



## INDEPENDENT AUDITOR'S REPORT

### The Australian Institute of Asian Culture and Visual Arts Limited

To the Treasurer, Minister for the Arts and members of the Board for the Australian Institute of Asian Culture and Visual Arts Limited

#### Opinion

I have audited the accompanying financial statements of the Australian Institute of Asian Culture and Visual Arts Limited (VisAsia), which comprise the Directors' Declaration, the Statement of comprehensive income for the year ended 30 June 2022, the Statement of financial position as at 30 June 2022, 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
- 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.

#### Emphasis of Matter

I draw attention to the 'non-going concern' basis in Note 1 to the financial statements. The note describes that VisAsia's financial statements were prepared on a non-going concern basis following cessation of its operations and resolution by the Directors in October 2021 to deregister the entity.

My opinion is not modified in respect of this matter.

## **Directors' Responsibilities for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards. The Directors' responsibility also includes such internal control as the Director determines 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 Director is 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 unless the Directors either intend to liquidate VisAsia or to cease operations, or have no realistic alternative but to do so.

## **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: [\[www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf\]](http://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

26 October 2022  
SYDNEY

Annual Report 2022

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.



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Chief Operating Officer  
Hakan Harman

21 October 2022

## Corporate Information Statement

## Directors

The following directors were in office during the financial year 30 June 2022

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

Statement in accordance with section 7.6(4) of the Government Sector Finance Act 2018 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 2022 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 Australian Institute of Asian Culture and Visual Arts Limited has provided for payment of all debts which become due and payable after the date of this declaration.**
- (f) the statement of comprehensive income of Australian Institute of Asian Culture and Visual Arts Limited for the year ending 30 June 2022 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 2022 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



Simon Chan  
Director



Ann Proctor  
Director

21 October 2022

## Statement of comprehensive income for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Donations		34,920	148,108
Investment revenue:			
Interest		69	137
Distribution on investments carried at fair value		1,422	71,588
Net gain/(loss) on investments carried at fair value through profit and loss		(27,530)	31,913
Net investment revenue / (loss)		<u>(26,039)</u>	<u>103,638</u>
Total revenue		<u>8,881</u>	<u>251,746</u>
Expenses excluding losses			
Operating expenses	2(a)	55,730	199,428
Grants & subsidies	2(b)	1,313,792	6,350
Total expenses excluding losses		<u>1,369,522</u>	<u>205,778</u>
Net result		(1,360,641)	45,968
Other comprehensive income		-	-
Total comprehensive income		<u>(1,360,641)</u>	<u>45,968</u>

*The accompanying notes form part of these financial statements*

## Statement of financial position as at 30 June 2022

	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	-	70,352
Total current assets		-	70,352
<b>Non-current assets</b>			
Financial assets as fair value through profit and loss	4	-	1,469,041
Total non-current assets		-	1,469,041
<b>Total Assets</b>		<b>-</b>	<b>1,539,393</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5	-	178,752
Total current liabilities		-	178,752
<b>Total Liabilities</b>		<b>-</b>	<b>178,752</b>
<b>Net Assets</b>		<b>-</b>	<b>1,360,641</b>
<b>Equity</b>			
Accumulated Funds Reserve		-	1,360,641
<b>Total Equity</b>		<b>-</b>	<b>1,360,641</b>

*The accompanying notes form part of these financial statements*

## Statement of changes in equity for the year ended 30 June 2022

	<b>Accumulated Funds</b>	Total
	<b>\$'000</b>	<b>\$'000</b>
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
Balance at 1 July 2021	1,360,641	1,360,641
Net result for the year	(1,360,641)	(1,360,641)
Other comprehensive income	-	-
Total Comprehensive Income	(1,360,641)	(1,360,641)
Balance at 30 June 2022	-	-

*The accompanying notes form part of these statements*

## Statement of cash flows for the year ended 30 June 2022

		2022	2021
	Note	\$	\$
Cash Flows From Operating Activities			
Payments			
Grants & subsidies		(3,300)	(6,350)
Donation to Art Gallery of NSW		(1,310,492)	-
Suppliers for goods and services		(234,482)	(119,283)
Total Payments		<u>(1,548,274)</u>	<u>(125,633)</u>
Receipts			
Interest received		69	137
Donations		34,920	148,108
Total Receipts		<u>34,989</u>	<u>148,245</u>
Net Cash Flows From Operating Activities	7	<u>(1,513,285)</u>	<u>22,612</u>
Cash Flows From Investing Activities			
Proceeds from sale of financial assets		1,442,933	-
Net Cash Flows From Investing Activities		<u>1,442,933</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		(70,352)	22,612
Opening cash and cash equivalents		70,352	47,740
Closing Cash And Cash Equivalents	3	<u>-</u>	<u>70,352</u>

*The accompanying notes form part of these financial statements*



## Notes to the financial statements for the year ended 30 June 2022

### 1 Statement of 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. The Entity is a not for profit entity (as profit is not its principal 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.

In October 2021 the Board of VisAsia passed a resolution to deregister the entity and after payment of all creditors, to provide a donation of remaining funds to the Art Gallery with the request that the funds would be used to continue VisAsia's mission to promote the appreciation of Asian visual arts and culture through exhibitions, events and education. Donation of net remaining funds were completed by 30 June 2022, and VisAsia balances are nil.

As at 30 June 2022, the Art Gallery has absorbed all VisAsia operations, taking on all functions including the payment of all debts which may become due and payable after the date of these financial statements.

The financial statements for the year ended 30 June 2022 have been authorised for issue by the Board of Directors as authorised persons for VisAsia on 21st October 2022.

VisAsia held authority number CFN24866 to fundraise under the provisions of the *Charitable Fundraising Act 1991(NSW)*. An application was made for a voluntary revocation in May 2022.

#### (b) Basis of Preparation

**The entity's financial statements are general purpose financial statements**

which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting
- the requirements of the Government Sector Finance Act 2018 (GSF Act) and
- **Treasurer's Directions issued under the GSF Act**

Provision has been made at balance date for all known unpaid balances to external parties.

The financial statements for the year ended 30 June 2022 have been prepared on a non-going concern basis.

#### (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;**
- **cash flows are stated on a gross basis in the Statement of Cash Flows.**

Notes to the financial statements for the year ended 30 June 2022

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

(i) *Applicable for the first time*

No new accounting standards have been applied in 2021-2022.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards (AAS), unless Treasury determines otherwise.

(iii) COVID-19

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

2 Expenses excluding losses

	2022	2021
	\$	\$
(a) Operating expenses		
Audit fees - audit of financial statements	5,900	7,732
Other expenses	49,830	191,700
	<u>55,730</u>	<u>199,432</u>

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

(b) Grants & subsidies

Donations to Art Gallery of NSW	1,310,492	-
Grants and subsidies	3,300	6,350
	<u>1,313,792</u>	<u>6,350</u>

Donation of \$1.3 million (2021: nil) was provided to the Art Gallery to promote the appreciation of Asian visual arts and culture through exhibitions, events and education.

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

Contribution for Asian art lecture series	3,300	6,350
	<u>3,300</u>	<u>6,350</u>

## Notes to the financial statements for the year ended 30 June 2022

	2022	2021
	\$	\$
3 Cash and cash equivalents		
Cash at bank - at variable interest rate	-	70,352

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.

After payment of all known external creditors, all net funds were donated to the Art Gallery.

4 Financial assets measured at fair value through profit and loss		
Investments in T-Corp managed funds	-	1,469,041

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.

During the year in the lead up to de-registering, VisAsia divested its TCorp Managed funds and donated the proceeds to the Art Gallery of NSW to continue VisAsia's mission to promote the appreciation of Asian visual arts and culture through exhibitions, events and education.

5 Current Liabilities - Payables		
Creditors - non-interest bearing	-	178,752

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.

### 6 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 comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Impairment of financial assets measured at amortised cost is determined using the simplified approach under AASB 9 Financial Instruments 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.

## Notes to the financial statements for the year ended 30 June 2022

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 of Cash and cash equivalents, Listed investments and 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.

As at balance date, VisAsia held nil investments (2021: \$1.469 million).

### 7 Reconciliation of Cash Flows from Operating Activities to Net Result

	2022	2021
	\$	\$
Net cash (used in)/from operating activities	(1,513,285)	22,612
Unrealised / realised gains/(losses)	(27,530)	103,501
Increase/(decrease) in receivables	-	-
(Increase)/decrease in payables	178,752	(80,145)
Distribution income	1,422	-
Net result	<u>(1,360,641)</u>	<u>45,968</u>

Notes to the financial statements for the year ended 30 June 2022

8 Contingent assets and liabilities

There were no contingent assets or liabilities as at 30 June 2022 (2021 - Nil).

9 Commitments for Expenditure

There were no outstanding capital and expenditure commitments as at 30 June 2022 (2021 - Nil).

10 Related Parties

As per AASB 124 Related Party Disclosures a Key Management Personnel (KMP) are those persons having 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.

The following transactions occurred with related parties:

	2022	2021
	\$	\$
Cash donations	6	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 and donations provided to the Art Gallery of New South Wales are detailed in Note 2(b) Grants & Subsidies.

	2022	2021
	\$	\$
11 Disclosure under the Charitable Fundraising Act 1991		
Gross aggregate income received from fundraising:		
Fundraising income	34,920	148,108
Expenditure associated with fundraising appeals	-	-
Net surplus from fundraising appeals	34,920	148,108

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. 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.

## Notes to the financial statements for the year ended 30 June 2022

### 12 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 2022 the number of members was seven.

### 13 Events After the Reporting Period

There are no significant events which have occurred after the reporting period that management believe would impact the financial statements.

End of audited financial statements