
Accumulated amortisation	(16,083)	-
	9,381	-
Lease asset – Photocopier (at cost)	5,910	-
Accumulated amortisation	(4,728)	-
	1,182	-
Total right-of-use assets	10,563	-

(a). 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:

	Plant and Equipment	Total
	\$	\$
Year ended 31 December 2019		
Balance at the beginning of year	32,790	32,790
Additions at cost	5,735	5,735
Depreciation expense	(16,227)	(16,227)
Balance at the end of the year	22,298	22,298

12. Intangible Assets

	2019	2018
	\$	\$
Patents, trademarks and other rights		
Cost	13,700	13,700
Accumulated amortisation and impairment	(3,905)	(2,538)
Net carrying value	9,795	11,162
Website Development Costs		
Cost	48,100	48,100
Accumulated amortisation and impairment	(48,100)	(38,480)
Net carrying value	-	9,620
Total Intangibles	9,795	20,782

Notes to the Financial Statements
For the Year Ended 31 December 2019

(a). **Movements in carrying amounts of intangible assets**

	Patents, trademarks and other rights	Website Development Costs	Total
	\$	\$	\$
Year ended 31 December 2019			
Balance at beginning of year	11,162	9,620	20,782
Additions	-	-	-
Amortisation	(1,367)	(9,620)	(10,987)
Closing value at 31 December 2019	9,795	-	9,795

13. Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	9,314	997
	9,314	997

14. Trade and Other Payables

Current		
Trade payables	23,861	3,858
GST payable	29,233	25,716
Employee related benefits	45,099	41,720
Sundry payables and accrued expenses	10,000	14,930
Corporate credit card	(194)	157
	107,999	86,381

Notes to the Financial Statements

For the Year Ended 31 December 2019

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

15. Borrowings

	2019 \$	2018 \$
CURRENT		
Bank loan	9,187	8,630
Total current borrowings	9,187	8,630
NON-CURRENT		
Bank loan	781	9,888
Total non-current borrowings	781	9,888
Total borrowings	9,968	18,518

A Commercial loan with the Westpac Banking Corporation had been entered into in February 2018 for a period of 3 years at an interest rate of 5.39%, and the remaining liability has been split between current and non-current and is exclusive of the interest payable on the loan. The loan was entered into for the acquisition of computer equipment. There is a first registered goods security over the computer equipment.

16. Employee Benefits

Current liabilities		
Long service leave	60,215	65,412
Annual leave	81,670	87,515
	141,885	152,927
Non-current liabilities		
Long service leave	8,621	3,390
	8,621	3,390

Movement in employee benefits

	Employee Benefits \$	Total \$
2019		
Opening balance at 1 January 2019	156,317	156,317
Additional amounts raised /(utilised) during year	(5,811)	(5,811)
Balance at 31 December 2019	150,506	150,506

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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

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 3(j)

17. Other Liabilities

	2019 \$	2018 \$
CURRENT		
Unexpended Grants/Grants in Advance		
Australia Council for the Arts	-	-
Attorney General's Department	-	61,991
Create NSW	125,250	125,250
Department of Communication and the Arts	57,753	81,993
APRA AMCOS	12,500	12,500
Department of Tourism and Culture – Arts NT	-	-
Department of Local Government, Sport and Cultural Industries – Culture & Arts WA	-	-
Total unexpended grants	195,503	281,734
Unearned Income		
Unearned subscription	39,273	44,774
Other unearned income		
Other unearned service income	-	4,000
Total unearned income	39,273	48,774
Total other liabilities	234,776	330,508

18. Leasing

(a). Operating leases

Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	15,480
- between one year and five years	-	9,984
	-	25,464

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

Arts Laws portion of rental outgoings is 7.54% from 1 January 2019. Cleaning cost contributions are 7.5% of building common area and 23.6% of level 1 common area.

On 19/03/2015, 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 volume charges for colour, black and white copies and impressions. Dependent on usage, the minimum monthly charge may vary.

Refer Note 11 for the leases capitalised in the financial statements for 2019.

Notes to the Financial Statements

For the Year Ended 31 December 2019

(b). Lease liabilities

- not later than one year

- between one year and five years

Note	2019 \$	2018 \$
	9,850	-
	-	-
	9,850	-

The lease liabilities represent the office and photocopier lease that was previously accounted for as an operating lease. Under the lease standard AASB 16 this has been brought onto the statement of financial position.

19. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market institutions, short-term and long-term investments, receivables and payables, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies of these financial statements, are as follows:

Financial assets

Cash and Cash Equivalents	8	765,384	895,473
Trade and other receivables	9	236,917	212,901
Total financial assets		1,002,301	1,108,374

Financial liabilities

Trade and other payables	14	107,999	86,381
Borrowings	15	9,968	18,518
Total financial liabilities		117,967	104,899

20. Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Arts Law Centre of Australia during the year are as follows:

The total remuneration paid to key management personnel of the Company is \$510,395 (2018: \$435,524).

21. Contingencies and Capital Commitments

In the opinion of those charged with governance, the Company did not have any contingencies and capital commitments at 31 December 2019 (31 December 2018: None).

Notes to the Financial Statements

For the Year Ended 31 December 2019

22. Related Parties

(a). The Company's main related parties are as follows:

Key management personnel - refer to Note 20.

(b). 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, Nil (2018: \$24,571) was paid to Rose Ayres as salaries and wages. Rose Ayres is the daughter of Robyn Ayres (Chief Executive Officer).

In addition, \$80,884 (2018: \$85,612) was paid to Suzanne Derry as salaries and wages. Suzanne Derry is the spouse of Navid Bahadori (Resigned Treasurer and Member of Finance Committee).

23. Events after the end of the Reporting Period

The financial report was authorised for issue on 31 March 2020 by those charged with governance.

The Covid-19 Pandemic announced by the World Health Organisation post 31 January 2020 is having a negative impact on world stock markets, currencies and business activities. The Company has initiated strict policies and procedures to address the health and wellbeing of employees, consultants and contractors. The timing and extent of the impact and recovery from Covid-19 is not yet known however these events may have a post balance date impact.

No other 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.

24. Statutory Information

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

Arts Law Centre of Australia
Level 1, The Gunnery
43-51 Cowper Wharf Road
Woolloomooloo NSW 2011

Notes to the Financial Statements

For the Year Ended 31 December 2019

25. 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

	2019		2018	
	\$	%	\$	%
Gross income from fundraising, donations and contributions	209,460		188,832	
Total cost of fundraising	59,419		31,155	
Net surplus from fundraising	150,041	71.6%	157,677	83.5%
Total income	1,573,500		1,509,366	
Total Expenditure	1,603,149		1,309,829	
Payments to Arts Law Centre of Australia fundraising as a percentage of total income	3.78 %		2.06 %	
Payments to Arts Law Centre of Australia fundraising as a percentage of total expenditure	3.71 %		2.24 %	

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.

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 9 to 30, 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 2019 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 2015;
 - 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 2019 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 2019 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 2019; 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..... *Sarah Kwok*
Sarah Kwok

Dated: 21 April 2020



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

Qualified Opinion

We have audited the financial report of Arts Law Centre of Australia (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ending 31 December 2019, including notes comprising a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

It is not always practicable for the Company to establish accounting control 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.

In our opinion, except for the effect of the qualification set out above, the accompanying financial report gives a true and fair view of the Company's financial position as at 31 December 2019, and of its financial performance for the year then ended in accordance with:

- a) *Australian Accounting Standards- Reduced Disclosure Requirements;*
- b) *complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not for Profits Commission Act 2012, and the Australian Charities and Not for Profits Commission Regulations 2013.*

Basis for Qualified 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012 (ACNC Act)*, *Australian Charities and Not for Profits Commission Regulations 2013* and 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

Directors' are responsible for the other information. The other information comprises the information included in the Company's annual financial report for the year ended 31 December 2019 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 Directors' for the Financial Report

Directors' are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012, Australian Charities and Not-for-Profit Commission Regulations 2013, and for such internal control as directors' determines is necessary to enable the preparation of the special purpose financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors' are responsible for assessing the Company'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 directors' either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' are responsible for overseeing the Company'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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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.

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 (NSW) 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 (NSW) 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 (NSW) 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.

Report on Other Legal and Regulatory Requirements

Qualified Opinion pursuant to the Charitable Fundraising Act 1991

In our opinion, except for the effect of the qualification set out in the second paragraph above;

- a) The financial report of Arts Law Centre of Australia gives a true and fair view of the financial result of the fundraising appeal activities for the financial year ended 31 December 2019;
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the period 1 January 2019 to 31 December 2019, in accordance with the *Charitable Fundraising Act 1991* and its Regulations;
- c) Money received as a result of the fundraising appeal activities conducted during the period from 1 January 2019 to 31 December 2019 has been properly accounted for applied in accordance with 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
Registered Company Auditor- No 4554
Sydney

Dated: 21 April 2020

W. W. Vick & Co.

Chartered Accountants

ABN 14 568 923 714



Disclaimer

For the Year Ended 31 December 2019

The additional financial data presented on pages 36 - 37 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 2019. 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.

W W VICK & CO
Chartered Accountants

Peter Vlahopol – Partner
Level 3, 1 James Place
North Sydney NSW 2060

Dated: 21 April 2020

Level 3, 1 James Place, North Sydney, NSW, 2060.
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