

# **ARTS LAW CENTRE OF AUSTRALIA**

**ABN 71 002 706 256**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2022**



**ARTS LAW CENTRE OF AUSTRALIA**  
**ABN 71 002 706 256**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2022**

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**ARTS LAW CENTRE OF AUSTRALIA**  
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**CORPORATE INFORMATION**

**Directors**

The Hon. Justice John Sackar

Andrew Wiseman

Sarah Kwok

Debra Camden

Dr. Andrew Lu AO

Dr. Emma Hicks (Resigned on 4 June 2022)

Dr. Jared Thomas (Resigned on 3 June 2022)

Navid Bahadori

Daniel Creasey

**Company Secretary**

Jacqueline McGrath

**Registered office and principal place of business**

Haymarket Creative

UTS Building 5

1-59 Quay Street

Haymarket NSW 2000

**Auditors**

W. W. Vick & Co.

*Chartered Accountants*

Level 3, 1 James Place

North Sydney NSW 2060

# **ARTS LAW CENTRE OF AUSTRALIA**

## **ABN 71 002 706 256**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report on Arts Law Centre of Australia (“the Company”) for the financial year ended 31 December 2022.

#### **Principal activities**

The principal activity of the Company 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.

#### **Purpose, mission, vision and organisational values**

##### ***Purpose:***

Strengthening value and respect for arts and culture to make a better world.

##### ***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:

- i) Legal advice;
- ii) Professional development, education and legal resources;
- iii) Referrals to legal professionals;
- iv) Advocacy on law and policy issues for artists; and
- v) Legal services and resources to Indigenous communities and artists.

#### **Performance measures**

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

- i) Number of telephone advices provided;
- ii) Number of document review services provided;
- iii) Number of subscribers to our service;
- iv) Number of referrals to legal and other professionals;
- v) Number of educational seminars and workshops provided and attendances at each;
- vi) Number of publications produced and available for sale or distribution; and
- vii) Number of Aboriginal and Torres Strait Islander clients assisted.

**ARTS LAW CENTRE OF AUSTRALIA**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 2022 the collective liability of members was \$700 (2021: \$900).

**Directors' qualifications and experience**

<b><u>Name</u></b>	<b><u>Qualifications, experience and responsibilities</u></b>
<b>The Hon. Justice John Sackar</b> President, elected 15 April 2019	
<i>Qualifications</i>	B of Laws, Masters of Laws Sydney University, Admitted as Barrister 1975, Appointed Queens Counsel 1987, and Appointed Justice of Supreme Court of NSW in 2011.
<i>Experience</i>	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.
<i>Special responsibilities</i>	Member of Risk, Governance & HR Committee.
<b>Andrew Wiseman</b> Vice President, elected 30 March 2009	
<i>Qualifications</i>	LLB (Hons), LLM
<i>Experience</i>	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.
<i>Special responsibilities</i>	Member of the Communications Committee and Advocacy Committee.
<b>Sarah Kwok</b> Treasurer, elected 15 April 2019	
<i>Qualifications</i>	B of Business (Finance) and B of Law from University of Technology, Graduate Certificate of Accounting from Deakin University, Melbourne and a Chartered Accountant.

**ARTS LAW CENTRE OF AUSTRALIA**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Directors' qualifications and experience (continued)**

<b><u>Name</u></b>	<b><u>Qualifications, experience and responsibilities</u></b>
<b>Sarah Kwok</b> <b>(continued)</b>	
<i>Experience</i>	<p>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.</p> <p>Sarah is also on the board of 107 Projects, where she holds the role of the Treasurer.</p>
<i>Special responsibilities</i>	Member of Audit & Finance Committee.
<b>Debra Camden</b>	
Appointed 18 April 2016	
<i>Qualifications</i>	B. Business (Comm); Master of Business Administration.
<i>Experience</i>	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; and Director of Queensland Events Corporation.
<i>Special responsibilities</i>	Member of the Communications Committee.
<b>Dr. Andrew Lu AO</b>	
Appointed 12 June 2016	
<i>Qualifications</i>	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.
<i>Experience</i>	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.



**ARTS LAW CENTRE OF AUSTRALIA**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Directors' qualifications and experience (continued)**

<b><u>Name</u></b>	<b><u>Qualifications, experience and responsibilities</u></b>
<b>Dr. Jared Thomas</b> Resigned 3 June 2022	
<i>Qualifications</i>	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).
<i>Experience</i>	<p>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.</p> <p>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.</p> <p>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.</p>
<i>Special responsibilities</i>	Member of Artists in the Black Committee.
<b>Navid Bahadori</b> Board member, appointed 1 February 2015	
<i>Qualifications</i>	LLB LLM B. of Commerce (Accounting), Chartered Tax Advisor.
<i>Experience</i>	<p>Navid is the Managing Director and Executive Producer at Broken Yellow, a film production and creatives services company. Broken Yellow has delivered content to many major Australia broadcasters including Australian Broadcast Corporation (ABC), Special Broadcasting Service (SBS) as well as Australian and international commercial networks.</p> <p>As part of his role, Navid manages the day-to-day operations of the company as well as all business, contractual and compliance related matters. Navid is also creatively involved in the organisation dealing with intellectual property and contractual matters on a practical and operational level.</p>



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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Directors' qualifications and experience (continued)**

<b><u>Name</u></b>	<b><u>Qualifications, experience and responsibilities</u></b>
<b>Navid Bahadori</b> <b>(continued)</b>	
<i>Experience (continued)</i>	<p>Prior to his tenure at Broken Yellow, Navid spent 8 years at Deloitte working within the tax service line. As part of his role he was involved in tax structuring, consulting and compliance for domestic and multinational organisations. He also worked as a lawyer within the Deloitte Lawyers team focused on tax law advisory.</p> <p>Navid spent 2 years working as the Regional Taxation Manager at ResMed, a dual-listed (ASX and NYSE) multinational organisation.</p> <p>Navid is a Solicitor of the Supreme Court of NSW and a Chartered Tax Accountant.</p>
<i>Special responsibilities</i>	Member of Audit & Finance Committee, Risk, Governance & HR Committee and Advocacy Committee.
<b>Daniel Creasey</b>	
Board member, appointed 20 October 2020	
<i>Qualifications</i>	Bachelor of Law (Honours), Bachelor of Media (Journalism), Barrister & Solicitor of the Supreme Court of Victoria and High Court of Australia.
<i>Experience</i>	<p>Daniel Creasey is Head of Pro Bono &amp; Community Impact and Lead Pro Bono Counsel at King &amp; Wood Mallesons (KWM) leading a team of pro bono &amp; social impact experts via KWM Community Impact (pro bono, social mobility, skilled volunteering, philanthropy, First Nations empowerment &amp; engagement, and reconciliation).</p> <p>Daniel also contributes to KWM's thinking and response in other areas including the UN SDGs and climate justice. He is admitted as a Barrister &amp; Solicitor of the Supreme Court of Victoria and High Court of Australia.</p> <p>Daniel is a pro bono &amp; social impact lawyer, a director on various company boards, is a small business owner and has global, regional and local experience.</p> <p>Daniel is passionate about promoting, protecting and enforcing the rights of all artists, especially, First Nations artists, arts centres and their communities.</p> <p>Daniel is also a Director of Reconciliation NSW and Aboriginal and Torres Strait Islander Family Legal Service QLD.</p>
<i>Special responsibilities</i>	Member of Artists in the Black Committee and Advocacy Committee.

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

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Directors' meetings**

During the financial year, 6 meetings of the Directors (including committees of the Directors) were held. Attendances were as follows:

<u>Name of the Director</u>	<u>Meetings, eligible to attend</u>	<u>Meetings attended</u>
The Hon. Justice John Sackar	6	4
Andrew Wiseman	6	6
Sarah Kwok	6	6
Debra Camden	6	6
Dr. Andrew Lu AO	6	6
Dr. Emma Hicks	3	3
Dr. Jared Thomas	3	1
Navid Bahadori	6	5
Daniel Creasey	6	3

**Auditor's independence declaration**

A copy of Auditor's Independence Declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 34 of this financial report and forms part of the Directors' Report.

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



**Sarah Kwok**

***Director***

Dated: 18 April 2023

**ARTS LAW CENTRE OF AUSTRALIA**  
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Revenue	6	1,404,444	1,613,298
Other income	6	803,642	360,983
Interest income		2,427	597
Employee benefits expense		(1,510,292)	(1,267,444)
Depreciation and amortization expense	8	(66,916)	(56,319)
Finance cost		(5,437)	(4,711)
Other operating expenses	7	(590,833)	(494,397)
<b>Surplus before income tax</b>		<b>37,035</b>	152,007
Income tax expense	3.3	-	-
<b>Surplus after income tax</b>		<b>37,035</b>	152,007
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>37,035</b>	152,007

The accompanying notes form part of these financial statements.

**ARTS LAW CENTRE OF AUSTRALIA**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	1,187,385	1,203,437
Trade and other receivables	10	4,372	12,314
Inventories	11	-	898
Other financial assets	12	501,053	500,000
Other assets	13	14,153	14,389
<b>TOTAL CURRENT ASSETS</b>		<b>1,706,963</b>	<b>1,731,038</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	14	19,124	50,429
Intangible assets	15	8,149	9,337
Right-of-use assets	16	8,815	65,011
<b>TOTAL NON-CURRENT ASSETS</b>		<b>36,088</b>	<b>124,777</b>
<b>TOTAL ASSETS</b>		<b>1,743,051</b>	<b>1,855,815</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	178,369	141,382
Lease liabilities	18	8,571	34,019
Employee benefits	19	242,651	214,041
Other liabilities	20	348,703	521,109
<b>TOTAL CURRENT LIABILITIES</b>		<b>778,294</b>	<b>910,551</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	18	2,155	25,411
Employee benefits	19	14,574	8,860
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>16,729</b>	<b>34,271</b>
<b>TOTAL LIABILITIES</b>		<b>795,023</b>	<b>944,822</b>
<b>NET ASSETS</b>		<b>948,028</b>	<b>910,993</b>
<b>EQUITY</b>			
Retained surplus		948,028	910,993
<b>TOTAL EQUITY</b>		<b>948,028</b>	<b>910,993</b>

The accompanying notes form 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 2022**

	<b>Retained surplus \$</b>	<b>Total equity \$</b>
<b>Balance as at 1 January 2021</b>	<u>758,986</u>	<u>758,986</u>
<b>Comprehensive income</b>		
Surplus for the year	152,007	152,007
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<u>152,007</u>	<u>152,007</u>
<b>Balance as at 31 December 2021</b>	<u>910,993</u>	<u>910,993</u>
<b>Comprehensive income</b>		
Surplus for the year	<b>37,035</b>	<b>37,035</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<u><b>37,035</b></u>	<u><b>37,035</b></u>
<b>Balance as at 31 December 2022</b>	<u><b>948,028</b></u>	<u><b>948,028</b></u>

The accompanying notes form part of these financial statements.

**ARTS LAW CENTRE OF AUSTRALIA**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

		<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
	<b>Note</b>	<b>Inflows (Outflows)</b>	<b>Inflows (Outflows)</b>
<b>Cash flows from operating activities</b>			
Receipts from customers, donations and grants		<b>2,249,492</b>	2,425,518
Interest received		<b>2,427</b>	597
Payments to suppliers and employees		<b>(2,224,746)</b>	(1,887,585)
Finance cost		<b>(5,437)</b>	(4,711)
<b>Net cash provided by operating activities</b>	<b>22</b>	<b>21,736</b>	533,819
<b>Cash flows from investing activities</b>			
Investment in term deposits		<b>(1,053)</b>	(500,000)
Purchase of plant and equipment		-	(40,686)
Purchase of intangible assets		<b>(300)</b>	(2,400)
<b>Net cash used in investing activities</b>		<b>(1,353)</b>	(543,086)
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		<b>(36,435)</b>	(36,435)
Borrowings		-	(781)
<b>Net cash used in financing activities</b>		<b>(36,435)</b>	(37,216)
<b>Net decrease in cash and cash equivalents</b>		<b>(16,052)</b>	(46,483)
<b>Cash and cash equivalent at the beginning of the year</b>		<b>1,203,437</b>	1,249,920
<b>Cash and cash equivalent at the end of the year</b>	<b>9</b>	<b>1,187,385</b>	1,203,437

The accompanying notes form part of these financial statements.

**ARTS LAW CENTRE OF AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

These financial statements are for Arts Law Centre of Australia (“the Company”) 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 the Company is Australian dollars and all values are rounded to the nearest dollar.

The financial statements for the year ended 31 December 2022 were approved and authorised for issuance by those charged with governance on 18 April 2023.

Comparatives are consistent with prior years, unless otherwise stated.

**1 Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not for Profits Commission Act 2012, the Australian Charities Not for Profits Commission Regulations 2022 and the Charitable Fund Raising Act (NSW) 1991. The Company is a not-for-profit entity for the purposes of preparing the financial statements.

**2 Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 31 December 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

**3 Summary of significant accounting policies**

These financial statements have been prepared in accordance with the significant accounting policies disclosed below, which have been determined appropriate to meet the purposes of preparation by those charged with governance. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical cost unless otherwise stated in the notes.

The significant accounting policies that have been adopted in the preparation of the statements are as follows:

**3.1 Revenue and other income**

**(a) *Revenue from contracts with customers***

The core principle of AASB15 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 entity expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligation; and
- v) Recognise revenue as and when control of the performance obligations is transferred.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3 Summary of significant accounting policies (continued)**

**3.1 Revenue and other income (continued)**

**(b) 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.

**(c) Rendering of services**

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

**(d) Royalties**

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

**(e) 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.

**(f) Interest income**

Interest income is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

**(g) Other income**

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

**3.2 Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

**3.3 Income tax**

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.



**ARTS LAW CENTRE OF AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3 Summary of significant accounting policies (continued)**

**3.4 Operating expenses**

Operating expenses are recognised in the statement of profit or loss upon utilisation of the service or at the date of their origin.

**3.5 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

**3.6 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.

**3.7 Intangible assets**

**(a) Trade marks**

Trade marks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Registered trade marks may be renewed after every 10 years, and the value of both common law and registered trade marks is amortised over their useful life.

**(b) 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.

Residual values and useful lives of intangible assets are reviewed at each reporting date. In addition, these are subject to impairment testing (refer to Note 3.9 for details of impairment).

**3.8 Plant and equipment**

Plant and equipment are initially recognised at acquisition cost or fair value of contributions received including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 3.9 for details of impairment).

**ARTS LAW CENTRE OF AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3 Summary of significant accounting policies (continued)**

**3.8 Plant and equipment (continued)**

Depreciation is recognised on a straight-line basis over the assets' useful life to the Company, commencing when the asset is ready to 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 following useful lives are applied:

<b><u>Item</u></b>	<b><u>Useful life</u></b>
Plant and equipment	2 to 10 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in statement of profit or loss within other income or other expenses.

**3.9 Impairment of assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair amount less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in statement of profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**3.10 Leases**

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3 Summary of significant accounting policies (continued)**

**3.10 Leases (continued)**

- 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.

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 and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date (refer to Note 3.9 for details of impairment).

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 statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**3.11 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**3 Summary of significant accounting policies (continued)**

**3.11 Financial instruments (continued)**

***Financial assets (continued)***

*Classification*

On initial recognition, the Company classifies its financial assets into the following categories:

- 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 instrument (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 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 and impairment are recognised in the statement of profit or loss. Gain or loss on derecognition is recognised in the statement of 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.

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.

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**3 Summary of significant accounting policies (continued)**

**3.11 Financial instruments (continued)**

***Financial assets (continued)***

***Trade and other 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 the statement of profit or loss.

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

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

***Financial liabilities***

The 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, borrowings and other payables.

***Derecognition of financial instruments***

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and regards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**3.12 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**3.13 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

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**4 Economic dependence**

The Company 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 the Company. Whilst some Federal and State grants are multi-year, others are on an annual basis only.

**5 Significant 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 accounting estimates and judgements made have been described below:

**5.1 Significant accounting estimates**

**(a) Revenue recognition-long term contracts**

The Company undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

**(b) Receivables**

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

**5.2 Significant accounting judgements**

**(a) Employee benefits**

For the purpose of measurement, AASB 119: Employee Benefits 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.

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	Note	2022 \$	2021 \$
<b>6 Revenue and other income</b>			
<b>Revenue</b>			
Grant revenue	6.1	1,131,935	1,276,817
Subscription income		123,121	122,343
Fundraising income		86,358	132,699
Donations		63,030	81,439
		<b>1,404,444</b>	<b>1,613,298</b>
<b>Other income</b>			
Royalties		1,009	1,978
Recoveries		43,683	17,671
Sales of publications		91,586	80,092
Education income		75,405	42,450
Artists in the Black Peak Body Services - Desart and First Languages Australia		75,890	84,923
Philanthropic funds - Thyne Reid, Perpetual & Impact 100		285,000	5,000
Consultancy fees		60,384	97,720
Banjima trust		158,732	19,091
Miscellaneous		11,953	12,058
		<b>803,642</b>	<b>360,983</b>
<b>Total revenue and other income</b>		<b>2,208,086</b>	<b>1,974,281</b>
<b>6.1 Grant revenue</b>			
- Australia Council for the Arts		274,442	271,725
- Attorney Generals Department		124,493	122,592
- Department of Infrastructure, Transport, Regional Development and Communications		258,000	150,000
- Create NSW		150,000	300,000
- Creative Victoria		70,000	70,000
- Arts Queensland		60,000	60,000
- Arts NT t/a Department of Tourism and Culture		25,000	25,000
- Department of Local Government, Sport and Cultural Industries, Culture and the Arts (WA)		60,000	60,000
- Arts ACT		23,000	23,000
- Arts Tasmania		10,000	10,000
- Arts South Australia		42,000	42,000
- Phonographic Performance Company of Australia		15,000	15,000
- APRA AMCOS		20,000	22,500
- Legal Aid NSW		-	85,000
- City of Sydney		-	20,000
		<b>1,131,935</b>	<b>1,276,817</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
<b>7 Other operating expenses</b>			
Annual report costs		3,173	3,530
Auditors' remuneration	7.1	13,906	12,152
Board expenses		16,554	1,632
Cleaning		1,450	-
Communications		19,431	17,301
Consultancy		2,500	300
Consulting fees – Business and IT strategy		114,413	85,610
Film production expenses		5,016	51,509
Fundraising		54,205	71,962
Insurance		15,053	12,452
Library costs		9,206	8,416
Printing and stationery		7,006	1,299
Repairs and maintenance		8,358	5,868
Subscriptions – trade associations		12,932	9,701
Travel and accommodation		211,398	58,335
Website development		41,096	113,087
Software licence		14,920	14,981
Interest on lease liabilities	18	1,722	5,315
Translation expense		70	6,435
Miscellaneous		38,424	14,512
		<u>590,833</u>	<u>494,397</u>
<b>7.1 Auditors' remuneration</b>			
<i>W. W. Vick &amp; Co., for:</i>			
Audit of financial report		10,750	10,250
Other assurance and agreed-upon procedures		3,156	1,902
		<u>13,906</u>	<u>12,152</u>
<b>8 Depreciation and amortization expense</b>			
Depreciation of plant and equipment	14	31,305	21,281
Amortization of intangible assets	15	1,488	1,488
Amortization of right-of-use assets	16	34,123	33,550
		<u>66,916</u>	<u>56,319</u>



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	<b>2022</b>	<b>2021</b>		
	<b>\$</b>	<b>\$</b>		
<b>9 Cash and cash equivalents</b>				
Cash on hand	34	34		
Cash at bank	562,994	580,420		
Short term deposits	624,357	622,983		
	<u>1,187,385</u>	<u>1,203,437</u>		
<b>10 Trade and other receivables</b>				
<i>Current</i>				
Trade receivables	4,372	11,750		
Interest receivable	-	564		
	<u>4,372</u>	<u>12,314</u>		
<b>11 Inventories</b>				
<i>Current</i>				
Goods held for distribution	-	898		
<b>12 Other financial assets</b>				
<i>Current</i>				
Term deposits - maturing date more than 3 months	<u>501,053</u>	<u>500,000</u>		
<b>13 Other assets</b>				
<i>Current</i>				
Prepayments	<u>14,153</u>	<u>14,389</u>		
<b>14 Plant and equipment</b>				
	<b>Plant and</b>	<b>Leasehold</b>	<b>Total</b>	<b>Total</b>
	<b>equipment</b>	<b>improvements</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Cost</i>				
Opening	161,552	21,390	182,942	142,256
Additions	-	-	-	40,686
	<u>161,552</u>	<u>21,390</u>	<u>182,942</u>	<u>182,942</u>
<i>Accumulated depreciation and impairment</i>				
Opening	111,123	21,390	132,513	111,232
Charge for the year	31,305	-	31,305	21,281
	<u>142,428</u>	<u>21,390</u>	<u>163,818</u>	<u>132,513</u>
<i>Net carrying value</i>	<u>19,124</u>	<u>-</u>	<u>19,124</u>	<u>50,429</u>

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**15 Intangible assets**

	Trade marks and others \$	Website development costs \$	Total 2022 \$	Total 2021 \$
<b>Cost</b>				
Opening	16,100	48,100	64,200	61,800
Additions	300	-	300	2,400
	<b>16,400</b>	<b>48,100</b>	<b>64,500</b>	<b>64,200</b>
<b>Accumulated amortisation and impairment</b>				
Opening	6,763	48,100	54,863	53,375
Charge for the year	1,488	-	1,488	1,488
	<b>8,251</b>	<b>48,100</b>	<b>56,351</b>	<b>54,863</b>
<b>Net carrying value</b>	<b>8,149</b>	<b>-</b>	<b>8,149</b>	<b>9,337</b>

**16 Right-of-use assets**

	Office \$	Photocopier \$	Total 2022 \$	Total 2021 \$
<b>Cost</b>				
Opening	122,280	12,300	134,580	134,580
Written-off	(25,464)	(5,910)	(31,374)	-
Modification	(11,967)	-	(11,967)	-
	<b>84,849</b>	<b>6,390</b>	<b>91,239</b>	<b>134,580</b>
<b>Accumulated amortisation and impairment</b>				
Opening	61,888	7,681	69,569	36,019
Written-off	(25,464)	(5,910)	(31,374)	-
Adjustment and modification	10,106	-	10,106	-
Charge for the year	32,845	1,278	34,123	33,550
	<b>79,375</b>	<b>3,049</b>	<b>82,424</b>	<b>69,569</b>
<b>Net carrying value</b>	<b>5,474</b>	<b>3,341</b>	<b>8,815</b>	<b>65,011</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16 Right-of-use assets (continued)**

**Office:**

In 2020, the Company entered into lease agreement with Property NSW with a minimum term of 2 years plus an option of 1 year at minimum monthly rental charge. During 2021, the Management exercised the option.

During the year, Property NSW has issued 6 months formal notice of termination to the Company, stating termination date as 28 February 2023.

**Photocopier:**

Lease term is 60 months at a minimum monthly rental charge, as per agreement entered in 2020.

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>17 Trade and other payables</b>			
<b>Current</b>			
Trade payables		17,242	22,485
GST payables		24,463	13,907
Employee related benefits		57,900	66,557
Sundry payables and accrued expenses		73,584	36,496
Corporate credit card		5,180	1,937
		<u>178,369</u>	<u>141,382</u>
<b>18 Lease liabilities</b>			
<b>Present value of minimum lease payments under non-cancellable operating leases:</b>			
Opening		59,430	97,849
Interest expense	7	1,722	5,315
Modification and adjustment		(13,991)	(7,299)
Repayments		(36,435)	(36,435)
		<u>10,726</u>	<u>59,430</u>
<b>Maturity profile of present value of minimum lease payments:</b>			
Not later than one year		8,571	34,019
Between one to five years		2,155	25,411
		<u>10,726</u>	<u>59,430</u>
<b>Future contractual undiscounted cashflow:</b>			
Not later than one year		8,774	37,018
Between one to five years		2,272	26,448
		<u>11,046</u>	<u>63,466</u>

**ARTS LAW CENTRE OF AUSTRALIA**  
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	Note	2022 \$	2021 \$
<b>19 Employee benefits</b>			
<i>Current</i>			
Long service leave		101,506	84,305
Annual leave		141,145	129,736
		<u>242,651</u>	<u>214,041</u>
<i>Non-current</i>			
Long service leave		14,574	8,860
		<u>14,574</u>	<u>8,860</u>
		<u>257,225</u>	<u>222,901</u>
<b>20 Other liabilities</b>			
<i>Current</i>			
Unexpended grants / Grants in advance	20.1	266,593	437,221
Unearned income	20.2	82,110	83,888
		<u>348,703</u>	<u>521,109</u>
<b>20.1 Unexpended grants / Grants in advance</b>			
APRA AMCOS		10,000	10,000
Australia Council for the Arts		138,593	137,221
City of Sydney		18,000	-
Department of Communication and the Arts		100,000	75,000
Philanthropic Funding		-	195,000
Regional Arts Australia		-	20,000
		<u>266,593</u>	<u>437,221</u>
<b>20.2 Unearned income</b>			
Subscription		67,270	61,043
Publications		-	545
Artist in the Black		14,840	22,300
		<u>82,110</u>	<u>83,888</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21 Financial risk management**

The Company's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, term-deposits with banks and trade and other payables.

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

	Note	2022 \$	2021 \$
<b><i>Financial assets</i></b>			
Cash and cash equivalents	9	1,187,385	1,203,437
Trade and other receivables	10	4,372	12,314
Other financial assets	12	501,053	500,000
		<u>1,692,810</u>	<u>1,715,751</u>
<b><i>Financial liabilities</i></b>			
Trade and other payables	17	178,369	141,382
		<u>178,369</u>	<u>141,382</u>

**22 Cash flow statement information**

***Reconciliation of cash and cash equivalents to the Statement of Financial Position:***

Cash and cash equivalents	9	<u>1,187,385</u>	<u>1,203,437</u>
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***Reconciliation of net cash provided by operating activities to surplus after income tax:***

Surplus after income tax		37,035	152,007
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***Non-cash flows in surplus after income tax***

Depreciation and amortization expense	8	66,916	56,319
Interest on lease liabilities	7	1,722	5,315
Adjustment in right-of-use assets and lease liabilities		8,082	(7,299)

***Changes in assets and liabilities***

Decrease in trade and other receivables		7,942	148,884
Decrease in inventories		898	-
Decrease in other assets		236	5,713
Increase in trade and other payables		36,987	38,988
Increase in employee benefits		34,324	7,553
(Decrease) / increase in other liabilities		(172,406)	126,339
<b>Net cash provided by operating activities</b>		<u>21,736</u>	<u>533,819</u>

**ARTS LAW CENTRE OF AUSTRALIA**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**23 Fundraising income and expenses**

During the year, the Company raised funds through solicited corporate and general donations; gifts and the conduct of fundraising events and activities.

Information on the gross income and expenditure from fundraising activities conducted during the year for the purpose of the Charitable Fund Raising Act (NSW) 1991 is as follows:

	<b>2022</b>	<b>2021</b>
	\$	\$
<b><i>Results from fundraising appeals</i></b>		
Gross income from fundraising, donations and contributions	<b>149,388</b>	214,138
Total cost of fundraising	<b>(54,205)</b>	(71,962)
<b><i>Net surplus from fundraising</i></b>	<b><u>95,183</u></b>	<u>142,176</u>
<b>Surplus as a percentage to gross income</b>	<b><u>63.72%</u></b>	<u>66.39%</u>
<b>Total income of the Company</b>	<b><u>2,210,513</u></b>	<u>1,974,878</u>
<b>Total expenditure of the Company</b>	<b><u>2,173,478</u></b>	<u>1,822,871</u>
<b>Total cost of fundraising as a percentage of total income of the Company</b>	<b><u>2.45%</u></b>	<u>3.64%</u>
<b>Total cost of fundraising as a percentage of total expenditure of the Company</b>	<b><u>2.49%</u></b>	<u>3.95%</u>

Total direct payments fundraising events include payments to sub-contractors 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.

**24 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 and obligations of the Company.

At 31 December 2022, the number of members was 7 (2021: 9).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25 Related party transactions**

The Company's related parties' transactions include transactions as described below:

***Key management personnel remuneration:***

During the year, the Company paid \$633,696 (2021: \$590,553) as remuneration to the key management personnel of the Company.

***Other related parties:***

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, the Company paid \$115,706 (2021: \$96,560) to Suzanne Derry as gross salaries and wages. Suzanne Derry is the spouse of Navid Bahadori (a Board Member and Member of Finance, Strategy and Advocacy Committee).

**26 Contingencies and commitments**

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

**27 Subsequent events**

In the opinion of those charged with governance, 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.

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**RESPONSIBLE PERSONS' DECLARATION**

The responsible persons declare that in the responsible persons' opinion:

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

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



**Sarah Kwok**

***Director***

Dated: 18 April 2023





## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW CENTRE OF AUSTRALIA**

### **Report on the Audit of the Financial Report**

#### **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 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons’ declaration.

In our opinion, except for the effects of the matter described in the basis for qualified opinion, the accompanying financial report of the Company has been prepared 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 2022 and of its financial performance for the year ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not for Profits Commission Regulations 2022*.

#### **Basis for 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.

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) 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.



## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW CENTRE OF AUSTRALIA (CONTINUED)**

### **Other Information**

Directors are responsible for the other information. The other information comprises the information included in the Company's financial report (such as Directors' Report) for the year ended 31 December 2022 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 Responsible Entities for the Financial Report**

The responsible entities of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of *the ACNC Act*. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW CENTRE OF AUSTRALIA (CONTINUED)

### Report on Other Legal and Regulatory Requirements 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 ACNC Act. 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 its 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 its 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.

### 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 year 1 January 2022 to 31 December 2022;
- (b) The financial report has been properly drawn up, and the associated records have been properly kept for the year 1 January 2022 to 31 December 2022, in accordance with *the Charitable Fundraising Act 1991 and its Regulations*;
- (c) Money received as a result of fundraising appeal activities conducted during the year from 1 January 2022 to 31 December 2022 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 of Australia will be able to pay its debts as and when they fall due.

**W. W. Vick & Co.**  
*Chartered Accountants*

Level 3  
1 James Place  
North Sydney NSW 2060

Ray Khalil - Partner  
Date: 18 April 2023

# 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 for the year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements 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

Level 3

1 James Place

North Sydney NSW 2060

Ray Khalil - Partner

Date: 18 April 2023

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

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under Professional  
Standards  
Legislation



# W. W. Vick & Co.

Chartered Accountants

ABN 14 568 923 714



## DISCLAIMER ADDITIONAL FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

The additional financial data presented on pages 36 - 37 is in accordance with the books and records of the Arts Law Centre of Australia ("the Company") which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 December 2022.

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 the Company) in respect of such data, including any errors of omissions therein however caused.

### W. W. Vick & Co.

Chartered Accountants

Level 3  
1 James Place  
North Sydney NSW 2060

Ray Khalil - Partner

Date: 18 April 2023

Level 3, 1 James Place, North Sydney, NSW, 2060.  
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**ARTS LAW CENTRE OF AUSTRALIA**  
**ABN 71 002 706 256**

**DETAILED STATEMENT OF SURPLUS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Income</b>		
<i><b>Grant income</b></i>		
Australia Council for the Arts	<b>274,442</b>	271,725
Attorney Generals Department	<b>124,493</b>	122,592
Department of Infrastructure, Transport, Regional Development and Communications	<b>258,000</b>	150,000
Create NSW	<b>150,000</b>	300,000
Creative Victoria	<b>70,000</b>	70,000
Arts Queensland	<b>60,000</b>	60,000
Arts NT t/a Department of Tourism and Culture	<b>25,000</b>	25,000
Department of Local Government, Sport and Cultural Industries, Culture and the Arts (WA)	<b>60,000</b>	60,000
Arts ACT	<b>23,000</b>	23,000
Arts Tasmania	<b>10,000</b>	10,000
Arts South Australia	<b>42,000</b>	42,000
Phonographic Performance Company of Australia	<b>15,000</b>	15,000
APRA AMCOS	<b>20,000</b>	22,500
Legal Aid NSW	-	85,000
City of Sydney	-	20,000
<i><b>Other income</b></i>		
Royalties	<b>1,009</b>	1,978
Recoveries	<b>43,683</b>	17,671
Sales of publications	<b>91,586</b>	80,092
Education income	<b>75,405</b>	42,450
Artists in the Black Peak Body Services - Desart and First Languages Australia	<b>75,890</b>	84,923
Philanthropic funds - Thyne Reid, Perpetual & Impact 100	<b>285,000</b>	5,000
Consultancy fees	<b>60,384</b>	97,720
Banjima trust	<b>158,732</b>	19,091
Miscellaneous	<b>11,953</b>	12,058
<i><b>Subscription income</b></i>	<b>123,121</b>	122,343
<i><b>Fundraising income</b></i>	<b>86,358</b>	132,699
<i><b>Donations</b></i>	<b>63,030</b>	81,439
<i><b>Interest income</b></i>	<b>2,427</b>	597
<b>Total income</b>	<b>2,210,513</b>	1,974,878

**ARTS LAW CENTRE OF AUSTRALIA**  
**ABN 71 002 706 256**

**DETAILED STATEMENT OF SURPLUS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Expenditure</b>		
<i><b>Administration costs</b></i>		
Audit fees	<b>13,906</b>	12,152
Communications	<b>19,431</b>	17,301
Depreciation and amortisation expense	<b>66,916</b>	56,319
Interest on lease liabilities	<b>1,722</b>	5,315
Insurance	<b>15,053</b>	12,452
Legal, finance and governance committees	<b>25,056</b>	6,786
Office rent and running costs	<b>9,878</b>	12,303
Office consumables and resources	<b>57,413</b>	30,553
Travel and accommodation	<b>211,398</b>	58,335
Staff amenities	<b>4,601</b>	4,934
<i><b>Employees' related cost</b></i>		
Salaries and wages	<b>1,309,805</b>	1,131,410
Annual leave provided	<b>11,409</b>	352
Long service leave provided	<b>22,915</b>	7,201
OH & S expenses	<b>1,263</b>	7,344
Practising certificates	<b>6,030</b>	2,650
Parental leave expense	<b>5,934</b>	2,001
Recruitment costs	<b>6,322</b>	5,384
Staff development and training costs	<b>10,624</b>	5,570
Superannuation contributions	<b>135,990</b>	105,532
<i><b>Program costs</b></i>		
Publications, recordings and costs of sale	<b>8,846</b>	53,247
Workshop expenses	<b>7,797</b>	2,167
<i><b>Marketing and promotion costs</b></i>		
Marketing, promotion and fundraising expenses	<b>180,073</b>	170,476
Website maintenance and running costs	<b>41,096</b>	113,087
<b>Total expenditure</b>	<b>2,173,478</b>	1,822,871
<b>Surplus for the year</b>	<b>37,035</b>	152,007