

CAIRNS INDIGENOUS ART FAIR LIMITED

Annual Financial Report

For the period 1 January 2018 to 31 December 2018

CAIRNS INDIGENOUS ART FAIR LIMITED
Annual Financial Report
For the period 1 January 2018 to 31 December 2018

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CAIRNS INDIGENOUS ART FAIR LIMITED
Company Information
For the period 1 January 2018 to 31 December 2018

COMPANY INFORMATION

ABN 64 167 840 100

Directors Mr Tom Mosby - Chairman
Cr Bob Manning OAM - *Deputy Chairman*
Mr Andrew Clark
Ms Gillian Mailman
Mr Arone Meeks
Ms Marilyn Miller
Mr Norris Carter

Secretary Ms Vanessa Gillen

Registered office 51 The Esplanade
Cairns QLD 4870

Auditor BDO Audit (NTH QLD) Pty Ltd
Level 1
15 Lake Street
Cairns QLD 4870

CAIRNS INDIGENOUS ART FAIR LIMITED
Directors Report
For the period 1 January 2018 to 31 December 2018

DIRECTORS REPORT

The directors present their report together with the financial report of Cairns Indigenous Art Fair Limited (“the Company”) for the period ended 31 December 2018.

DIRECTORS

The following persons were directors of the company during the whole of the period and up to the date of this report, unless otherwise stated:

	Date appointed	Date cessation	meetings attended	meetings held*
Mr Tom Mosby - Chair	09-Apr-15	-	5	5
Cr Bob Manning OAM - Deputy Chair	03-Feb-14	-	4	5
Ms Gillian Mailman	09-Apr-15	-	4	5
Mr Andrew Clark	14-Sep-16	-	3	5
Mr Arone Meeks	31-Aug-17	-	4	5
Ms Marilyn Miller	08-Dec-17	-	4	5
Mr Norris Carter	11-May-18	-	2	2

* number of meetings held during the time the director held office during the year.

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL REPOSIBILITIES

Mr Tom Mosby - Chairman

Undergraduate Degree of Bachelor of Applied Science in the Conservation of Cultural Materials

Graduate Degree of Bachelor of Laws

Tom is a Torres Strait Islander and is currently the CEO of the Koorie Heritage Trust. Tom has a Bachelor of Applied Science in the Conservation of Cultural Materials and a Bachelor of Laws. As a conservator, Tom worked in the Art Gallery of Western Australia and the National Gallery of Victoria. Tom also has over 8 years legal practice experience including Senior Associate roles in Melbourne and Brisbane.

Tom was the lead curator of the first survey exhibition of contemporary Torres Strait art and culture which was launched at the Cairns Regional Gallery in 1997, and the Torres Strait Islander Project in 2011, a collaboration between the State Library of Queensland, Queensland Art Gallery, Queensland Performing Arts Centre and Queensland Museum.

Before the Koorie Heritage Trust, Tom worked at the State Library of Queensland as the Executive Manager, Indigenous Research and Projects.

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Cr Bob Manning - Deputy Chairman
Bbus (Accounting)

A prominent Cairns businessman, Bob Manning became mayor of Cairns in 2012.

Bob has a wealth of experience in senior management roles in Australia and overseas. A graduate of the University of Southern Queensland he has a Business Studies degree with a major in accounting.

He was Shire Clerk at Longreach for seven years before becoming Chief Executive Officer of the Cairns Port Authority from 1984 to 2002.

Overseas, he worked as a strategic management consultant in Jordan on a US aid project to modernise the management of the country's Customs Service. Bob also worked as an advisor on tourism and port development in the Republic of South Korea before becoming General Manager of the Cairns ship building company NQEA having previously served as a Director of the company for nine years.

In 2005, he was appointed Chief Executive Officer of Hermes Airports Limited, a multinational consortium established to set up new International airports in the Republic of Cyprus. The company carried out a large scale re-development program, including the construction of two new terminal buildings and associated works costing A\$1billion.

Bob returned to Australia in 2008 to resume his life in Cairns where he became chairman of Anglicare North Queensland Limited.

He has received a number of major awards marking his business and community work. They include the Medal of the Order of Australia (OAM) for service to the Cairns community through the development and promotion of the tourism maritime and aviation industries. He was awarded the Australia Day 2002 City of Cairns Citizen of Year. Bob is a Life Member of Tourism Tropical North Queensland, having served on the Board of the organisation for 15 years, three of these as Chairman and he recently was made an Honorary Member of Airports Council International, the peak world airport association.

Mrs Gillian Mailman

Gillian Mailman is a proud Bidjara woman and trailblazer who sets, rather than follows trends. This started at a young age where Gillian became the first Aboriginal female Electrician in Australia. In 2003 Gill started her own fibre optics company – Fibre Optics North Queensland (NQ). Fibre Optics NQ services many clients including Local, State and Federal Governments. In 2013, Gill established the Joint Venture ICT Connect, a merger between Fibre Optics NQ and MJB Solutions of which Gill is the Managing Director and CEO.

Drawing on her experience as the first Aboriginal female Electrician, Gill wanted other Aboriginal and Torres Strait Islander peoples to experience similar opportunities to herself. Gill invests a significant portion of her own time supporting fellow Indigenous entrepreneurs and business' gain opportunities across the telecommunications, civil, mining and other growth industries. Gill's philosophy is that greater prosperity can be achieved by Indigenous businesses working together rather than in direct competition with each other.

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Mr Andrew Clark

Andrew Clark is the former Deputy Director, Programming and Corporate Services, of the Queensland Art Gallery | Gallery of Modern Art, where he worked from 1989 to 2012. During this time he oversaw the development of GOMA, managed the Gallery's public programs and Children's Art Centre, and was a member of the curatorial team responsible for the Asia Pacific Triennial of Contemporary Art series of exhibitions, Story Place: Indigenous Art of Cape York and the Rainforest (2003), and Land, Sea and Sky: Contemporary Art of the Torres Strait Islands (2011).

Andrew is currently Deputy Director of the National Gallery of Victoria. His role includes oversight of the Gallery's governance, fundraising and programming, including responsibility for managing the NGV's \$75 million budget.

Mr Arone Meeks Artist

Arone Meeks is a Kuku Midigi man, currently residing in Cairns. He grew up near El Arish, in far north Queensland, although his country is the area around Laura, Cape York. He completed a Bachelor of Visual Arts at the City Art Institute in Sydney in 1984 and has forged an impressive national and international career since. Meeks' practice includes painting, sculpture, drawing and public art commissions as well as linoprints, etchings and monoprints. His work employs both traditional images and themes arising out of his concern with the issue of land rights.

A former member of the Boomalli urban Aboriginal artist's co-operative, he won an Australia Council fellowship to study in Paris in 1989 and went on to exhibit throughout Europe and North and South America. His work appears in many national and international collections, both public and private. In Australia, he is represented in many public collections, including the National Gallery of Australia and the Queensland Art Gallery. His pieces are also represented internationally in collections in Canada, the United States, France and Japan.

Ms Marilyn Miller Artistic Associate

Marilyn Miller completed a Business Degree in Public Relations and Event Management at the University of Technology Sydney as well as a Diploma in Dance through the Aboriginal Islander Dance Theatre. She has previously held positions on the board of UMI Arts, Ausdance NSW & QLD, as well as the Dance Chairperson for NSW Ministry for the Arts.

Marilyn has extensive experience in Arts and Performance roles such as Creative Producer for 'Welcome to Country' at the Opening of Parliament, Choreographer for 'Yarrabah' the Musical by Opera Australia, Festival Director of the Laura Aboriginal Dance Festival and many more.

Currently Marilyn is a mentor for the Reclaim Youth Project and Co-Facilitator at the Arts Queensland Forum for Indigenous Performing Arts Hub.

Mr Norris Carter

Norris Carter is Chief Executive Officer of North Queensland Airports, which operates the Cairns and Mackay airports. He has extensive experience in aviation with prior roles at Auckland Airport and Qantas. Norris is also a director of Tourism Tropical North Queensland and Advance Cairns.

CAIRNS INDIGENOUS ART FAIR LIMITED

Directors Report

For the period 1 January 2018 to 31 December 2018

SHORT TERM AND LONG TERM OBJECTIVES AND STRATEGIES

CIAF celebrates and strengthens the contemporary Queensland Aboriginal and Torres Strait Islander arts and cultural industry. CIAF's centrepiece is a three day dynamic art fair – a gateway for artistic, social, and economic exchange and opportunity for Queensland Indigenous art and culture. Much more than an art fair, CIAF includes traditional and contemporary elements of performance: music, song and dance; theatre and fashion; workshops and informative talks. It provides a sophisticated environment to attract and nurture national and international recognition and the appreciation of the vital cultural contribution of QLD First Nation peoples, while offering an ethical marketplace for sale and purchase of Indigenous art.

CIAF is a public interface for Indigenous artists from around the state, providing an opportunity to extend their skills, promote their culture, and sell art work in an ethical environment. The event offers participants and visitors a celebratory and authentic experience of Indigenous cultural exchange, presenting an integral element of life in Queensland.

CIAF has expanded from its beginnings as a high-end visual arts market into an exceptional cultural and multi-art form experience. Established core events such as the Visual Art Fair and satellite programs will feature as mainstays of the CIAF experience. In addition new and evolving events will continue to ensure CIAF remains the premier indigenous Art Fair, highlighted by this years Fashion Performance, Art Market, CIAF Conversations, Dancing on the Green and inclusion of the Gimuy Fish Festival into the program.

This evolving look will continue with a proposed variation in performance events, curated art exhibitions in satellite galleries, new artistic mediums and the inclusion of new CIAF programmed events at The Tank Arts Centre, CoCA and other Cairns venues, will deliver new elements to draw audiences.

Vision

Providing platforms for cultural exchange and economic opportunity for Queensland Indigenous artists.

Values

- Authenticity – Create an ethical marketplace that will educate audiences through indigenous knowledge and control and personal engagement with the artists.
 - Economic opportunity - acknowledged in the business model that enables financial return to artists and the viability of CIAF.
 - Vibrancy - CIAF offers a world-class marketplace and opportunities for cultural exchange that inspire locally, nationally and internationally.
 - Equity - CIAF is committed to the employment, training and professional development of Aboriginal and Torres Strait Islander people.
-

Goals

1. Leverage existing markets and develop new markets for Queensland Indigenous art
2. Grow audiences through immersive Indigenous arts and cultural experiences
3. Build CIAF's national and international profile
4. Contribute to development pathways for Queensland Indigenous artists
5. Ensure the relevancy and viability of CIAF

Strategy

CIAF will attract curators, collectors, producers and presenters nationally and internationally. CIAF has evolved into an immersive festival environment providing an ethical experience for buyers and the public. CIAF will build upon its position as Australia's Premier Indigenous Art Fair through the creation of economic opportunity and development, education and cultural collaboration for Queensland Indigenous artists and communities.

CIAF focuses on four inter-related opportunities: partnering for development pathways for Queensland Indigenous artists; the showcase and sale of Indigenous art through an ethical marketplace; increased leverage of existing markets and development of new markets for Queensland Indigenous art; and the building of national and international First Nations connections and exchange.

Secure funding will enable stability for CIAF through a new phase of significant growth, which will consolidate the learning and achievements of the past six years and enable CIAF's future relevance and viability.

CIAF recognises that capacity building and pathway development for Queensland Indigenous artists is critical to its success and the financial future of artists. From emerging through to established professional artists, the refreshed program is designed as an 'artist's journey' of opportunities including an annual awards program at the CIAF Exhibition and Art Fair.

History shows that CIAF actively cultivates return buyers because they see the Fair as a 'must attend event' to see and purchase high quality work in an authentic environment. Funding will support CIAF in continuing to build a national and international platform through the highly successful Collectors and Curators Program that celebrates Indigenous art and culture in an environment that is conducive to doing business.

Importantly, CIAF will capitalise on the significant interest and engagement of buyers nationally and internationally by leveraging existing markets and the development of new markets for Queensland Indigenous art and artists. CIAF will actively align with national and international opportunities for cultural exchange, and will seek to establish an international cultural exchange program with other First Nations artists.

The active inclusion of Aboriginal and Torres Strait Islander people is central to the CIAF governance model, the development of the CIAF program, and new strategic initiatives.

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PRINCIPAL ACTIVITIES

Program: Opening Night Party
Activity: Visual arts and Indigenous arts

Program: Curated Art Fair
Activity: Visual arts and Indigenous arts

Program: Art Market
Activity: Visual arts and Indigenous arts

Program: Curated exhibitions at the Cairns Regional Gallery, Kick Arts and the Tanks Art Centre
Activity: Visual arts and Indigenous arts

Program: Indigenous Fashion Performance
Activity: Visual arts and Indigenous arts

Program: Closing Ceremony
Activity: Visual arts and Indigenous arts

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For the period 1 January 2018 to 31 December 2018

PERFORMANCE MEASURES

The company measures its performance through the establishment and monitoring of benchmarks:

- to ensure operating revenues raised cover operating expenses
- to ensure the ability to be able to meet short term obligations is met

Other key performance Indicators are monitored for funding purposes.

Ratio	Formula	Bchmk	2018
Operating Surplus Ratio This ratio is an indicator of the extent to which operating revenues raised cover operating expenses.	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$	>0%	0.18%
Current Ratio This ratio measures the ability of the entity to be able to meet its short term obligations.	$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$	>1	2.56

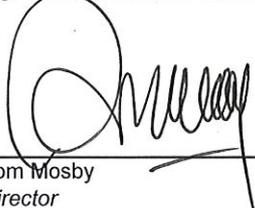
CONTRIBUTIONS ON WINDING UP

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$50 each. The total amount that members of the company are liable to contribute if the company is wound up is \$350, based on seven current ordinary members.

AUDITORS INDEPENDENCE

The lead auditor's independence declaration is set out on page 22 and forms part of this directors' report for the period ended 31 December 2018.

Signed in accordance with a resolution of the Board of Directors



Tom Mosby
Director

CAIRNS INDIGENOUS ART FAIR LIMITED
Statement of Profit and Loss and Other Comprehensive Income
For the period 1 January 2018 to 31 December 2018

		2018	2017
	Note	\$	\$
REVENUE			
Grants and Subsidies		1,115,753	1,142,705
Sponsorships and Donations		521,288	352,398
CIAF Stand Fees and Ticket Sales		135,786	122,016
Interest Income		2,568	3,141
Other Revenue		32,916	9,012
Total Revenue	3	<u>1,808,311</u>	<u>1,629,272</u>
EXPENSES			
Employee Benefits		442,679	390,878
Contract Staff		137,254	176,220
Materials and Services		131,019	120,276
Marketing and Communication		353,404	243,274
Networking and Other Event Costs		66,194	114,826
Program and Event Costs		665,541	603,477
Finance Costs		851	1,966
Depreciation	7	7,151	5,137
Amortisation	8	1,044	-
Total expenses		<u>1,805,137</u>	<u>1,656,054</u>
Surplus before income tax		3,174	(26,782)
Income Tax	1(d)	-	-
Surplus for the year		3,174	(26,782)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>3,174</u>	<u>(26,782)</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

CAIRNS INDIGENOUS ART FAIR LIMITED

Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	4	318,982	310,894
Trade and other receivables	5	702	1,892
Prepayments	6	4,043	13,417
Total current assets		<u>323,727</u>	<u>326,203</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	26,115	23,420
Intangible Assets	8	7,583	-
Total non-current assets		<u>33,698</u>	<u>23,420</u>
Total Assets		<u>357,425</u>	<u>349,623</u>
CURRENT LIABILITIES			
Trade and other payables	9	40,918	67,154
Employee benefits	10	17,858	9,036
Income in advance	11	67,500	48,000
Total current liabilities		<u>126,275</u>	<u>124,190</u>
NON-CURRENT LIABILITIES			
Employee benefits	12	9,084	6,542
Total non-current liabilities		<u>9,084</u>	<u>6,542</u>
Total Liabilities		<u>135,360</u>	<u>130,732</u>
NET ASSETS		<u>222,064</u>	<u>218,890</u>
EQUITY			
Retained surplus		222,064	218,890
TOTAL EQUITY		<u>222,064</u>	<u>218,890</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

CAIRNS INDIGENOUS ART FAIR LIMITED
Statement of Changes in Equity
For the period 1 January 2018 to 31 December 2018

	Retained Surplus	Total Equity
	\$	\$
BALANCE AS AT 1 JANUARY 2018	218,890	218,890
Surplus after income tax expense for the year	3,174	3,174
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year	<u>3,174</u>	<u>3,174</u>
BALANCE AS AT 31 DECEMBER 2018	<u>222,065</u>	<u>222,065</u>
BALANCE AS AT 1 JANUARY 2017	245,674	245,674
Surplus after income tax expense for the year	(26,783)	(26,783)
Other comprehensive income for the year, net of tax	-	-
Total Comprehensive income for the year	<u>(26,783)</u>	<u>(26,783)</u>
BALANCE AS AT 31 DECEMBER 2017	<u>218,890</u>	<u>218,890</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

CAIRNS INDIGENOUS ART FAIR LIMITED
Statement of Cash Flows
For the period 1 January 2018 to 31 December 2018

	2018	2017
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts		
Receipts from customers	205,720	166,208
Grants and Subsidies	1,248,778	1,325,775
Sponsorships and Donations	117,700	107,328
Interest received	2,568	3,141
Payments		
Payments to suppliers	(1,104,464)	(1,171,312)
Payments to employees	(443,744)	(382,873)
NET CASH FROM OPERATING ACTIVITIES	<u>26,559</u>	<u>48,267</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(18,473)	(2,383)
NET CASH USED IN INVESTING ACTIVITIES	<u>(18,473)</u>	<u>(2,383)</u>
Net increase in cash and cash equivalents	8,087	45,884
Cash and cash equivalents at the beginning of the period	310,895	265,010
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>318,982</u>	<u>310,895</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

CAIRNS INDIGENOUS ART FAIR LIMITED

Notes to the Financial Statements

For the period 1 January 2018 to 31 December 2018

1 SIGNIFICANT ACCOUNTING POLICIES

Cairns Indigenous Art Fair Limited is a not for profit unlisted public company limited by guarantee.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements of Cairns Indigenous Art Fair Limited for the period ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 22 March 2019 and cover Cairns Indigenous Art Fair Limited as an individual entity.

1.1 New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

1.2 Basis of Preparation

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Australian Charities and Not-for-profit Commission Act 2012, as appropriate for not-for-profit oriented entities.

The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

CAIRNS INDIGENOUS ART FAIR LIMITED

Notes to the Financial Statements

For the period 1 January 2018 to 31 December 2018

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants and other contributions of assets are accounted for in accordance with AASB 1004 Contributions based on whether they are reciprocal or non-reciprocal in nature and are measured at the fair value of the contributions received or receivable.

Reciprocal transfers are those where approximately equal value is exchanged in the transfer between the transferor (grantor) and the transferee (grantee). CIAF currently does not have any reciprocal grants. Non-reciprocal transfers are those where equal value is not exchanged.

Grants and other contributions that are non reciprocal in nature are recognised as revenue when, and only when, all the following conditions have been satisfied:

- The entity obtains control of the contribution or the right to receive the contribution;
- It is probable that the economic benefits comprising the contribution will flow to the association; and
- The amount of the contribution can be measured reliably.

The entity considers that it does not obtain control of grant funds received (or receivable) until the funds have been applied for the approved purpose set out in the relevant funding agreement. Grant funds unexpended, repayable or in advance are accounted for as liabilities.'

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

In-kind Contributions

Donated services and materials are recorded as in-kind contributions at the estimated fair market value as of the date of the donation.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Income taxes

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

CAIRNS INDIGENOUS ART FAIR LIMITED

Notes to the Financial Statements

For the period 1 January 2018 to 31 December 2018

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their individual expected useful lives as follows.

- Plant and Equipment 3 - 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(f) Intangible assets

Intangible assets acquired that have finite useful lives are measured at historical cost less accumulated amortisation and impairment.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value using the straight line method over their estimated lives. The estimated useful lives of intangibles are as follows.

- Digital Assets 4 years

(g) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(h) Employee benefits

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long term benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

CAIRNS INDIGENOUS ART FAIR LIMITED

Notes to the Financial Statements

For the period 1 January 2018 to 31 December 2018

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(j) Economic Dependence

Cairns Indigenous Art Fair Limited is dependent on Federal and State Government Departments for the majority of its revenue used to operate the art fair. At the date of this report, the Board of Directors has no reason to believe the Departments will not continue to support Cairns Indigenous Art Fair Limited.

2 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. There are no judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year.

CAIRNS INDIGENOUS ART FAIR LIMITED
Notes to the Financial Statements
For the period 1 January 2018 to 31 December 2018

	2018 \$	2017 \$ *
3 REVENUE		
Contributions, grants, donations		
State Gov't Grants - Arts QLD	610,000	600,000
State Gov't Grants - TEQ	80,000	81,455
Federal Gov't Grants	353,763	441,250
North by East West Grant	38,040	-
TSRA Grant	33,950	20,000
Corporate Sponsorships	52,409	39,500
Donations	3,950	13,278
Sponsors - Art Awards	51,000	46,000
In-Kind Contributions	413,929	253,620
	<u>1,637,041</u>	<u>1,495,103</u>
Interest Received		
Interest income	2,568	3,141
	<u>2,568</u>	<u>3,141</u>
CIAF Stand Fees and Ticket Sales		
CIAF Stand Fees	54,511	52,900
Food Stand Fees	7,625	7,955
Ticket Sales - Collectors & Curators	10,418	-
Ticket Sales - Fashion parade	31,401	32,663
Ticket Sales - Opening night	31,832	26,680
Ticket Sales - Community Visit	-	1,818
	<u>135,787</u>	<u>122,016</u>
Other Revenue		
Commission on Art Sales	24,500	2,425
Commission on Fashion Sales	-	263
Fashion Designer Fee	2,000	2,500
Merchandise Sales	2,893	1,323
Other Revenue	3,522	2,500
	<u>32,915</u>	<u>9,011</u>
Total Revenue	<u>1,808,311</u>	<u>1,629,271</u>
4 CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash at bank - Operating account	93,786	20,640
Cash at bank - Online Saver account	225,196	290,219
Petty Cash	-	35
	<u>318,982</u>	<u>310,894</u>
5 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
Trade receivables	702	1,894
	<u>702</u>	<u>1,894</u>

CAIRNS INDIGENOUS ART FAIR LIMITED
Notes to the Financial Statements
For the period 1 January 2018 to 31 December 2018

	2018 \$	2017 \$
6 CURRENT ASSETS - OTHER		
Sundry Debtors	-	291
Prepayments	4,043	13,417
	<u>4,043</u>	<u>13,708</u>
7 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment	47,655	37,809
Less: Accumulated depreciation	(21,540)	(14,389)
	<u>26,115</u>	<u>23,420</u>
<i>Reconciliations</i>		
Reconciliations of the written down values at the beginning and end of the current period are set out below:		
	Plant and Equipment	Total
Balance as at 1 January 2018	23,420	23,420
Additions	9,846	9,846
Depreciation expense	(7,151)	(7,151)
Balance as at 31 December 2018	<u>26,115</u>	<u>26,115</u>
Balance as at 1 January 2017	26,174	26,174
Additions	2,383	2,383
Depreciation expense	(5,137)	(5,137)
Balance as at 31 December 2017	<u>23,420</u>	<u>23,420</u>
8 NON-CURRENT ASSETS - INTANGIBLE ASSETS		
Intangible Assets	8,627	-
Less: Amortisation	(1,044)	-
	<u>7,583</u>	<u>-</u>
9 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade Creditors	963	21,669
Other payables	21,169	33,676
BAS payable	18,786	11,809
	<u>39,955</u>	<u>67,154</u>

CAIRNS INDIGENOUS ART FAIR LIMITED
Notes to the Financial Statements
For the period 1 January 2018 to 31 December 2018

10 CURRENT LIABILITIES - EMPLOYEE BENEFITS

Provision for Annual Leave	17,858	9,036
	<u>17,858</u>	<u>9,036</u>

11 CURRENT LIABILITIES - INCOME IN ADVANCE

Income Received in Advance	67,500	48,000
	<u>67,500</u>	<u>48,000</u>

12 NON-CURRENT LIABILITIES - EMPLOYEE LIABILITIES

Provision for Long Service Leave	9,084	6,542
	<u>9,084</u>	<u>6,542</u>

13 KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

Short-term employee benefits	254,423	238,889
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No compensation is paid to the board of directors.

14 CONTINGENT LIABILITIES

The company had no contingent liabilities as at 31 December 2018.

15 COMMITMENTS

The company had no commitments for expenditure as at 31 December 2018.

16 RELATED PARTIES TRANSACTIONS

Transactions with related parties

There were no transactions with related parties during the current financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Compensation

No compensation is paid to the board of directors.

17 EVENTS AFTER REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

CAIRNS INDIGENOUS ART FAIR LIMITED
Directors' Declaration
For the period 1 January 2018 to 31 December 2018

DIRECTORS' DECLARATION

In the opinion of the directors of Cairns Indigenous Art Fair Limited (the Company):

- (a) the financial statements and notes, set out on pages 9 to 19 are in accordance with the Australian Charities and Not-for-profit Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the financial period ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profit Commission Regulation 2013; and
- (b) 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 subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.



Director
Tom Mosby

Dated at Cairns this 22 March 2019



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PO Box 6771 Cairns QLD 4870
AUSTRALIA

DECLARATION OF INDEPENDENCE BY MARGARET DEWHURST TO THE DIRECTORS OF CAIRNS INDIGENOUS ART FAIR LIMITED

As lead auditor of Cairns Indigenous Art Fair Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Margaret Dewhurst
Director

BDO Audit (NTH QLD) Pty Ltd

Cairns, 25 March 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Cairns Indigenous Art Fair Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cairns Indigenous Art Fair Limited (the Company), which comprises the statement of financial position as at 31 December 2018, 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 directors' declaration.

In our opinion the accompanying financial report of Cairns Indigenous Art Fair Limited, is in accordance with the *Australian Charities and Not-for-profit Commission Act 2012*, including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profit Commission Act 2012*.

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 Company in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profit Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, 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 directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profit Commission Act 2012* and for such internal control as the directors 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO

BDO Audit (NTH QLD) Pty Ltd



Margaret Dewhurst
Director
Cairns, 25 March 2019