

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

**(VISASIA)
ACN 086 474 713**

ANNUAL REPORT 2014

I certify that this document (numbered pages 1 to 11 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.



Secretary

John Wicks

Dated: 14 October 2014

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

DIRECTORS' REPORT

The directors of The Australian Institute of Asian Culture and Visual Arts Limited present their report for the year ended 30 June 2014.

Principal activities

The principal activities of the company were the promotion of an understanding and appreciation of Asian culture through the arts. The Company provides financial support to the Art Gallery exhibitions and Asian Arts Society of Australia (TAASA).

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 2014 was **-\$309,750**

The Company is exempt from income tax.

Information on Directors

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

		Meetings Attended
Dr John Yu, AC - Chairman	Chair, George Institute of International Health	3
Steve Burdon	Director, Criteria Research Pty Ltd	2
Warwick Johnson	Investment Manager, Optimal Fund Management	3
Stephen Menzies	Partner, Blake Dawson Waldron	2
Judith Rutherford, AM	President of TAASA (Asian Arts Society of Australia)	3
Philip Cox	Director, The Cox Group Pty Ltd	1
Sandra Forbes	Editor and Publishing Consultant	3
Michael Brand	Director, Art Gallery of NSW Trust (AGNSW)	3
Total number of meeting held:		3

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:

- * 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



WARWICK JOHNSON
CHAIRMAN



JUDITH RUTHERFORD, AM
DIRECTOR

Dated: 14 October 2014



To the Directors
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 2014, 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.

Karen Taylor
Director, Financial Audit Services

13 October 2014
SYDNEY

(VISASIA)
ACN 086 474 713

**DIRECTORS DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014**

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

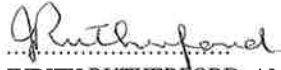
In accordance with a resolution of the Board of Directors of the VisAsia, we state that:

- (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 2014 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*,



.....
WARWICK JOHNSON
CHAIRMAN



.....
JUDITH RUTHERFORD, AM
DIRECTOR

Dated: 14 October 2014

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Actual 2014 \$	Actual 2013 \$
Expenses excluding losses			
Operating expenses	2(a)	41,649	12,584
Grants & contributions	2(b)	517,727	22,273
Total expenses excluding losses		<u>559,376</u>	<u>34,857</u>
Revenue			
Investment revenue		61,192	82,853
Donations		188,434	143,000
Grants & contributions		-	6,108
Total revenue		<u>249,626</u>	<u>231,961</u>
Net result		(309,750)	197,104
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		<u>(309,750)</u>	<u>197,104</u>

The accompanying notes form part of these statements

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Actual 2014 \$	Actual 2013 \$
Assets			
Current assets			
Cash and cash equivalents	3(a)	1,645,882	1,968,272
Receivables	3(b)	2,026	1,331
Total current assets		<u>1,647,908</u>	<u>1,969,603</u>
Total assets		<u>1,647,908</u>	<u>1,969,603</u>
Liabilities			
Current Liabilities			
Payables	3(c)	6,328	18,273
Total current liabilities		<u>6,328</u>	<u>18,273</u>
Total liabilities		<u>6,328</u>	<u>18,273</u>
Net Assets		<u>1,641,580</u>	<u>1,951,330</u>
Equity			
Accumulated Funds		1,641,580	1,951,330
Total equity		<u>1,641,580</u>	<u>1,951,330</u>

The accompanying notes form part of these statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated Funds \$	Total equity \$
Balance at 1 July 2012	1,754,226	1,754,226
Net result for the year	197,104	197,104
Other comprehensive income	-	-
Total Comprehensive Income	<u>197,104</u>	<u>197,104</u>
Balance at 30 June 2013	<u>1,951,330</u>	<u>1,951,330</u>
Balance at 1 July 2013	1,951,330	1,951,330
Net result for the year	(309,750)	(309,750)
Other comprehensive income	-	-
Total Comprehensive Income	<u>(309,750)</u>	<u>(309,750)</u>
Balance at 30 June 2014	<u>1,641,580</u>	<u>1,641,580</u>

The accompanying notes form part of these statements

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	Actual 2014 \$	Actual 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Grants & subsidies		(517,727)	(10,000)
Payments to suppliers		(53,594)	(14,126)
Total Payments		<u>(571,321)</u>	<u>(24,126)</u>
Receipts			
Interest received		60,497	96,642
Grants & contributions		-	-
Donations		188,434	143,000
Total Receipts		<u>248,931</u>	<u>239,642</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	4	<u>(322,390)</u>	<u>215,516</u>
NET INCREASE / (DECREASE) IN CASH		(322,390)	215,516
Opening cash and cash equivalents		1,968,272	1,752,756
CLOSING CASH AND CASH EQUIVALENTS	3(a)	<u>1,645,882</u>	<u>1,968,272</u>

The accompanying notes form part of these statements

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 2014 have been authorised for issue by the Board of Directors on 14 October 2014.

(b) Basis of Preparation

The VisAsia's financial report is a general purpose 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 and are prepared on accruals 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 are also classified as operating cash flows.

(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* .

(f) 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.

(g) 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.

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(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.

(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.

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(viii) *De- recognition 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 expired.

(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.

(i) *Taxation Status*

VisAsia is entitled to an income tax exemption concession.

(j) *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.

	2014	2013
	\$	\$
2(a) Operating expenses		
Audit fees - audit of financial statements	6,300	6,000
Other expenses (TAASA review, ASIC fees bank fees and other)	35,349	6,584
	<u>41,649</u>	<u>12,584</u>

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

2(b) Grants & contributions

Grants and contributions *	517,727	22,273
	<u>517,727</u>	<u>22,273</u>

* In 2014 VisAsia made a sponsorship of \$517,727 to the Art Gallery of NSW for the following:

-Noh Robes	200,000
-Silk Roads	200,000
-Korean Ceramics	65,000
-Capon Fellowship	15,000
-Asian Apps	37,727
	<u>517,727</u>

3 (a) Cash and cash equivalents

Cash at bank	-at variable interest rate	45,882	68,272
Short term deposits	- less than 12 months	1,600,000	1,900,000
		<u>1,645,882</u>	<u>1,968,272</u>

For the purpose of the Statement of Cash Flows, cash and cash equivalents 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 2014 is 3.4% (2013 - 4.5%).

(b) Current Assets - Receivables

Accrued interest	- not past due	2,026	1,331
		<u>2,026</u>	<u>1,331</u>

(c) Current Liabilities - Payables

Creditors	- non-interest bearing	6,328	18,273
		<u>6,328</u>	<u>18,273</u>

THE AUSTRALIAN INSTITUTE OF ASIAN CULTURE AND VISUAL ARTS LIMITED

(VISASIA)
ACN 086 474 713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2014	2013
	\$	\$
4 Reconciliation of Cash Flows from Operating Activities to Net Result		
Net cash (used in)/from operating activities	(322,390)	215,516
(Increase)/decrease in receivables	695	(13,789)
Increase/(decrease) in payables	<u>11,945</u>	<u>(4,623)</u>
Net result	<u>(309,750)</u>	<u>197,104</u>

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 2014 (2013 - Nil).

7 Commitments for Expenditure

There were no outstanding capital and expenditure commitments as at 30 June 2014 (2013 - 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.

There was cash sponsorship made to the Art Gallery of NSW in 2014. \$517,727 sponsorship was for Robes, Silks exhibitions, Capon Fellowship and Asian App (2013 - 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 2014 the number of members was (8) eight.

10 Events After the Reporting Period

There are no significant events after the reporting period that will impact the financial statements.

END OF AUDITED FINANCIAL STATEMENTS