

AUSTRALIAN COUNCIL OF UNIVERSITY ART AND DESIGN
SCHOOLS INCORPORATED

ABN 68 551 409 321

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2020 FINANCIAL REPORT

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Australian Council of University Art and Design Schools Incorporated

ABN 68 551 409 321

Statement by Executive

The names of the members of the Executive during the year ended 30 June 2020 or at the date of this report are:

Professor Denise Ferris	Chair
Professor Kit Wise	Deputy Chair
Professor Marie Sierra	Treasurer
Associate Professor Shane Hulbert	Public Officer
Charles Robb	Secretary
Dr. Bruce Slatter	
Ms Sarah Pirrie (reappointed 1 November 2019)	
Dr Lyndall Adams	
Associate Professor Veronika Kelly (appointed 1 November 2019)	
Professor Laurene Vaughan (appointed 1 November 2019)	

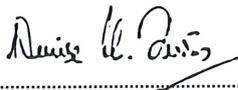
The principal activity of the Association during the year ended 30 June 2020 was to play a role in shaping quality education for artists by addressing issues affecting education and training. There was no significant change in the nature of these activities during the year.

The operating result for the Association for the year was a deficit of \$19,568 (2019: \$7,633 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 2020 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 **27** day of **Nov** **2020** in accordance with a resolution of the Executive.



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN COUNCIL OF UNIVERSITY ART AND DESIGN SCHOOLS
INCORPORATED**

Opinion

We have audited the financial report of Australian Council of University and Design Schools Incorporated, which comprises the statement of financial position as at 30 June 2020, the statement of 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 and 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 Entity's financial position as at 30 June 2020 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 Entity 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 Executive of the Entity is 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 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 Executive is responsible for assessing the Entity'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 Executive either intends to liquidate the Entity 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 ART AND 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 Entity'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 Entity'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 Entity 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
30 November 2020

Australian Council of University Art and Design Schools Incorporated

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Statement of Comprehensive Income for the year ended 30 June 2020

	2020 \$	2019 \$
Revenue		
<i>Operating activities:</i>		
Membership subscriptions	25,476	27,642
<i>Non-operating activities:</i>		
Interest	-	-
Other	-	585
	<u>25,476</u>	<u>28,227</u>
Expenses		
Administration expenses	15,511	17,158
Audit and accounting fees	4,125	4,350
Website and storage services	2,350	95
Conference and travel expenses	5,046	4,041
Grants	14,350	4,870
Sector Support	3,500	5,050
Other expenses	162	296
	<u>45,044</u>	<u>35,860</u>
Other Comprehensive Income	-	-
Total Comprehensive Income/(Loss)	<u>(19,568)</u>	<u>(7,633)</u>

Statement of Cash Flows for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Operating activities			
Receipts from members and others		25,771	40,763
Interest received		-	-
Payments to suppliers and employees		48,298	(41,221)
Net cash generated (used)	6	<u>(22,527)</u>	<u>(458)</u>
Net movement in cash held		(22,527)	(458)
Cash and cash equivalents at beginning of year		30,188	30,646
Cash and cash equivalents at end of year		<u>7,661</u>	<u>30,188</u>

The accompanying notes form part of these financial statements.

Australian Council of University Art and Design Schools Incorporated

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Statement of Financial Position as at 30 June 200

	Note	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents		7,661	30,188
Receivables	2	5,800	6,095
Total Current Assets		13,461	36,283
Total Assets		13,461	42,612
Current Liabilities			
Payables	3	-	3,254
Total Current Liabilities		-	3,254
Net Assets		13,461	32,029
Equity			
Retained surplus		13,461	33,029
Total Equity		13,461	33,029

Statement of Changes in Equity for the year ended 30 June 2020

	2020 \$	2019 \$
Balance at beginning of year	33,029	40,662
Net Surplus/(Deficit) from operating activities	(19,568)	(7,633)
Balance at end of year	13,461	33,029

The accompanying notes form part of these financial statements.

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 2020

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 2020

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 2020.

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 2020

	2020 \$	2019 \$
Note 2: Receivables		
Sundry Debtors	5,800	6,095
Note 3: Payables		
CURRENT		
<i>Unsecured liabilities:</i>		
Sundry Creditors	-	1,327
Net GST payable	-	1,927
	-	3,254

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
 Professor Kit Wise
 Professor Marie Sierra
 Associate Professor Shane Hulbert
 Charles Robb
 Dr. Bruce Slatter
 Ms Sarah Pirrie (reappointed 1 November 2019)
 Dr Lyndall Adams
 Associate Professor Veronika Kelly (appointed 1 November 2019)
 Professor Laurene Vaughan (appointed 1 November 2019)

No remuneration was received by any member of the Executive from the Association during the year ended 30 June 2020 (2019 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 \$
2020 Total compensation	15,511	-	-	15,511
2019 Total compensation	17,158	-	-	17,158

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Notes to the financial statements for the year ended 30 June 2020

	2020	2019
	\$	\$

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)	(19,568)	(7,633)
Changes in assets and liabilities:		
(Increase) Decrease in Receivables	295	5,871
Increase (Decrease) in Payables	(3,254)	1,304
Net cash relating to operating activities	(22,527)	458

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 2020 (2019 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	7,661	30,188
Receivables	5,800	6,095
Maximum exposure	13,461	36,283

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 \$7,661 (2019 - \$30,188)

(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.