

ARTS
PROJECT
AUSTRALIA

●
2023
Financial Statements



**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 / \$	2022 / \$
Revenue	3	2,822,546	2,887,243
Employee benefits expense		(1,974,276)	(1,757,451)
Depreciation and amortisation expense		(75,433)	(94,734)
Commission on art sales		(185,661)	(211,466)
Advertising/public relations		(12,521)	(23,938)
Building and equipment		(104,499)	(85,845)
Gallery		(37,799)	(32,179)
Postage and telecommunications		(23,621)	(16,490)
Minor asset purchases		(23,207)	(16,835)
Studio		(94,587)	(76,354)
Administration expenses		(329,240)	(331,041)
Finance and Interest		(9,835)	(7,793)
Surplus/(deficit) from operating activities		(48,133)	233,117
Foundation		257,645	-
Foundation income			
Foundation expense		(62,468)	-
Foundation – result for the year		195,177	-
Other comprehensive income		-	-
Total comprehensive income for the year		147,044	233,117

The accompanying notes form part of these financial statements.

**STATEMENT OF
FINANCIAL POSITION**

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 / \$	2022 / \$
Assets			
Current assets			
Cash and cash equivalents	4	649,757	488,181
Trade and other receivables	5	226,030	121,307
Financial assets	6	1,590,200	1,578,706
Other assets	8	26,056	33,431
Total current assets		2,492,043	2,221,625
Non-current assets			
Trade and other receivables	5	20,309	-
Right-of-use assets	9	40,123	66,943
Property, plant and equipment	7	1,801,747	1,688,957
Total non-current assets		1,862,179	1,755,900
Total assets		4,354,222	3,977,525
Liabilities			
Current Liabilities			
Trade and other payables	10	161,800	113,178
Employee benefits	12	332,272	216,620
Deferred income	11	106,296	22,959
Lease liabilities	9	32,197	26,416
Total current liabilities		632,565	379,173
Non-current liabilities			
Employee benefits	12	39,972	35,345
Lease liabilities	9	17,787	46,153
Total non-current liabilities		57,759	81,498
Total liabilities		690,324	460,671
Net Assets		3,663,898	3,516,854
Equity			
Foundation Reserve	13	523,937	328,760
Retained earnings		3,139,961	3,188,094
Total Equity		3,663,898	3,516,854

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES
IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2023

	Retained Earnings / \$	Foundation Reserve / \$	Total / \$
Balance at 1 July 2022	3,188,094	328,760	3,516,854
Surplus for the year	147,044	-	147,044
Transfer to Foundation	(195,177)	195,177	-
Balance at 30 June 2023	3,139,961	523,937	3,663,898
Balance at 1 July 2021	2,954,977	328,760	3,283,737
Surplus for the year	233,117	-	233,117
Balance at 30 June 2022	3,188,094	328,760	3,516,854

**STATEMENT OF CHANGES
IN CASH FLOW**

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023/ \$	2022 / \$
Cash Flows from Operating Activities			
Receipts from government grants		222,211	108,721
Sales of artwork		281,158	258,444
Interest Received		13,941	9,971
Operations – Studio, membership and fundraising		2,652,871	2,426,535
Cash payments to suppliers and employees		(2,808,749)	(2,588,060)
Interest paid on lease liabilities		(4,374)	(6,585)
Net cash provided by/(used in) operating activities		357,058	209,026
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(161,403)	-
Net (increase)/decrease in Term Deposits		(11,494)	(9,461)
Net cash used in investing activities		(172,897)	(9,461)
Cash Flows from Financing Activities			
Payment of lease liabilities		(22,585)	(22,420)
Net cash used by financing activities		(22,585)	(22,420)
Net increase/(decrease) in cash and cash equivalents held		161,576	177,145
Cash and cash equivalents at beginning of year		488,181	311,036
Cash and cash equivalents at the end of the financial year	4	649,757	488,181

The accompanying notes form part of these financial statements.

The financial report covers Arts Project Australia Inc as an individual entity. Arts Project Australia Inc is a not-for-profit Incorporated Association in Victoria registered under the Australian Charities and Not-for-profits Commission Act 2012.

Comparatives are consistent with prior years, unless otherwise stated.

BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Significant accounting judgements, estimates and assumptions

that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgements, estimates and assumptions are outlined in the notes below.

(B) Revenue

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of

satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Grant revenue (including grants related to projects) is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If performance obligations are attached to grant which must be fulfilled, the recognition of the grant revenue as revenue will be deferred until the fulfillment of those performance obligations.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Donations and bequests are recognised as revenue when received unless they require fulfilment of performance obligations, where they are carried forward as income in advance in the statement of financial position and recognised as revenue upon fulfilment of the performance obligations either at a point in time or over a period of time.

Revenue from sales of artworks is recognised at the point of sale where the control of the goods passes to the customer.

Fees charged for services provided to artists are recognised when services are provided.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

(C) Income Tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(D) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(E) Financial instruments

Financial instruments are made up of term deposits with a maturity of more than 3 months. Interest income is recognised in profit or loss. The term deposits are subject to an insignificant risk of change in value.

(F) Leases

At inception of a contract, the Association assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association’s incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association’s assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(G) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10 – 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(H) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

(I) Employee benefits

Provision is made for the entity’s obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related services, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association classifies employees’ long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the service. Provision is made for the entity’s obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by referenced to market yields at the end of the reporting period on high quality government bonds that have maturity dates that approximate the term of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss.

From 1 January 2020, the Portable Long Service Scheme came into effect which had an impact on the Association's employees leave entitlements. The employees impacted by the act are no longer provided long service entitlements. The Association pay a levy to the Authority of 1.65% based on the employees' ordinary pay.

The Association pays contributions to certain accumulation superannuation plans. Contributions are recognised in the statement of comprehensive income when they are due. The Association has no obligation to pay further contributions to these plans.

(J) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(K) Adoption of new and revised accounting standards

During the current year, the Association adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these Standards has not had a significant impact on the recognition, measurement and disclosure of transactions.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors and management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates – long service leave

The provision for long service leave entitlements is derived from an assessment of relevant employee retention rates, future salary levels, inflation, and timing of payment.

Key estimates – depreciable assets

The charge in respect of periodic depreciation is derived after determining an estimate of an assets useful life and expected residual value at the end of its life. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key estimates – receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

	2023 / \$	2022 / \$
3. Revenue		
Revenue from contracts with customers		
– Sale of artwork	281,158	258,444
– Studio fees	2,335,985	1,741,604
– Leasing of artwork	30,112	29,897
	2,647,255	2,029,945
Other revenue		
– Interest income	29,498	4,028
– Government grants including Covid-19 subsidies	138,874	336,437
– Donations, gifts, sponsorships	-	507,851
– Other revenue	6,919	8,982
	175,291	857,298
Total Revenue	2,822,546	2,887,243

4. Cash and Cash Equivalents

Cash on hand	300	70
Bank balances	649,457	488,111
	649,757	488,181

5. Trade and Other Receivables

CURRENT		
Trade receivables	150,257	119,723
Other receivables – PLSA	58,632	-
Accrued income	17,141	1,584
	226,030	121,307
NON-CURRENT		
Other receivables – PLSA	20,309	-

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

	2023 / \$	2022 / \$
6. Financial assets		
Term Deposits	1,590,200	1,578,706
7. Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land at cost	264,000	264,000
Total Land	264,000	264,000
Buildings at cost	1,648,456	1,598,361
Accumulated depreciation	(252,850)	(212,564)
Total buildings	1,395,606	1,385,797
Total land and buildings	1,659,606	1,649,797
Plant and equipment at cost	330,502	297,084
Accumulated depreciation	(264,239)	(257,924)
Total plant and equipment	66,263	39,160
Motor vehicles at cost	61,576	21,431
Accumulated depreciation	(23,442)	(21,431)
Total motor vehicles	38,134	-
Website development – work in progress At cost	37,744	-
Total website development – work in progress	37,744	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,801,747	1,688,957

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Year ended 30 June 2022	Land	Building	Art Collection, Plant & Equipment	Motor Vehicles	Website Development WIP	Total
Balance at the beginning of year	264,000	1,385,797	39,160	-	-	1,688,957
Additions	-	50,096	33,418	40,145	37,744	161,403
Depreciation expense	-	(40,287)	(6,315)	(2,011)	-	(48,613)
Balance at the end of the year	264,000	1,395,606	66,263	38,134	37,744	1,801,747

8. Other Assets	2023 / \$	2022 / \$
Current		
Prepayments	26,056	33,431

	Buildings / \$	Total / \$
9. Leases		
Right-of-use assets		
Balance at beginning of year	66,943	66,943
Depreciation charge	(26,820)	(26,820)
Balance at end of year	40,123	40,123

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2023 / \$	2022 / \$
Interest expense on lease liabilities	(4,374)	(6,585)
Depreciation of right-of-use assets	(26,820)	(26,820)
	(31,194)	(33,405)

10. Trade and Other Payables

Current		
Trade payables	98,194	64,980
Sundry payables and accrued expenses	25,570	20,933
S&W Payable	36,348	23,209
Other payables	1,688	4,056
Total Trade and Other Payables	161,800	113,178

11. Other Liabilities

Current		
Contract liabilities	106,296	22,959
Total Other Liabilities	106,296	22,959

NOTES Continued

	2023 / \$	2022 / \$
12. Employee Benefits		
Current liabilities		
Long service leave	218,877	113,041
Annual Leave	113,395	103,579
	332,272	216,620
Non-current liabilities		
Long service leave	39,972	35,345
Total	39,972	35,345

13. RESERVES

(A) Retained Earnings

Retained earnings represents the funds of the Association that are not designated for particular purposes.

(B) Foundation Reserve

The board of APA adopted the Foundation Charter on 23 August 2021 and established the foundation on 8th March 2023 with the appointment of the acting chairperson and by way of a committee. The first year of the operation of the foundation was the year ended 30 June 2023.

Foundation income and expenses represent donations from APA donors, both individual and philanthropic bodies, and the directly attributed expenses including marketing resources and fund raising costs. These amounts are recognised in profit and loss as derived.

Transfers to and from accumulated surplus and the foundation reserve are resolved based the financial requirements of the entity.

14. KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Association was \$ 735,386 (2022: \$ 560,363).

15. AUDITORS' REMUNERATION

Remuneration of the auditor

Audit fees

2023: \$12,500 / 2022: \$11,750

16. CONTINGENCIES

In the opinion of the Directors, the Association did not have any contingencies at 30 June 2023 (30 June 2022:None).

17. RELATED PARTIES

(A) The Association's main related parties are as follows:

The Association's main related parties of the Responsible Entities and the key management personnel. For transactions relating to key management personnel – refer to Note 14.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(B) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Purchases / \$	Sales / \$
Responsible Entities		
SW Accountants & Advisors (Rami Eltchelebi)	2,281	-
Birkenhead Consulting (Neil Twist)	13,500	-
Key Management Personnel	-	-
(Membership, donations and artwork purchase)	-	3,001
Board/Committee Members	-	-
(Membership, donations and artwork purchase)	-	26,494

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

19. STATUTORY INFORMATION

The registered office and principal place of business of the association is:

Arts Project Australia Inc
24 High Street
Northcote Vic 3070
Australia

**RESPONSIBLE PERSONS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2023**

The committee members' are the Responsible Persons and they declare that:

1. The financial statements and notes, as set out on pages, are in accordance with the *Australian Charities and Not-for profits Commission Act 2012* and:

(a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

(b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the entity.

2. In the responsible persons' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the committee.



Virginia Lovett
PRESIDENT



Marie McCarthy
TREASURER

Dated this 17th November 2023

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS PROJECT AUSTRALIA



Arts Project Australia Inc

Independent Audit Report to the members of Arts Project Australia Inc

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Arts Project Australia Inc, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Arts Project Australia Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of Arts Project Australia Inc's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons are responsible for assessing Arts Project Australia Inc'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 responsible entities either intends to liquidate Arts Project Australia Inc or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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18

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS PROJECT AUSTRALIA

Arts Project Australia Inc

Independent Audit Report to the members of Arts Project Australia Inc

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Arts Project Australia Inc's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Arts Project Australia Inc to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



ACCRU MELBOURNE (AUDIT) PTY LTD



A N Samadi
Director

17 November 2023