

AUSTRALIAN COUNCIL OF UNIVERSITY ART AND DESIGN  
SCHOOLS INCORPORATED

ABN 68 551 409 321

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2019 FINANCIAL REPORT

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# Australian Council of University Art and Design Schools Incorporated

ABN 68 551 409 321

## Statement by Executive

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The names of the members of the Executive during the year ended 30 June 2019 or at the date of this report are:

Professor Denise Ferris (reappointed 28 September 2018)	Chair
Professor Kit Wise (reappointed 28 September 2018)	Deputy Chair
Associate Professor Shane Hulbert (appointed 26 September 2013)	Treasurer/Public Officer
Charles Robb (appointed 28 September 2018)	Secretary
Professor Simon Biggs (appointed 24 September 2015)	
Professor Marie Sierra (reappointed 28 September 2018)	
Dr. Bruce Slatter (reappointed 28 September 2018)	
Professor David Williams (resigned 30 June 2019)	
Ms Sarah Pirrie (appointed 16 February 2018)	
Dr Lyndall Adams (appointed 28 September 2018)	

The principal activity of the Association during the year ended 30 June 2019 was to play a role in shaping quality education for artists by addressing issues affecting education and training. There was no significant change in the nature of these activities during the year.

The operating result for the Association for the year was a deficit of \$7,633 (2018: \$26,302 Deficit).

In the opinion of the Executive, the accompanying financial report presents a true and fair view of the financial position of Australian Council of University Art and Design Schools Incorporated as at 30 June 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting standards and other authoritative pronouncements of the Australian Accounting Standards Board.

In the opinion of the Executive, at the date of this statement, there are reasonable grounds to believe that Australian Council of University Art and Design Schools Incorporated will be able to pay its debts as and when they fall due.

Signed this 31<sup>st</sup> day of **October 2019** in accordance with a resolution of the Executive.

Denise Ferris

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AUSTRALIAN COUNCIL OF UNIVERSITY ARTS & DESIGN SCHOOLS INCORPORATED

#### Opinion

We have audited the financial report of Australian Council of University Arts & Design Schools Incorporated, which comprises the statement of financial position as at 30 June 2019, 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 statement by the members of the Executive.

In our opinion, the financial report of Australian Council of University Arts & Design Schools Incorporated, is in accordance with the Associations Incorporation Act 1991 of the Australian Capital Territory, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

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

#### Responsibilities of the Executive for the Financial Report

The members of the Executive of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act 1991 of the Australian Capital Territory and for such internal control as the executives 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, members of the Executive are responsible for assessing the Association'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 members of the Executive either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AUSTRALIAN COUNCIL OF UNIVERSITY ARTS & DESIGN  
SCHOOLS INCORPORATED (CONT'D)**

**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.

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*McLean Delmo Bentleys Audit Pty Ltd*

McLean Delmo Bentleys Audit Pty Ltd



Rod Hutton  
Partner

Hawthorn  
31<sup>th</sup> October 2019

# Australian Council of University Art and Design Schools Incorporated

ABN 68 551 409 321

## Statement of Comprehensive Income for the year ended 30 June 2019

	2019 \$	2018 \$
<b>Revenue</b>		
<i>Operating activities:</i>		
Membership subscriptions	27,642	27,364
<i>Non-operating activities:</i>		
Interest	-	-
Other	585	-
	<u>28,227</u>	<u>27,364</u>
<b>Expenses</b>		
Administration expenses	17,158	14,803
Audit and accounting fees	4,350	3,400
Website and storage services	95	1,555
Conference and travel expenses	4,041	743
Grants	4,870	30,077
Sector Support	5,050	3,000
Other expenses	296	88
	<u>35,860</u>	<u>53,666</u>
Other Comprehensive Income	-	-
Total Comprehensive Income/(Loss)	<u>(7,633)</u>	<u>(26,302)</u>

## Statement of Cash Flows for the year ended 30 June 2019

	Note	2019 \$	2018 \$
<b>Operating activities</b>			
Receipts from members and others		40,763	22,115
Interest received		-	-
Payments to suppliers and employees		(41,221)	(57,747)
Net cash generated (used)	6	<u>(458)</u>	<u>(35,632)</u>
Net movement in cash held		(458)	(35,632)
Cash and cash equivalents at beginning of year		30,646	66,278
Cash and cash equivalents at end of year		<u>30,188</u>	<u>30,646</u>

The accompanying notes form part of these financial statements.

# Australian Council of University Art and Design Schools Incorporated

ABN 68 551 409 321

## Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and cash equivalents		30,188	30,646
Receivables	2	6,095	11,966
<b>Total Current Assets</b>		36,283	42,612
<b>Total Assets</b>		36,283	42,612
<b>Current Liabilities</b>			
Payables	3	3,254	1,950
<b>Total Current Liabilities</b>		3,254	1,950
<b>Net Assets</b>		32,029	40,662
<b>Equity</b>			
Retained surplus		33,029	40,662
<b>Total Equity</b>		33,029	40,662

## Statement of Changes in Equity for the year ended 30 June 2019

	2019 \$	2018 \$
Balance at beginning of year	40,662	66,964
Net Surplus/(Deficit) from operating activities	(7,633)	(26,302)
Balance at end of year	33,029	40,662

The accompanying notes form part of these financial statements.

# Australian Council of University Art and Design Schools Incorporated

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Notes to the financial statements for the year ended 30 June 2019

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## **Note 1: Statement of significant accounting policies**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations) and the requirements of the Associations Incorporation Act 1991 of the Australian Capital Territory. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report covers Australian Council of University Art and Design Schools Incorporated ("the Association") as an individual entity. The Association is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991.

The following is a summary of the significant accounting policies adopted by the Association in the preparation of this financial report. The accounting policies have been consistently applied, unless otherwise stated.

### **Basis of Preparation**

The Association has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS). For the purposes of the application of AIFRS measurement and disclosure requirements the Association is classified as a not-for-profit entity.

The accounting policies set out below have been consistently applied to all years presented.

#### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs.

#### *a) Income tax*

The Association is exempt from income tax under section 50-5 of the Income Tax Assessment Act (1997).

#### *b) Cash and cash equivalents*

Cash and cash equivalents include cash on hand and deposits held at call with banks or financial institutions.

#### *c) Cash flows*

For the purposes of the cash flow statement, cash includes cash on hand and in at call deposits with banks or financial institutions.

# Australian Council of University Art and Design Schools Incorporated

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## Notes to the financial statements for the year ended 30 June 2019

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d) *Revenue recognition*

Membership subscriptions are brought to account as revenue on an accruals basis. Interest and other income is brought to account when earned.

e) *Comparative figures*

Where necessary, comparative figures have been adjusted to conform to changes in presentation in this financial report.

f) *Impairment*

At each reporting date, the Association 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. As a not-for-profit entity, value in use for the Association according to Accounting Standard AASB 136 *Impairment of Assets*, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

g) *Critical accounting estimates and judgements*

The committee evaluates estimates and judgements incorporated into the financial report 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 Association.

h) *Key estimates - Impairment*

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2019.

i) *Financial instruments Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortized cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognized at amortized cost, comprising original debt less principal payments and amortisation.



# Australian Council of University Art and Design Schools Incorporated

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## Notes to the financial statements for the year ended 30 June 2019

	2019 \$	2018 \$
<b>Note 2: Receivables</b>		
Sundry Debtors	6,095	11,966
<b>Note 3: Payables</b>		
CURRENT		
<i>Unsecured liabilities:</i>		
Sundry Creditors	1,327	1,327
Net GST payable	1,927	623
	<u>3,254</u>	<u>1,950</u>

### Note 4: Key management personnel

#### (a) Details of Key Management Personnel

Names and positions held of key management personnel in office during the financial year are:

#### (i) Executive members of Australian Council of University Art and Design Schools Incorporated:

Professor Denise Ferris (reappointed 28 September 2018)  
 Professor Kit Wise (reappointed 28 September 2018)  
 Associate Professor Shane Hulbert (appointed 26 September 2013)  
 Charles Robb (appointed 28 September 2018)  
 Professor Simon Biggs (appointed 24 September 2015)  
 Professor Marie Sierra (reappointed 28 September 2018)  
 Dr. Bruce Slatter (reappointed 28 September 2018)  
 Professor David Williams (resigned 30 June 2019)  
 Ms Sarah Pirrie (appointed 16 February 2018)  
 Dr Lyndall Adams (appointed 28 September 2018)

No remuneration was received by any member of the Executive from the Association during the year ended 30 June 2019 (2018 Nil) other than the reimbursement of out-of-pocket expenses incurred on behalf of the Association.

#### (ii) Executive Officers:

Shanti Shea An

Executive Officer is engaged to provide executive and administrative services.

#### (b) Compensation of Key Management Personnel

	Short Term Benefits \$	Post employment benefits \$	Other long term benefits \$	Total \$
2019				
Total compensation	17,158	-	-	17,158
2018				
Total compensation	14,803	-	-	14,803

# Australian Council of University Art and Design Schools Incorporated

ABN 68 551 409 321

## Notes to the financial statements for the year ended 30 June 2019

	2019	2018
	\$	\$

### Note 5: Operating Activities and Association Details

The Association plays a role in shaping quality education for artists by addressing issues affecting education and training. It carries out these activities throughout Australia.

### Note 6: Cash Flow Information

Reconciliation of net cash relating to operating activities to operating result

Operating surplus/(deficit)	(7,633)	(26,302)
Changes in assets and liabilities:		
(Increase) Decrease in Receivables	5,871	(10,639)
Increase (Decrease) in Payables	1,304	1,309
Net cash relating to operating activities	458	(35,632)

### Note 7: Financial Instruments

#### (a) Financial Risk Management

The Association's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the Association. The Association does not have any derivative instruments at 30 June 2019 (2018 Nil). The main risks arising from the Association's financial instruments are interest rate risk and credit risk. The policies for managing each of these risks are summarised below.

#### (a) Net Fair Values

The net fair value of financial assets and liabilities approximates the values shown in the balance sheet and the notes thereto.

#### (b) Credit risk

Credit risk is the risk that a financial asset will not be realised by the Association due to the default of the debtor. The financial assets subject to credit risk are as follows:

#### Financial Assets

Cash at bank	30,188	30,646
Receivables	6,095	11,966
Maximum exposure	36,283	42,612

With the exception of the following concentration of credit risks, the Association does not have any material credit risk exposure to any single debtor or group of debtors:

- Cash with Cash with the National Australia Bank \$30,188 (2018 - \$30,646)

#### (c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial asset or liability will change due to interest rate fluctuations. The Association is not exposed to material interest rate risk.

### Note 8: Subsequent events

The financial report of the Association was authorised for issue on the date of signing of the attached Statement by the Executive and up to this date there have not been any subsequent events that would impact the Financial report or the Association.