

VISASIA
FINANCIAL REPORT 2011–12
ACN: 086 474 713

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I certify that this document (numbered pages 1 to 12 for identification) is a true copy of all accounts required to be laid before the company at the Annual General Meeting, together with a copy of every other document which is required under Section 316 to be laid before the Annual General Meeting.

A handwritten signature in black ink, appearing to read 'John Wicks', written in a cursive style. The signature is positioned above a horizontal line.

John Wicks
Secretary

Dated: 19 October 2012

DIRECTORS' REPORT

for the year ended 30 June 2012

The directors of The Australian Institute of Asian Culture and Visual Arts Limited present their report for the year ended 30 June 2012.

Principal activities

The principal activities of the company were the promotion of an understanding and appreciation of Asian culture through the arts. There has been no change in the nature of these activities since incorporation of the company.

Review of operations and results

The net result for the year ended 30 June 2012 was \$140,904

The Company is exempt from income tax.

Information on Directors

Meetings attended

The names of the Directors in office at date of this report are:

Dr John Yu, AC – Chairman	Chair, George Institute of International Health	1
Anne Flanagan	Director, Dip Int Design, Dip Ed, Dip Vis Arts	1
Steve Burdon	Director, Criteria Research Pty Ltd	1
Philip Cox	Director, The Cox Group Pty Ltd	1
Sandra Forbes	Editor and Publishing Consultant	1
Warwick Johnson	Investment Manager, Optimal Fund Management	1
Stephen Menzies	Partner, Blake Dawson Waldron	1
Jackie Menzies	Head Curator, Asian Art, AGNSW	1
Judith Rutherford, AM	President of TAASA (Asian Arts Society of Australia)	1

Directors and auditors indemnification

The company has not, during or since the end of the period, in respect of any person who is or has been an officer or auditor of the company: or auditor of the company:

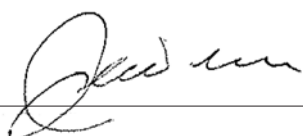
- indemnified or made any relevant agreement for indemnifying against a liability incurred as officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Directors' benefits

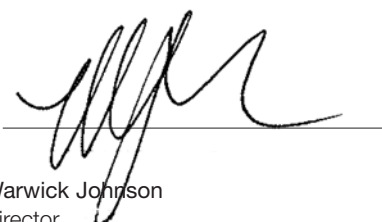
Other than as disclosed in note 8, no Director has received or become entitled to receive, during or since the period, a benefit because of a contract made by the company with a Director, a firm in which the Director is a member or an entity in which the Director has a substantial financial interest.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page.

Signed in accordance with a resolution of the board of directors.



Dr John Yu, AC
Chairman



Warwick Johnson
Director

Dated: 19 October 2012



INDEPENDENT AUDITOR'S REPORT

Australian Institute of Asian Culture and Visual Arts Limited (VisAsia)

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Australian Institute of Asian Culture and Visual Arts Limited (VisAsia), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 30 June 2012 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to VisAsia's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VisAsia's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of VisAsia
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards the *Corporations Act 2001* and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Australian Institute of Asian Culture and Visual Arts Limited on 19 October 2012, would be in the same terms if provided to the directors as at the time of this auditor's report.



Heather Watson
Director, Financial Audit Services

22 October 2012
SYDNEY



To the Directors
The Australian Institute of Asian Culture and Visual Arts Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of The Australian Institute of Asian Culture and Visual Arts Limited for the year ended 30 June 2012, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

Heather Watson
Director, Financial Audit Services

19 October 2012
SYDNEY

DIRECTORS' DECLARATION

for the year ended 30 June 2012

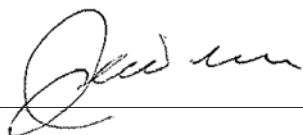
STATEMENT IN ACCORDANCE WITH SECTION 41C(1C) OF THE *PUBLIC FINANCE AND AUDIT ACT, 1983*

In accordance with a resolution of the Board of Directors of the VisAsia, we state that:


- (a) The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the Public Finance and Audit Regulation 2010, applicable Accounting Standards, other mandatory reporting requirements and the Treasurer's Directions;
- (b) The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2012 and the operations for the year then ended;
- (c) At the date of signing we are not aware of circumstances that would render the financial statements misleading or inaccurate;
- (d) the attached financial statements and notes thereto comply with Australian Accounting Standards and other mandatory professional reporting requirements;
- (e) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* and the Corporations Regulations 2001; and
- (f) 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.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors,



Dr John Yu, AC
Chairman



Warwick Johnson
Director

Dated: 19 October 2012

Statement of comprehensive income

for the year ended 30 June 2012

	Note	Actual 2012 \$	Actual 2011 \$
Expenses excluding losses			
Operating expenses	2 (a)	8,127	9,902
Grants & subsidies	2 (b)	150,000	10,000
Total expenses excluding losses		158,127	19,902
Revenue			
Investment revenue		94,739	83,032
Donations		202,400	256,800
Grants & contributions		1,892	-
Total revenue		299,031	339,832
NET RESULT		140,904	319,930
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		140,904	319,930

The accompanying notes form part of these statements

Statement of financial position

as at 30 June 2012

	Note	Actual 2012 \$	Actual 2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3 (a)	1,752,756	1,608,180
Receivables	3 (b)	15,120	10,592
Total current assets		1,767,876	1,618,772
TOTAL ASSETS		1,767,876	1,618,772
LIABILITIES			
Current Liabilities			
Payables	3 (c)	13,650	5,450
Total current liabilities		13,650	5,450
TOTAL LIABILITIES		13,650	5,450
NET ASSETS		1,754,226	1,613,322
EQUITY			
Accumulated Funds		1,754,226	1,613,322
TOTAL EQUITY		1,754,266	1,613,322

The accompanying notes form part of these statements

Statement of changes in equity

for the year ended 30 June 2012

	Accumulated Funds	Total Equity
	\$	\$
Balance at 1 July 2010	1,293,392	1,293,392
Net result for the year	319,930	319,930
Balance at 30 June 2011	1,613,322	1,613,322
Balance at 1 July 2011	1,613,322	1,613,322
Net result for the year	140,904	140,904
Balance at 30 June 2012	1,754,226	1,754,226

The accompanying notes form part of these statements

Statement of cash flows

for the year ended 30 June 2012

	Note	Actual 2012 \$	Actual 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Grants & subsidies		(150,000)	(10,000)
Payments to suppliers		73	(9,704)
Total Payments		(149,927)	(19,704)
Receipts			
Interest received		90,211	81,195
Donations		202,400	256,800
Grants & contributions		1,892	-
Total Receipts		294,503	337,995
NET CASH FLOWS FROM OPERATING ACTIVITIES	4	144,576	318,291
NET INCREASE / (DECREASE) IN CASH		144,576	318,291
Opening cash and cash equivalents		1,608,180	1,289,889
CLOSING CASH AND CASH EQUIVALENTS	3(a)	1,752,756	1,608,180

The accompanying notes form part of these statements

Notes to and forming part of the financial statements

for the year ended 30 June 2012

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

VisAsia was incorporated on 26 February 1999 as a company limited by guarantee and is a not for profit entity as profit is not its primary objective and it has no cash generating units. The reporting entity is consolidated as part of the Art Gallery of NSW Trust (Art Gallery) financial statements.

The financial statements for the year ended 30 June 2012 have been authorised for issue by the Board of directors on 19 October 2012.

(b) Basis of preparation

The VisAsia's financial report is a general purpose financial report, which have been prepared in accordance with:

- the *Corporations Act 2001*;
- Australian Accounting Standards and Interpretations,
- the requirements of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities issued by the Treasurer

The financial statements are based on historical cost. Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

(c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of amount of GST except that:

- the amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST excluded;

Operating cash flows are stated on a net basis in the Statement of Cash Flows. The cash flows arising from investing and financing activities are also classified as operating cash flows. receivables and payables are stated with the amount of GST excluded.

(e) Revenue Recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Donations are recognised when the VisAsia receives control over the assets comprising the donations. Control over these are normally obtained upon receipt of cash. Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(e) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisition of assets by VisAsia. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Notes to and forming part of the financial statements

for the year ended 30 June 2012

(f) Financial Instruments

The VisAsia's financial instruments arise directly from the VisAsia's operations or are required to finance its operations. The VisAsia does not enter into or trade financial instruments for speculative purposes and does not use financial derivatives.

(i) Cash and cash equivalents

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances and paid monthly at the normal commercial rate.

(ii) Term deposits

The VisAsia has placed funds in bank deposits "at call" or for a fixed term. The interest rate payable is negotiated initially and is fixed for the term of the deposits. The deposits are usually held to maturity. Interest is accrued as at 30 June each year and brought to account in the Statement of Comprehensive Income.

(iii) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Statement of Comprehensive Income when impaired, derecognised or through the amortisation process. No interest is earned on trade and other receivables. The credit risk is the carrying amount (net of any allowance for impairment). No interest is earned on trade and other receivables. Sales are made on 30 day terms. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(iv) Investments

The VisAsia does not have any long term investments.

(v) Payables

The amounts represent liabilities for goods and services provided to VisAsia and other amounts, including interest. Payables are recognised initially at transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(vi) Risk Management of Financial Assets

VisAsia's investment's are confined to Term Deposits which are administered by the Art Gallery in line with its Investment Policy which was endorsed by the Finance Committee/Board during 2011/12. The Policy is reviewed annually by the Art Gallery's Audit and Risk Committee.

Credit risk arises when there is the possibility of VisAsia's debtors defaulting on their contractual obligations, resulting in a financial loss to VisAsia. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). VisAsia is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. The credit risk for trade debtors is the carrying amount (net of any allowance for impairment). No collateral is held by VisAsia. VisAsia has not granted any financial guarantees. Credit risk on term deposits is managed by ensuring that only those banks and building societies approved by the Reserve Bank/Australian Prudential Regulatory Authority (APRA) and included in the "Art Gallery Approved List", all of which have A ratings or better. Maturities are generally less than 12 months.

Liquidity risk is the risk that VisAsia will be unable to meet its payment obligations when they fall due. VisAsia continuously manages this risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. VisAsia has no loans or overdrafts and no assets have been pledged as collateral. An overdraft facility is not considered necessary as arrangements have been put in place to call in term deposits at short notice if needed. A penalty of reduced interest rate may sometimes be incurred.

Interest rate risks – VisAsia's exposure to interest rate risks is limited with the fixed rate term deposits which are negotiated prior to investment.

Other risks – VisAsia does not have financial assets which are exposed to market, currency or other risks.

Notes to and forming part of the financial statements

for the year ended 30 June 2012

(vii) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that VisAsia will not be able to collect all amounts due. Any reversals of impairment losses are reversed through the Statement of Comprehensive Income, where there is objective evidence.

(viii) Derecognition of financial assets and liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if VisAsia transfers the financial asset:

- where substantially all the risks and rewards have been transferred or
- where VisAsia has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where VisAsia has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of VisAsia's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(h) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(h) Taxation Status

VisAsia is entitled to an income tax exemption concession.

(h) Accounting Standards Issued but not yet Effective

VisAsia did not early adopt any new accounting standards and interpretations that are not yet effective.

VisAsia has assessed the impact of these new standards and interpretations and considers the impact to be minimal or insignificant.

Notes to and forming part of the financial statements

for the year ended 30 June 2012

	2012	2011
	\$	\$
2 EXPENSES EXCLUDING LOSSES		
(a) Operating expenses		
Audit fees – audit of financial statements	5,650	5,450
Other expenses (TAASA review, ASIC fees, bank fees and other)	2,477	4,452
	8,127	9,902
(b) Grants & subsidies		
Contributions to the Art Gallery of NSW	150,000	-
Other	-	10,000
	150,000	10,000

Includes a cash sponsorship \$150,000 made to the Art Gallery of NSW for the 'Sekka' exhibition.

3 FINANCIAL INSTRUMENTS

(a) Current Assets - Cash and Cash Equivalents			
Cash at bank	– at variable interest rate	92,756	188,180
Short term deposits	– less than 12 months	1,660,000	1,420,000
Total cash and cash equivalents		1,752,756	1,608,180

For the purpose of the Statement of Cash Flows, cash at end of the financial year includes cash at bank and short term deposits as shown above. There is no bank overdraft.

Weighted average interest rate earned on Cash and Term Deposits in 2012 is 5.6% (2011 – 5.7%).

(b) Current Assets – Receivables			
Accrued interest	– not past due	15,120	10,592
		15,120	10,592
(c) Current Liabilities – Payables			
Creditors	– non-interest bearing	13,650	5,450
		13,650	5,450

4 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

Net cash used on operating activities	144,576	318,291
(Increase) / decrease in trade and other receivables	4,528	1,837
Increase / (decrease) in trade and other payables	(8,200)	(198)
Net result	140,904	319,930

Notes to and forming part of the financial statements

for the year ended 30 June 2012

5 ASSISTANCE PROVIDED TO COMPANY

The Art Gallery of New South Wales provides administrative and secretariat support at no cost to the VisAsia entity. The investments are managed in line with Art Gallery of NSW policy and risk management practices.

6 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2012 (2011 – Nil).

7 COMMITMENTS FOR EXPENDITURE

There were no outstanding capital and expenditure commitments as at 30 June 2012 (2011 – Nil).

8 RELATED PARTIES

No director received or became entitled to receive, during or since the financial year, a benefit because of a contract made by the entity with a director, a firm in which the director is a member, or an entity in which the director has a substantial financial interest.

A cash sponsorship of \$150,000.00 was made to the Art Gallery of NSW in 2011–12 towards the ‘Sekka’ exhibition. (2011 – Nil).

9 MEMBERS’ GUARANTEE

The company is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company.

At 30 June 2012 the number of members was (9) nine.

END OF AUDITED FINANCIAL STATEMENTS