



INDEPENDENT AUDITOR'S REPORT

The Australian Institute of Asian Culture and Visual Arts Limited

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Australian Institute of Asian Culture and Visual Arts Limited (VisAsia), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly VisAsia's financial position, financial performance and cash flows

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of VisAsia in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

Directors' Responsibilities for the Financial Statements

The Directors of VisAsia are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and

Treasurer's. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing VisAsia's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

18 October 2021
SYDNEY

ANNUAL REPORT 2021

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 under the Corporations Act 2001 to be laid before the Annual General Meeting.



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HAKAN HARMAN
CHIEF OPERATING OFFICER

Dated: 5 October 2021

CORPORATE INFORMATION STATEMENT

Directors

The following directors were in office at the date of this report.

Geoffrey Raby	Chairman and Director
Michael Brand	AGNSW Representative
Peyvand Firouzeh	Director
Kimberley Holden	Director
Sunil Lal	Director
Simon Chan	Director
Ann Proctor	Director
Linna Le Boursicot	Director

Company Secretary

Hakan Harman

Registered office and principal place of business

1 Art Gallery Road
Sydney, NSW 2000

Auditors

Audit Office of New South Wales
Level 19, Darling Park Tower 2
201 Sussex Street

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021**

**STATEMENT IN ACCORDANCE WITH SECTION 7.6(4) OF THE GOVERNMENT SECTOR FINANCE ACT 2018 ('the Act')
AND THE CHARITABLE FUNDRAISING ACT 1991**

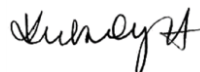
In accordance with a resolution of the Board of Directors of The Australian Institute of Asian Culture and Visual Arts Limited, we state that:

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the *Government Sector Finance Act 2018*, the applicable clauses of the Government Sector Finance Regulation 2018, applicable Accounting Standards, other mandatory reporting requirements and the Financial Reporting Directions mandated by the Treasurer;
- (b) The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2021 and the financial performance 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, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (f) the statement of comprehensive income of Australian Institute of Asian Culture and Visual Arts Limited for the year ending 30 June 2021 gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals;
- (g) the statement of financial position of Australian Institute of Asian Culture and Visual Arts Limited as at 30 June 2021 gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation;
- (h) the provisions of the *Charitable Fundraising Act 1991*, the Regulations under that Act and the conditions attached to the Charitable Fundraising Authority have been complied with by the organisation; and
- (i) the internal controls exercised by the Australian Institute of Asian Culture and Visual Arts Limited are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Signed in accordance with a resolution of the directors



.....
Geoff Raby
Chairperson



.....
Kimberley Holden
Director

Dated: 5 October 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue			
Investment revenue			
Interest		137	13,837
Distribution on investments carried at fair value		71,588	34,009
Net gain/(loss) on investments carried at fair value through profit and loss		31,913	(68,469)
Donations		148,108	125,590
Total revenue		251,746	104,967
Expenses excluding losses			
Operating expenses	2(a)	199,428	99,434
Grants & subsidies	2(b)	6,350	201,500
Total expenses excluding losses		205,778	300,934
Net result		45,968	(195,967)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		45,968	(195,967)

The accompanying notes form part of these statements

(VISASIA)
ACN 086 474 713**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	3(a)	70,352	47,740
Non-current assets			
Financial assets as fair value through profit and loss	3(b)	1,469,041	1,365,540
Total assets		1,539,393	1,413,280
Liabilities			
Current Liabilities			
Payables	3(c)	178,752	98,607
Total liabilities		178,752	98,607
Net Assets		1,360,641	1,314,673
Funds			
Accumulated Funds		1,360,641	1,314,673
Total funds		1,360,641	1,314,673

*The accompanying notes form part of these statements***STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2021**

	Accumulated Funds \$	Total Funds \$
Balance at 1 July 2019	1,510,640	1,510,640
Net result for the year	(195,967)	(195,967)
Other comprehensive income	-	-
Total Comprehensive Income	(195,967)	(195,967)
Balance at 30 June 2020	1,314,673	1,314,673
Balance at 1 July 2020	1,314,673	1,314,673
Net result for the year	45,968	45,968
Other comprehensive income	-	-
Total Comprehensive Income	45,968	45,968
Balance at 30 June 2021	1,360,641	1,360,641

The accompanying notes form part of these statements

(VISASIA)
ACN 086 474 713**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Grants & subsidies		(6,350)	(201,500)
Payments to suppliers		(119,283)	(9,935)
Total Payments		<u>(125,633)</u>	<u>(211,435)</u>
Receipts			
Interest received		137	17,054
Donations		148,108	125,590
Total Receipts		<u>148,245</u>	<u>142,644</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	4	<u>22,612</u>	<u>(68,791)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Investments		-	1,400,000
Purchases of investments		-	(1,400,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		22,612	(68,791)
Opening cash and cash equivalents		47,740	116,531
CLOSING CASH AND CASH EQUIVALENTS	3(a)	<u>70,352</u>	<u>47,740</u>

The accompanying notes form part of these statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 Significant Accounting Policies

(a) Reporting Entity

The Australian Institute of Asian Culture and Visual Arts Limited (VisAsia) was incorporated on 26 February 1999 as a company limited by guarantee and is a not for profit entity. 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 2021 have been authorised for issue by the Board of Directors on 5 October 2021

VisAsia hold authority number CFN24866 to fundraise under the provisions of the *Charitable Fundraising Act 1991(NSW)*.

(b) Basis of Preparation

The VisAsia's financial statements are general purpose financial statements, which have been prepared in accordance with:

- the requirements of the Government Sector Finance Act 2018 ('the Act')
- Australian Accounting Standards and Interpretations,
- the *Charitable Fundraising Act 1991(NSW)*

The financial statements are based on historical cost and are prepared on accrual accounting basis. 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 included;
- Operating cash flows are stated on a gross basis in the Statement of Cash Flows.

The cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are also classified as operating cash flows.

(e) 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.

(f) Taxation Status

VisAsia is entitled to an income tax exemption concession.

(g) Covid - 19

Covid-19 continues to impact the VisAsia, with outbreaks in various states and corresponding measures taken by respective governments to contain the virus affecting economic activity.

Where applicable, the impacts of Covid-19 have also been considered on any assumptions and estimates when preparing the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(g) Changes to Accounting Policies, including new or revised Australian Accounting Standards

(i) Applicable for the first time

The accounting policies applied in 2020-2021 are consistent with those of the previous financial year. No new Australian Accounting Standards have been applied for the first time in 2020-2021.

AASB 1059 applies to those NSW Government Agencies that are grantors in a service concession arrangement. In management's opinion, there will be no material impact on the transactions and balances recognised in the financial statements.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new AAS have not been applied and are not yet effective:

AASB 17 Insurance Contracts is effective for annual reporting periods beginning on / after 1 January 2023.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for ForProfit and Not-for-Profit Tier 2 Entities is effective for annual reporting periods beginning on / after 1 July 2021.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture is effective for annual reporting periods beginning on / after 1 January 2022.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current is effective for annual reporting periods beginning on / after 1 January 2022.

AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities is not applicable to VisAsia.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018– 2020 and Other Amendments is effective for annual reporting periods beginning on / after 1 January 2022.

AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts comes into effect on / after 1 January 2022.

AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions is effective on / after 1 July 2021

AASB 2020-8 & 9 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform effective for periods beginning on / after 1 January 2021.

AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities amends AASB 1060 to provide not-for-profit entities with optional relief from presenting comparative information in the notes to the financial statements where the entity did not disclose the comparable information in its most recent previous general purpose financial statements and is effective on / after 1 July 2021.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends a number of existing standards, effective for periods beginning on / after 1 January 2023

As at the date of this report, it is management's opinion that there will be no material impact on the transactions and balances recognised in the financial statements when these standards are applied or become effective.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	2021 \$	2020 \$
2 (a) Operating expenses		
Audit fees - audit of financial statements	7,732	7,534
Other expenses (Bank fees and other)	<u>191,700</u>	<u>91,900</u>
	<u>199,432</u>	<u>99,434</u>

The Auditors received no other benefits other than those disclosed above.

(b) Grants & subsidies

Grants and subsidies	<u>6,350</u>	<u>201,500</u>
	<u>6,350</u>	<u>201,500</u>

VisAsia sponsored the following events / exhibitions at the Art Gallery of NSW:

	2021
-Contribution for Asian art lecture series	<u>6,350</u>
	<u>6,350</u>
	2020
-Contribution to AGNSW for Japan Supernatural Exhibition	200,000
-Contribution for Asian art lecture series	<u>1,500</u>
	<u>201,500</u>

3 (a) Cash and cash equivalents

Cash at bank - at variable interest rate	<u>70,352</u>	<u>47,740</u>
	<u>70,352</u>	<u>47,740</u>

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances and paid monthly at the normal commercial rate. There is no bank overdraft.

(b) Financial assets measured at fair value through profit and loss

Investments in T-Corp managed funds	<u>1,469,041</u>	<u>1,365,540</u>
	<u>1,469,041</u>	<u>1,365,540</u>

The investments in TCorp Managed funds are units held in the TCorp IM Short and Medium Term Income Funds. VisAsia's investments can be redeemed on an short-term basis at the market value of the investment at the date of redemption less certain fees and charges.

(c) Current Liabilities - Payables

Creditors - non-interest bearing	<u>178,752</u>	<u>98,607</u>
	<u>178,752</u>	<u>98,607</u>

Trade creditors and other payables represent liabilities and accruals for goods and services provided to VisAsia prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days of falling due.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(d) Financial Risk Management**Accounting policies**

Financial assets are recognised at fair value plus any transaction. Subsequent measurement depends on the classification of the financial asset.

Cash and cash equivalents *are* measured at amortised cost since these financial assets meet the relevant criteria under AASB 9, being that they are held to collect *contractual* cash which gives rise to solely payments of principal and interest. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gains or losses on derecognition are recognised in profit or loss.

Impairment of financial assets measured at amortised cost is determined using the simplified approach under AASB 9 which uses an estimation of lifetime expected credit losses (ECL) based on historical experience and an informed credit assessment. Any amount of impairment is recorded in a separate allowance account with the loss recognised in the result for the year. Once an amount is determined to be uncollectable, it is written off against the associated allowance.

Investments in managed funds are measured at fair value through profit and loss with changes in fair value at each reporting period recognised directly in surplus for the year.

VisAsia measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Objectives and policies

VisAsia's financial instruments comprise:

- Cash and cash equivalents
- Listed investments
- Payables

The main risks arising from VisAsia's financial instruments are liquidity risk, credit risk and market price risk.

Credit risk arises when there is the possibility of VisAsia's debtors defaulting on their contractual obligations, resulting in a financial loss to VisAsia. VisAsia is not materially exposed to concentrations of credit risk either to a single trade debtor or group of debtors. No collateral is held by VisAsia not has it granted any financial guarantees. Credit risk on investments is managed by ensuring that only investment managers, 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.

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 funds under investment at short notice if needed.

Market price risk - Market price risk is the risk that changes in market process such as interest rates and equity prices will affect the value of VisAsia's holdings of financial instruments. VisAsia is exposed to two sources of market price risk - fluctuations in interest rates and fluctuations in the value of its financial investments. Exposure to interest rate risks is limited with the fixed rate term deposits which are negotiated prior to investment.

(e) Financial Risk Management (cont.)

The below tables indicates the impact market movements on the investments have on profit and loss:

	Market Value \$	+10% impact \$	-10% impact \$
Managed funds	1,469,041	146,904	(146,904)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	2021	2020
	\$	\$
4 Reconciliation of Cash Flows from Operating Activities to Net Result		
Net cash (used in)/from operating activities	22,612	(68,791)
Increase/(decrease) in financial assets	103,501	(34,460)
Increase/(decrease) in receivables	-	(3,217)
(Increase)/decrease in payables	(80,145)	(89,499)
Net result	45,968	(195,967)

5 Contingent assets and liabilities

There were no contingent assets or liabilities as at 30 June 2021 (2020 - Nil).

6 Commitments for Expenditure

There were no outstanding capital and expenditure commitments as at 30 June 2021 (2020 - Nil).

7 Related Parties

As per *AASB 124 Related Party Disclosures a Key Management Personnel* (KMP) is a person who has the authority and responsibility for planning, directing and controlling the activities of VisAsia, directly or indirectly. The key management personnel of VisAsia are the Trustees and the senior executive members.

The Directors act in an honorary capacity and receive no compensation for their services. Senior management compensation is paid by the Art Gallery of New South Wales Trust.

Related party transactions includes the administrative and secretariat support provided by the Art Gallery of New South Wales at no cost to the VisAsia entity. VisAsia's investments are also managed in line with Art Gallery of NSW policy and risk management practices. The value of these 'in-kind' services have not been recognised as they cannot be reliably measured.

The following transactions occurred with related parties:

	Revenue \$'000
2020	
Cash donations	20
2021	
Cash donations	14

The cash donations received from related parties are from directors of this entity or trustees of the Art Gallery of NSW. No director received or became entitled to receive any 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.

Sponsorships provided to the Art Gallery of New South Wales are detailed in Note 2(b).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

8 Disclosure under the <i>Charitable Fundraising Act 1991</i>	2021	2020
	\$	\$
Gross aggregate income received from fundraising:		
Fundraising income	148,108	125,590
Expenditure associated with fundraising appeals	-	-
Net surplus from fundraising appeals	148,108	125,590

Any donations received where the use of those funds is restricted under the conditions of the contribution to specific purposes are applied for those specific purposes. Costs of fundraising include all fundraising costs in accordance with the Act. As stated in Note 7, the Art Gallery of New South Wales provides administrative and secretariat support at no cost to the VisAsia entity. Any surplus arising from fundraising appeals is applied to the charitable purposes of VisAsia. Donations are used by VisAsia mainly to fund exhibitions. Refer to Note 2 for details of grants made in the current year.

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 2021 the number of members was seven.

10 Events After the Reporting Period

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the Coronavirus (COVID-19) pandemic, and Government actions to reduce the spread of the virus. The directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact going forward. There are no other significant events which have occurred after the reporting period that management believe would impact the financial statements.

END OF AUDITED FINANCIAL STATEMENTS