



**MULTICULTURAL ARTS VICTORIA INC.**

(Incorporated under the Associations Incorporation Reform Act 2012)

# Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2017



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**TREASURER'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

I present the 2017 and my first Multicultural Arts Victoria Inc. (MAV) Financial Report with great pleasure.

2017 has been another terrific year for MAV and it is clear looking at the diverse and engaging programming alongside strong financial results. The operating performance of this year was a marked improvement on the previous year's operating loss of \$16,064. The result in 2017 was an operating surplus of \$96,406. This amount combined with \$1,644 the net increase in the value of direct equities held by the entity, brings the total comprehensive income for 2017 to \$98,050.

MAV revenue in 2017 has bounced back from 2016 levels even though tough times continue. The success in attracting Grants and Subsidy income continues with a remarkable \$1.7m being generated this year. This compares to last year's \$1m. In addition, MAV had also had a more successful year in terms of attracting Philanthropy, Donations, Sponsorships. The revenue in this stream more than doubled compared to 2016. These successes reflect the amount of work that the senior management team is putting into ensuring continued levels of funding for MAV. Sound practices continue to be reinforced in managing available funding and these efforts are self-evident in the strong financial performance of the organisation this year.

The financial position of the organisation has remained solid. Current assets are comprised primarily of cash and cash equivalents held either at call, or in short term deposit accounts. Current assets easily exceed current liabilities which are represented primarily by Grants and Income Received in Advance – amounts that MAV has received in cash for programs and events which, at 31 December 2017 were unspent. Net assets at year-end have improved by close to \$100k from their 2016 levels. A \$865,994 net assets position is a clear indication of the entity's ongoing financial stability.

The cash performance and position of MAV remain sound. Cash flows from operating activities show a net cash inflow of \$203,480. This indicates the ongoing viability of the organisation's core operations and reflects not only the attractiveness of the core programmes offered, but the fiscal responsibility with which they are managed.

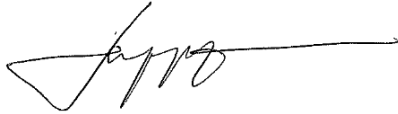
During 2017, MAV continued its commitment to strong management and good corporate governance. A key aspect of this is the ongoing attention by the Board and the staff at MAV to all aspects of planning and careful management of the financial position, performance and ongoing activities of the entity. The Board will continue to work in 2018 and beyond to ensure the financial future of the organisation remains healthy.

It is also important to acknowledge the ongoing appointment of the highly-regarded accounting firm BDO in conducting the annual audit for MAV. We see our association with our auditors as crucial in enabling us to continue enhancing our governance and reporting structures reflecting the serious commitment of MAV to good corporate governance.

The solid operating results for 2017 are driven by MAV's exceptional program delivery and the outstanding leadership of our Chief Executive Officer Jill Morgan AM and her team. I wish Jill all the best as she decides to leave MAV in 2018 after dedicating 15 years to the success that MAV enjoys today. I would also like to acknowledge the amazing work of the chair, George Lekakis AO. The tireless efforts of our Finance and IT Manager, Hung Nguyen CPA, should also be recognised. Hung ensures quality of the daily financial operations and provides invaluable support to the Board in the form of timely financial reports.

**TREASURER'S REPORT (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The organization is in an extremely sound financial position with significant potential for further growth. I look forward to watching MAV continue to expand its programs and influence in the years to come.

A handwritten signature in black ink, appearing to read 'Bayarkhuu Purevdorj', with a long horizontal line extending to the right.

Bayarkhuu Purevdorj CA  
Treasurer  
**Multicultural Arts Victoria Inc.**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Multicultural Arts Victoria Inc.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Multicultural Arts Victoria Inc. (the registered entity), which comprises the statement of financial position as at 31 December 2017, 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 report, including a summary of significant accounting policies, and the statement by the board of management.

In our opinion the accompanying financial report of Multicultural Arts Victoria Inc., is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Reform Act 2012*, including:

- (i) Giving a true and fair view of the association's financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards 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 association in accordance with 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* (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.

#### Other information

The board of management are responsible for the other information. The other information comprises the information in the association's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the board of management' for the Financial Report**

The board of management of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *ACNC Act* and the *Associations Incorporation Reform Act 2012* and for such internal control as the board of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board of management are responsible for assessing the association'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 board of management either intend to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The board of management of the association are responsible for overseeing the association'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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.

#### **BDO East Coast Partnership**



**James Mooney**  
Partner

Melbourne, 27 April 2018

**STATEMENT BY THE BOARD OF MANAGEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

In accordance with a resolution of and on behalf of the Board of Management of Multicultural Arts Victoria Inc. (MAV) we, the undersigned are authorised to, and do so declare and certify that in the opinion of the Board:

(a) the attached financial statements and notes:

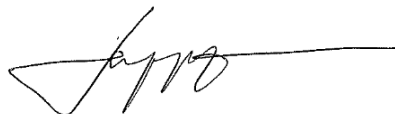
- give a true and fair view of the financial position and performance of MAV during and at the end of the financial year of MAV ending 31 December 2017; and
- satisfy the requirements of the Australian Charities and Not for Profit Commission Act 2012; and

(b) there are reasonable grounds to believe that MAV is able to pay all of its debts, as and when they become due and payable.



.....  
George Lekakis AO  
Chairperson

27 April 2018  
Melbourne



.....  
Bayarkhuu Purevdorj CA  
Treasurer

**DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE BOARD OF MANAGEMENT OF  
MULTICULTURAL ARTS VICTORIA INC.**

As lead auditor of Multicultural Arts Victoria Inc. for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



James Mooney  
Partner

**BDO East Coast Partnership**

Melbourne, 27 April 2018



**MULTICULTURAL ARTS VICTORIA INC.**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>REVENUE</b>			
Grants and subsidies	2	1,652,592	1,021,092
Philanthropy, donations, sponsorships	2	239,740	103,452
Non-grant income	2	<u>309,608</u>	<u>313,505</u>
<b>TOTAL REVENUE</b>		<u>2,201,940</u>	<u>1,438,049</u>
<b>EXPENSES</b>			
Staff expenses		712,515	553,927
Program, event expenses		1,106,507	716,647
Marketing promotion expenses		188,660	95,434
Administration expenses		<u>97,852</u>	<u>88,105</u>
<b>TOTAL EXPENSES</b>		<u>2,105,534</u>	<u>1,454,113</u>
SURPLUS / (DEFICIT) BEFORE INCOME TAX	3	96,406	(16,064)
Income tax	1(b)	-	-
SURPLUS / (DEFICIT) AFTER TAX		<u>96,406</u>	<u>(16,064)</u>
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Net increase in fair value of listed investments		1,644	19,269
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>98,050</u></u>	<u><u>3,205</u></u>

**MULTICULTURAL ARTS VICTORIA INC.  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	688,045	470,681
Trade and other receivables	5	76,794	147,531
Other financial assets	6	799,643	797,999
Other current assets	7	<u>20,008</u>	<u>18,298</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,584,490</u>	<u>1,434,509</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<u>6,888</u>	<u>6,278</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,888</u>	<u>6,278</u>
<b>TOTAL ASSETS</b>		<u>1,591,378</u>	<u>1,440,787</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	142,165	77,294
Grants and income in advance	10	450,151	480,118
Provisions	11	<u>133,068</u>	<u>115,431</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>725,384</u>	<u>672,843</u>
<b>TOTAL LIABILITIES</b>		<u>725,384</u>	<u>672,843</u>
<b>NET ASSETS</b>		<u>865,994</u>	<u>767,944</u>
<b>MEMBERS FUNDS</b>			
Accumulated funds		820,677	724,271
Available for sale financial asset reserve		<u>45,317</u>	<u>43,673</u>
<b>TOTAL MEMBERS FUNDS</b>		<u>865,994</u>	<u>767,944</u>

**MULTICULTURAL ARTS VICTORIA INC.  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Accumulated funds \$	Available for sale financial asset reserve \$	Total member funds \$
<b>BALANCE AT 1 JANUARY 2016</b>	740,335	24,404	764,739
Deficit after tax	(16,064)	-	(16,064)
Other comprehensive income	-	19,269	19,269
<b>BALANCE AT 31 DECEMBER 2016</b>	<u>724,271</u>	<u>43,673</u>	<u>767,944</u>
Surplus after tax	96,406	-	96,406
Other comprehensive income	-	1,644	1,644
<b>BALANCE AT 31 DECEMBER 2017</b>	<u><u>820,677</u></u>	<u><u>45,317</u></u>	<u><u>865,994</u></u>

**MULTICULTURAL ARTS VICTORIA INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members, customers and fundraising		2,213,291	1,636,389
Interest received		10,593	10,070
Payments to suppliers and employees		<u>(2,020,404)</u>	<u>(1,486,900)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	13(b)	<u>203,480</u>	<u>159,559</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		18,826	23,953
Payments for plant and equipment		<u>(4,942)</u>	<u>(2,634)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<u>13,884</u>	<u>21,319</u>
<b>NET INCREASE IN CASH HELD</b>		217,364	180,878
Cash and cash equivalents at beginning of year		<u>470,681</u>	<u>289,803</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	13(a)	<u>688,045</u>	<u>470,681</u>

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Charities and Not-For-Profit Commission Act 2012 and the requirements of the *Associations Incorporation Reform Act 2012*.

The financial report covers Multicultural Arts Victoria Inc. as an individual entity. Multicultural Arts Victoria Inc. is an association incorporated in Victoria under the *Associations Incorporation Reform Act 2012*. The financial report is presented in Australian dollars.

The financial report was authorised for issue by the Board of Management on the date of signing of the Statement by the Board of Management.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial report.

**(a) Basis of Preparation**

The financial report has been prepared on an accruals basis. The report is based on historic cost and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The association is considered to be a Not-for-Profit entity and has prepared the financial statements in accordance with the requirements regarding Not-for-Profit entities as contained in Australian Accounting Standards.

**(b) Income Tax**

Any income derived by the association is exempt from Income Tax under the *Income Tax Assessment Act 1997* as the association's objective is the encouragement of art and culture and its business is not carried out for the purpose of profit or gain for its individual members.

**(c) Revenue**

Grants received that relate to periods beyond balance date have been treated as grants received in advance and appear as current liabilities in the Statement of Financial Position.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

**(d) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(f) Trade and Other Receivables**

Trade accounts receivable are generally settled within 45 days and are carried at net amounts due. An allowance is raised for any doubtful debts based on a review of all outstanding amounts at balance date. Bad debts are written off in the period in which they are identified.

**(g) Financial Instruments**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

*Available for sale assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are carried at fair value but if fair value cannot be reliably measured, these items are accounted for using the cost method. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity.

In the case of equity securities classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.”

*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**(h) Plant and Equipment**

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

The carrying amount of plant and equipment is reviewed annually by the association to ensure it is not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

The carrying amount of assets is immediately written down to its recoverable amount if greater than its estimated recoverable amount.

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Depreciation**

The depreciable amount of all items of plant and equipment is depreciated on a straight-line basis over their estimated useful lives to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Office furniture and equipment	25%
Computer equipment	33%
Software license	33%

The residual values and useful lives of assets are reviewed and adjusted, if appropriate, at each balance date.

**(i) Impairment of Assets**

At each reporting date, the association reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

The association did not identify any indicators of material impairment throughout the year.

**(j) Trade Payables**

Trade accounts payable, including accruals not yet billed, are recognised when the association becomes obliged to make future payments as a result of a purchase of assets or services. Trade accounts payable are generally settled within 30 days.

**(k) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

**(l) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Critical Accounting Estimates and Judgements**

The Board of Management evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

There are no significant judgements or key assumptions made by management in the application of accounting policies that are considered to have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year.

**(n) Impact of new or revised Australian Accounting Standards or Interpretations that are not yet effective**

There have been a number of amendments made to Accounting Standards issued by the Australian Accounting Standards Board ("AASB") that are not yet effective. The Board of Management do not believe that the new and revised standards issued by the AASB that are not yet effective will have any material impact on the financial statements.



**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. REVENUE**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>GRANTS AND SUBSIDIES</b>		
Triennial funding		
Creative Victoria	336,000	320,000
City of Melbourne	60,000	56,000
Annual / project funding		
Australia Council	515,241	284,702
Creative Victoria	92,223	44,085
Office of Multicultural Affairs and Citizenship	334,805	149,000
Other	314,323	167,305
	<u>1,652,592</u>	<u>1,021,092</u>
 <b>PHILANTHROPY, DONATIONS, SPONSORSHIPS</b>		
Philanthropy	176,500	31,180
Donations, fundraising	38,713	32,637
Sponsorships	24,527	39,635
	<u>239,740</u>	<u>103,452</u>
 <b>NON-GRANT INCOME</b>		
Program delivery fee	50,025	179,068
Brokerage event	199,738	81,679
Membership	5,130	6,570
Service fee	1,450	1,909
Ticket, merchandise, stall hire	23,846	10,256
Interest, dividend received	29,419	34,023
	<u>309,608</u>	<u>313,505</u>
	<u>2,201,940</u>	<u>1,438,049</u>

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. SURPLUS / (DEFICIT) BEFORE INCOME TAX**

Surplus / (deficit) before income tax has been arrived at after charging as expenses:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Depreciation of plant and equipment	4,332	5,623
Superannuation contributions	56,946	44,801

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist the following:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at bank - CBA cheque account	127,036	83,634
Cash at bank - CBA gift fund	102,724	83,513
Cash at bank - CBA short term deposit	454,938	302,056
Paypal	2,647	778
Petty cash	700	700
	<u>688,045</u>	<u>470,681</u>

**5. TRADE AND OTHER RECEIVABLES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	70,501	138,905
Less allowance for doubtful debts	-	-
	<u>70,501</u>	<u>138,905</u>
Sundry debtors	6,293	8,626
	<u>76,794</u>	<u>147,531</u>

As at 31 December 2017, the ageing of trade receivables is as follows:

	<b>2017</b>		<b>2016</b>	
	<b>Debtors</b>	<b>Allowance</b>	<b>Debtors</b>	<b>Allowance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current	50,136	-	96,929	-
1 – 30 days	4,590	-	6,182	-
31 – 60 days	-	-	35,794	-
61 – 90 days	375	-	-	-
90 days +	15,400	-	-	-
	<u>70,501</u>	<u>-</u>	<u>138,905</u>	<u>-</u>

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**6. OTHER FINANCIAL ASSETS**

Held-to-maturity asset comprises short-term deposits with fixed interest rates between 1.75% and 3.05%.

The carrying amounts of financial assets are as follows:

	<b>2017</b>	<b>2016</b>
	\$	\$
Held-to-maturity investment + Term deposit	500,000	500,000
Available-for-sales financial asset + Listed equity securities	299,643	297,999
	<u>799,643</u>	<u>797,999</u>

**7. OTHER CURRENT ASSETS**

	<b>2017</b>	<b>2016</b>
	\$	\$
Prepayments	13,488	13,825
Deferred expenses	6,520	4,473
	<u>20,008</u>	<u>18,298</u>

**8. PROPERTY, PLANT AND EQUIPMENT**

	<b>2017</b>	<b>2016</b>
	\$	\$
Computer equipment (at cost)	44,580	39,638
Less accumulated depreciation	(37,692)	(33,387)
	<u>6,888</u>	<u>6,251</u>
Office furniture and equipment (at cost)	13,495	13,495
Less accumulated depreciation	(13,495)	(13,468)
	<u>-</u>	<u>27</u>
	<u>6,888</u>	<u>6,278</u>

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Reconciliation of movements in carrying amounts of plant and equipment:**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Computer equipment</b>		
Opening balance	6,251	7,747
Additions	4,942	2,634
Depreciation	(4,305)	(4,130)
Closing balance	<u>6,888</u>	<u>6,251</u>
 <b>Office equipment</b>		
Opening balance	27	1,520
Additions	-	-
Depreciation	(27)	(1,493)
Closing balance	<u>-</u>	<u>27</u>

**9. TRADE AND OTHER PAYABLES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Creditors	67,203	30,787
Sundry creditors and accruals	74,962	46,507
	<u>142,165</u>	<u>77,294</u>

**MULTICULTURAL ARTS VICTORIA INC.  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**10. INCOME IN ADVANCE**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Grants in advance	450,151	480,118
	<u>450,151</u>	<u>480,118</u>

**11. PROVISIONS**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Provision for annual leave	33,323	24,343
Provision for long service leave	99,745	91,088
	<u>133,068</u>	<u>115,431</u>

**12. AUDITOR'S REMUNERATION**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Audit fee	9,200	8,950
	<u>9,200</u>	<u>8,950</u>

**MULTICULTURAL ARTS VICTORIA INC.**  
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**13. CASH FLOW INFORMATION**

**a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the year, as shown in the Statement of Cash Flows, is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at bank - CBA cheque account	127,036	83,634
Cash at bank - CBA gift fund	102,724	83,513
Cash at bank - CBA short term deposit	454,938	302,056
Paypal	2,647	778
Petty cash	700	700
	<u>688,045</u>	<u>470,681</u>

**b) Reconciliation of Net Cash Provided By Operating Activities to Deficit for the year**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Surplus / (Deficit) for the year	96,406	(16,064)
Adjustment for:		
Depreciation expense	4,332	5,623
Dividend income received	(18,826)	(23,953)
Change in assets and liabilities:		
Decrease in trade, other receivables	70,737	32
(Increase) in other current assets	(1,710)	(4,021)
Increase / (decrease) in creditors and accruals	64,871	(39,480)
(Decrease) / increase in income in advance	(29,967)	232,331
Increase in provisions	17,637	5,091
Net cash provided by operating activities	<u>203,480</u>	<u>159,559</u>

**14. KEY MANAGEMENT PERSONNEL COMPENSATION**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<u>119,397</u>	<u>114,975</u>
	<u>119,397</u>	<u>114,975</u>

**MULTICULTURAL ARTS VICTORIA INC.  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. BOARD OF MANAGEMENT AND RELATED PARTY TRANSACTIONS**

The persons who have been a member of the Board of Management at any time during the financial year are as follows:

George Lekakis AO- Chairperson	Independent	Active
Miriam Suss OAM – Deputy Chairperson	Independent	Active
Huss Mustafa OAM – Deputy Chairperson	Independent	Appointed May 2017
Bayarkhuu Purevedorj – Treasurer	Independent	Active
Michael Van Vliet - Secretary	Independent	Active
Hilary Bucumi	Independent	Active
Katie McLeish	Independent	Active
David Wright	Independent	Active
Judith Klepner	Independent	Active
Carolina Aguilera de Snow	Independent	Appointed May 2017
Symon Kohut	Independent	Active
Bradley Potter	Independent	Resigned May 2017
Cheri Ong	Independent	Resigned May 2017
Dr Geraldine Kennett	Independent	Resigned March 2017

The Board of Management do not receive remuneration for their services on the committee.

There were no related party transactions during the year.

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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**16. FINANCIAL INSTRUMENTS**

**(a) Financial risk management objectives and policies**

The association's principal financial instruments comprise receivables, payables, and cash and short-term deposits. These activities expose the association to a variety of financial risks: interest rate risk, credit risk, and liquidity risk.

The association manages the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

**(b) Risk exposures and responses**

**Interest rate risk**

Exposure to market interest rates, primarily to cash investments held. At balance date, the association had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges.

The association's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

	<b>Weighted average interest rate %</b>	<b>1 year or less \$</b>	<b>Between 1 and 5 years \$</b>	<b>Over 5 years \$</b>	<b>Non- interest bearing \$</b>	<b>Total \$</b>
<b>2017</b>						
Financial assets						
Cash	0.41	581,974	-	-	106,071	688,045
Trade and other receivables	-	-	-	-	76,794	76,794
Term deposit	1.75	500,000	-	-	-	500,000
Listed securities	-	-	-	-	299,643	299,643
		<u>1,081,974</u>	<u>-</u>	<u>-</u>	<u>482,508</u>	<u>1,564,482</u>
Financial liabilities						
Trade and other payables	-	-	-	-	142,165	142,165
		<u>-</u>	<u>-</u>	<u>-</u>	<u>142,165</u>	<u>142,165</u>
<b>2016</b>						
Financial assets						
Cash	0.57	385,690	-	-	84,991	470,681
Trade and other receivables	-	-	-	-	147,531	147,531
Term deposit	1.75	500,000	-	-	-	500,000
Listed securities	-	-	-	-	297,999	297,999
		<u>885,690</u>	<u>-</u>	<u>-</u>	<u>530,521</u>	<u>1,416,211</u>
Financial liabilities						
Trade and other payables	-	-	-	-	77,294	77,294
		<u>-</u>	<u>-</u>	<u>-</u>	<u>77,294</u>	<u>77,294</u>



**MULTICULTURAL ARTS VICTORIA INC.  
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**16. FINANCIAL INSTRUMENTS (Continued)**

**(b) Risk exposures and responses**

**Sensitivity analysis**

At 31 December 2017, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax surplus and equity would have been affected as follows:

	<b>Net Surplus</b>		<b>Net Assets</b>	
	<b>Higher / (Lower)</b>		<b>Higher / (Lower)</b>	
	<b>Year Ended</b>		<b>As at</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest rate movement</b>				
+2.0%	21,639	17,714	21,639	17,714
- 2.0%	(21,639)	(17,714)	(21,639)	(17,714)

**Liquidity risk**

MAV manages liquidity risk closely through the careful forecasting of cash flows and also through the maintenance of adequate levels of reserves.

**Credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report.

All sales are on cash basis and as such there is minimal credit risk on trade receivables.

In addition, receivable balances are monitored on an ongoing basis with the result that the association's exposure to bad debts is not significant.

**Foreign currency risk**

The association is not exposed to any material foreign currency risk.

**Price risk**

The association does not trade in commodities and is therefore not exposed to any material commodity price risk.

**(c) Fair value measurement of financial instruments**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

**MULTICULTURAL ARTS VICTORIA INC.  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. FINANCIAL INSTRUMENTS (Continued)**

**(c) Fair value measurement of financial instruments**

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2017 and 31 December 2016:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2017</b>				
Listed securities	299,643	-	-	299,643
Total financial assets	<u>299,643</u>	<u>-</u>	<u>-</u>	<u>299,643</u>
<b>2016</b>				
Listed securities	297,999	-	-	297,999
Total financial assets	<u>297,999</u>	<u>-</u>	<u>-</u>	<u>297,999</u>

There were no transfers between Level 1 and Level 2 in 2017 or 2016.

**17. LEASING COMMITMENTS**

**Operating Lease Commitments**

Non-cancellable operating lease contracted for but not capitalised in the financial statements

	2017 \$	2016 \$
Payable – minimum lease commitments	\$	\$
- Not later than one year	15,722	3,716
- Later than one year but not later than 5 years	44,683	-
- Later than 5 years	-	-
	<u>60,405</u>	<u>3,716</u>

The lease is a non-cancellable premises lease with a three-year term and with an expiry date of the 21<sup>st</sup> of March 2021.

**18. CONTINGENT LIABILITIES**

The incorporated association had no contingent liabilities as at 31 December 2017 and 31 December 2016.

**19. EVENTS AFTER THE REPORTING PERIOD**

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

**MULTICULTURAL ARTS VICTORIA INC.**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**20. ASSOCIATION DETAILS**

Multicultural Arts Victoria Inc. (MAV) operates in Australia as a non-profit organisation promoting cultural diversity in the arts. The organisation represents artists and communities from culturally and linguistically diverse backgrounds. MAV's main purposes are to produce and promote an outstanding high quality culturally diverse artistic program; to provide vital connections, support structures and pathways that enable culturally diverse artists and communities to create exceptional art; and to play a critical advocacy role in providing a forum, through the arts, to ensure acceptance and understanding of cultural diversity.

MAV is a membership based organisation representing individuals, groups and communities across all art forms; music, dance, theatre, film and TV, visual arts and new media. Main services provided by the organisation include Event Production and Management; Funding Submission and Management services; Brokering Cultural Artists and Events; Marketing and Promoting culturally diverse artists and events; Advocating for cultural diversity; Touring and Cultural Exchanges.

The registered office and principal place of business of the association is: Level 1, 208-220 Bank Street, South Melbourne Town Hall, South Melbourne Victoria 3205.

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