

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN: 83 009 181 024

FINANCIAL REPORT
FOR THE YEAR
1 JANUARY 2020 TO 31 DECEMBER 2020

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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FINANCIAL REPORT
FOR THE YEAR
1 JANUARY 2020 TO 31 DECEMBER 2020

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THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
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BOARD'S REPORT
For year ended 31 December 2020

BOARD'S REPORT

Your Board members submit the financial report of The Artists' Foundation of Western Australia Limited for the financial year ended 31 December 2020.

Board Members

The names of Board members throughout the year and at the date of this report are:

Board Members	Position
Fred Chaney Jnr	Chair
Simon Gilby	Deputy Chair
Vincent Allegre	Treasurer
Julie Hobbs	Secretary
Margaret Teusner (appointed on 26 August 2020)	Chair
Steven Finch (appointed on 1 October 2020)	Director
Debbie Gilchrist (appointed on 3 October 2020)	Director
Will Axten (appointed on 26 August 2020)	Board Member
Tim Burns (appointed on 26 August 2020)	Board Member
Sara Walker (appointed on 26 August 2020)	Board Member
Penelope Bovell (until February 2020)	Chair
Malcolm Di Giulio (until January 2020)	Treasurer

Principal Activities

The principal activities of the company during the financial year were related to the provision of services to artists with a view to increasing their income earning capabilities within the arts industry.

Significant Changes

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

No significant change in events occurred during the year.

Future Developments

The company continues to focus on increasing own-sourced revenue and the provision of services congruent to revised funding stream.

Environmental issues

The economic entity's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Operating Result

The Surplus for the year amounted to \$191,156.

Margaret Teusner

Margaret Teusner (Jun 14, 2021 21:50 GMT+8)

Margaret Teusner
Director

Vincent Allegre

Vincent Allegre (Jun 15, 2021 07:02 GMT+8)

Vincent Allegre
Director

Dated:14 June.....2021

DIRECTORS:

ROBERT CAMPBELL RCA, CA, CPA, MSW

VIRAL PATEL RCA, CA, CPA

ALASTAIR ABBOTT RCA, CA, M.FORENSIC ACCOUNTING

CHASSEY DAVIDS RCA, CA, AMHA, BCOM

AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Directors of the Artists' Foundation of Western Australia Limited

In relation to our audit of the financial report of the Artists' Foundation of Western Australia Limited for the year ended 31 December 2020, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- c) No contraventions of any applicable code of professional conduct in relation to the audit.

Australian Audit

Robert John Campbell, CA CPA

Registered Company Auditor number 334773

Director

Perth, Western Australia

Dated: 14 June 2021

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 23 are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Australian Accounting Standards - Reduced Disclosure Standards; and,
 - (b) Gives a true and fair view of the financial position as at 31 December 2020 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.

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


Margaret Teusner (Jun 14, 2021 21:50 GMT+8)

.....
Margaret Teusner
Director


Vincent Allegre (Jun 15, 2021 07:02 GMT+8)

.....
Vincent Allegre
Director

14 June
Dated:2021

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	01/01/20 to 31/12/20 \$	01/01/19 to 31/12/19 \$
Income			
Grant Income	5	154,545	58,540
Sponsorship Income		-	-
Donations Income		1,214	67,256
Fee for service		179,309	398,304
Membership Income		123,060	126,433
Atrium Income		24,480	41,789
Sundry Income		7,188	17,904
Government Subsidies and Rebates		113,714	-
Total Ordinary Income		603,510	710,226
Expenditure			
Administration fees		2,821	-
Accounting Audit Fees		(6,402)	(64,527)
Atrium Outgoings		(18,110)	(27,715)
Bad Debts		3,503	8,731
Bank Charges		(5,562)	(3,244)
Computer		(25,185)	(31,844)
Consulting Outgoings		(43,215)	(106,209)
Consumable Resources		(9,204)	(9,515)
Employment Expenses	7	(190,821)	(238,689)
Depreciation		(1,380)	(6,867)
Finance Expenses		-	(905)
Insurance		(12,563)	(11,885)
Legal Fees		(11,000)	-
Licences & Fees		(85)	(36)
Marketing Expenses		(3,405)	(4,771)
Membership Outgoings		(40,373)	(45,052)
Postage, Printing & Stationery		(3,282)	(1,171)
Sponsorship		-	(6,580)
Studio Outgoings		(43,587)	(159,081)
Telephone, Fax and Mobile Phones		(4,504)	(1,896)
Total Ordinary Expenditure		(412,354)	(711,256)
Surplus/(Deficit) For The Year		191,156	(1,030)

The accompanying notes form part of these financial statements.

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and Cash Equivalents	2	294,217	96,355
Prepaid Expenses	6	23,606	15,640
Trade Debtors		35,847	35,853
Provision for Doubtful Debts		(20,705)	(26,425)
Sundry Debtor		2,299	-
Accrued Income		10,350	450
TOTAL CURRENT ASSETS		<u>345,614</u>	<u>121,873</u>
NON-CURRENT ASSETS			
Fixed Assets	3	5,292	6,672
Art Collection		23,070	23,070
TOTAL NON-CURRENT ASSETS		<u>28,362</u>	<u>29,742</u>
TOTAL ASSETS		<u>373,976</u>	<u>151,615</u>
CURRENT LIABILITIES			
Trade and Other Payables	4	36,491	40,951
Accrued Expenses		41,604	32,459
Credit Cards		719	1,086
Provision	8	19,817	18,540
Contract Liabilities		48,385	22,775
TOTAL CURRENT LIABILITIES		<u>147,016</u>	<u>115,811</u>
TOTAL LIABILITIES		<u>147,016</u>	<u>115,811</u>
NET ASSETS		<u>226,960</u>	<u>35,804</u>
EQUITY			
Retained Surplus		35,804	36,834
Net Surplus for the year		191,156	(1,030)
TOTAL EQUITY		<u>226,960</u>	<u>35,804</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Retained Earnings \$	Total \$
Balance at 1 January 2019	36,834	36,834
Surplus for the year attributable to the Company	<u>(1,030)</u>	<u>(1,030)</u>
Total comprehensive surplus for the year	<u>35,804</u>	<u>35,804</u>
Balance at 31 December 2019	<u>35,804</u>	<u>35,804</u>
Balance at 1 January 2020	35,804	35,804
Surplus for the year attributable to the Company	<u>191,156</u>	<u>191,156</u>
Total comprehensive surplus for the year	<u>226,960</u>	<u>226,960</u>
Balance at 31 December 2020	<u>226,960</u>	<u>226,960</u>

The accompanying notes form part of these financial statements.

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		577,244	637,853
Cash payments to suppliers and employees		(379,769)	(676,468)
Interest Paid		-	(905)
Interest Received		387	555
<i>Net Cash from Operating Activities</i>		<u>197,862</u>	<u>(38,965)</u>
	9		
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant & equipment		-	-
<i>Net Cash Flow Used in Investing Activities</i>		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash and cash equivalents		197,862	(38,965)
Cash at Beginning of the Year		76,355	115,320
<i>Cash at End of the Year</i>		<u>274,217</u>	<u>76,355</u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Artists' Foundation of Western Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. The Company was incorporated on 9th of June 1986. The Company provides services to artists with a view to increase their income earning capabilities within the arts industry.

The Company is a Not-For-Profit entity for financial reporting purposes under Australian Accounting Standards. The Company is registered with the Australian Charities and Not-for-profits Commission, and it is a Public Company.

Basis of Preparation

The financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) – Reduced Disclosure Requirements AASB – RDRs, adopted by Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

This annual financial report was authorised for issue by the Board of Directors on the date that the Directors Declaration was signed.

Basis of Measurement

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.

Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Use of Estimates and Judgement

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Position

The Company's primary source of funding comprises grants from Federal and State agencies with whom the Company enters into funding agreement for periods ranging from one to three years. The Board will seek to renew funding arrangements that are due to expire or replace them with other arrangements.

Significant Accounting Policies

(a) Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company's key sources of revenue come from leasing of artwork and rental of the Old Custom House and studio.

For the year ended 31 December 2020, the Company incurred a net profit of \$191,156 (2019: Loss of \$1,030), and the Company has a working capital surplus of \$198,598. Included in the working capital surplus is unearned revenue (contract liabilities) of \$48,385. This unearned revenue is the income received in advance from the rental of artwork, Old Custom House venue hire and studio bonds. This unearned revenue is adjusted as the income for the artwork is expired or the hire of the venue takes place. Furthermore, the Company has the ability to reduce discretionary costs as required.

Based on the working capital surplus at 31 December 2020, the cash flow forecast prepared by management, and the Company's ability to reduce discretionary costs, the directors consider the going concern basis of preparation to be appropriate.

(b) Plant, Equipment and Software Development

Each class of plant, equipment and software development is measured on the cost basis less any accumulated depreciation and impairment losses.

Plant, Equipment and Software Development

Plant, equipment and software development are measured on the cost basis less depreciation and 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 in the profit or loss.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Accounting Policies (continued)

Plant, Equipment and Software Development (continued)

Depreciation (Continued)

The depreciation rates used by each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20% - 50%
Fixtures and Fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if applicable, at each Statement of Financial Position date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

(c) Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Company at the end of the reporting year (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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FOR THE YEAR ENDED 31 DECEMBER 2020**

(d) Income Tax

The Company is exempted from income tax.

(e) 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. In this circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts (if applicable).

(g) Provisions

Provisions are recognised when the Company 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.

(h) Trade and Other Payables

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

(i) Provisions – Employees

Short-Term Employee Provisions

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(j) Revenue, Contract Assets and Liabilities

To determine whether and when to recognise revenue, the Company follows a 5-step process:

- (1) Identifying the contract with a customer;
- (2) Identifying the performance obligations;
- (3) Determining the transaction price;
- (4) Allocating the transaction price to the performance obligations; and
- (5) Recognising revenue when/as the performance obligation(s) are satisfied.

The following is a description of the principle activities from which the Company generates its revenue:

i) Government Grants

Revenue is measured with respect to the ability to meet the sufficiently specific criteria under the *AASB 15 Revenue from Contracts with Customers*. If revenue or grant funding is a result of a contract with customer with enforceable rights, and obligations that as are sufficiently specific, revenue would be recognised in accordance with AASB 15 rather than *AASB 1058 Income for Not-For-Profit Entities*. Government grants are recognised in the period in which the sufficiently specific criteria are met. If the agreement is not enforceable and/or does not contain sufficiently specific performance obligations, revenue is recognised on receipt in accordance with AASB 1058 Income for Not for Profit Entities.

ii) Membership Income

Membership income is recognised over time as the services are delivered to the members.

iii) Fee for Service

Revenue from fee for services being the leasing of art and rental income of art studios is recognised over time as the service are delivered to the customer.

(k) Trade and Other Receivables

Trade and other receivables include amounts due from funding bodies and other entities. All receivables expected to be collected within 12 months of the end of the reporting period end are classified as current assets.

Amounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(n) for further discussion on the determination of impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(l) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessable recoverable amounts incorporate a number of key estimates.

Key Estimates - Employee Benefits

For the purpose of measurement, AASB 19: 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 services. The Company expects most employees will take their annual leave entitlements within 12 months of the reporting period in which they were earned.

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

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**NOTES TO THE FINANCIAL STATEMENTS
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Classification and Subsequent Measurement

Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

The Company does not measure any financial liabilities at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition.

A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss.

based on the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

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- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The Company only has financial assets measured at amortised cost, being trade and other receivables and cash at bank.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of Financial Liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of Financial Assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and,
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the simplified approach to impairment, as applicable under AASB 9.

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead always requires the recognition of lifetime expected credit loss.

This approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate comparings of its historical loss experience, etc).

Recognition of Expected Credit Losses in Financial Statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(n) Impairment of Assets

At each reporting date, the Company reviews the carrying values 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 value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are assets held for continuing use of their service capability, the recoverable amounts are expected to be materially the same as fair value.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

(o) New Accounting Standards Effective 1 January 2019

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Company has adopted the new accounting pronouncements which have become effective this year, and are as follows:

(p) New Accounting Standards Not Yet Effective

Management assessment indicates that there are no new Australian Accounting Standards that have been issued but are not yet effective with an expected material impact on the Company's financial report in the period of initial application.

(q) Comparative Figures

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

	2020	2019
	\$	\$
2. CASH AND CASH EQUIVALENTS		
Westpac Cheque Account	258,776	61,184
Westpac Donations Account	7,175	6,905
Westpac Cash Reserve Account	7,936	7,936
Petty Cash	330	330
Term Deposit	20,000	20,000
	294,217	96,355
3. FIXED ASSETS		
Equipment at Cost	73,839	73,839
Equipment Accum Dep	(73,838)	(73,822)
Software at Cost	113,669	113,669
Software Accum Dep	(113,669)	(113,136)
Furniture & Fittings At Cost	8,898	8,898
Furniture & Fittings Accum Dep	(3,607)	(2,776)
	5,292	6,672

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN: 83 009 181 024

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$	\$
4. TRADE AND OTHER PAYABLES		
Trade Creditors	22,411	11,026
GST Payable	8,052	10,699
FBT Payable	-	12,072
PAYG Withholding	2,832	2,572
Superannuation Payable	3,196	4,582
	36,491	40,951
5. GRANT INCOME		
Department of Culture & the Arts: General Purpose	150,000	35,534
Department of Culture & the Arts: Artist Residency Grants	-	23,006
Community Grant	4,545	-
	154,545	58,540
6. PREPAID EXPENSES		
Prepayments	8,517	7,285
Prepaid Rent	-	2,267
Bond Paid	-	6,088
Prepaid Artist fee	15,089	-
	23,606	15,640
7. EMPLOYMENT EXPENSES		
Wages & Salaries	163,708	184,467
Superannuation	12,470	16,057
Travel & Accommodation	1,304	3,357
Workers Compensation Insurance	580	137
Other Employment Expenses	12,759	34,671
	190,821	238,689
8. PROVISIONS – EMPLOYEES		
Annual Leave Entitlement	18,098	16,932
Superannuation Guarantee	1,719	1,608
	19,817	18,540

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	\$	\$
9. RECONCILIATION OF NET OPERATING CASH FLOW		
Total Surplus/(Deficit)	191,156	(1,030)
Non-Cash Flows		
Depreciation	1,380	6,867
Provision for Doubtful Debts	(5,720)	-
<i>Changes in Assets and Liabilities</i>		
(Increase)/Decrease in Trade Receivables	(2,293)	13,327
(Increase)/Decrease in Prepaid Expenses	(7,966)	-
(Increase)/Decrease in Interest Receivables	-	(48)
(Increase)/Decrease in Accrued Income	(9,900)	-
Increase/(Decrease) in Trade Payables	(4,460)	(39,948)
Increase/(Decrease) in Accrued Expenses	9,145	-
Increase/(Decrease) in Credit Card	(367)	-
Increase/(Decrease) in Provisions	1,277	6,469
Increase/(Decrease) in Revenue in Advance	25,610	(24,602)
Net Cash Used in Operations	197,862	(38,965)

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10. RELATED PARTY TRANSACTIONS

The Company's main related parties are as follows:

(a) Key Management Personnel

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

(b) 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.

There were no related party transactions during the year.

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. EVENTS SUBSEQUENT TO BALANCE DATE

COVID-19 IMPACT

COVID19 has impacted some of our activities in 2020 and has put under stress many of our members. The Company received additional and not budgeted income from the Government, including grants and Jobkeeper payment when staff were eligible. The Company also has the ability to reduce its discretionary costs to manage the financial implications of COVID19.

SUBSEQUENT EVENT

The Company was advised by the Department of Local Government, Sport and Cultural Industries March 2021 that Company will be receive a grant income amounting to \$105,000. This income is expected to be received in the quarter ending on 30 June 2021.

The financial statements were authorised for issue on 2021 by the Board of Directors.

12. COMPANY DETAILS

The registered office and principal place of business of the Company is: 8 Phillimore Street, Fremantle WA 6160

13. FINANCIAL INSTRUMENTS

The totals for each category of financial instrument, measured in accordance with AASB 9, as detailed in the accounting policies to these financial statements, are as follows. The Company only has financial instruments at amortised cost. The carrying value of the financial instruments equates the fair value at the reporting period.

Financial Assets

Cash and cash equivalents	294,217	96,355
Trade and other receivables (Less provision)	27,791	9,428
Total Financial Assets	322,008	105,783

Financial Liabilities

Financial Liabilities at Amortised Cost:

Trade Payables	36,491	40,951
Accrued Expenses	41,604	32,459
Contract Liabilities	48,385	-
Credit Cards	719	1,086
Total Financial Liabilities	127,199	74,496

THE ARTISTS' FOUNDATION OF WESTERN AUSTRALIA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN: 83 009 181 024

14. AUDITOR DETAILS

The auditor of the Company is an Australian Audit. The audit fees for the year ended 31 December 2020 was \$4,000 + GST. The Company confirms that no non-audit services were provided by the auditors. The Auditor's Independence Declaration is attached to this financial report along with the Independent Auditor's Report.

DIRECTORS:

ROBERT CAMPBELL RCA, CA, CPA, MSW

VIRAL PATEL RCA, CA, CPA

ALASTAIR ABBOTT RCA, CA, M.FORENSIC ACCOUNTING

CHASSEY DAVIDS RCA, CA, AMHA, BCOM

INDEPENDENT AUDITOR'S REPORT

To the members of the Artists' Foundation of Western Australia Limited

Opinion

We have audited the financial report of the Artists' Foundation of Western Australia Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Artists' Foundation of Western Australia Limited is in accordance with the Corporations Act 2001 and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the year then ended
- complying with Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), *Corporations Act 2001* 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.



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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *ACNC Act* and the *Corporations Act 2001*. The directors' responsibility also includes such internal control as the directors 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 directors 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 directors 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a



going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, The Artists' Foundation of Western Australia Limited has complied with 60-30(3)(b), (c) and (d) of the *ACNC Act*:

- by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- by keeping financial records sufficient to enable a financial report to be prepared and audited ; and
- by keeping other records required by Part 3-2 of the *ACNC Act*, including those records required by Section 50-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity.

Australian Audit

Robert John Campbell, CA CPA

Registered Company Auditor number 334773

Director

Perth, Western Australia

Dated: 14 June 2021











Audited Financial Statements Artists Foundation of WA Artsource 14.6.2021

Final Audit Report

2021-06-14

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