

AUSTRALIAN NETWORK FOR ART AND TECHNOLOGY

Annual Report 2016



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www.anat.org.au

ABN: 26 670 446 106



Government of South Australia
Arts SA



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Introduction

Since its establishment in 1988, ANAT has built an enviable reputation for its role in pursuing and realising opportunities for exciting, transformational creative research. We introduce artists to scientific and research practices, scientists to creative excellence and both to the potential of new technologies and techniques. In a nutshell, we are a catalyst for ground-breaking experimentation and creation across art, science and technology.

We champion artistic excellence through our identification and support of talented professional artists and by fostering a culture of creative risk-taking. We identify and secure resources to enable artists to pursue creative research and to realise exciting, transformative artworks. We communicate the importance of creative experimentation and expression within the arts and, increasingly, throughout broader society.

Why does ANAT do this? Because we're passionate about the art that is produced, the ideas that are furthered and the changes at both a personal and community level that each makes possible.

CHAIR'S REPORT

Certainty

What a difference a year makes. 2016 became a year of certainty for ANAT, amidst a very uncertain one for the more-than 60 small to medium arts organisations unsuccessful in their bid for operational funding from the depleted federal pie. ANAT's application to the Australia Council's new four-year-funding round was successful, securing our operational future until 2020. We were also successful in our application to Arts South Australia for multiyear funding, providing assurance for a further three years of sustained support.

This operational necessity gives us confidence in our ability to deliver our strategic plan for artists working with science and technology and the new ways of thinking that their work affords us as a community. The funding certainty also allows us to collaborate more fully with existing partners and, importantly, provides a solid platform to develop new partnerships with those that are yet to experience the transformative effects of working with ANAT.

Board Update

At the 2016 Annual General Meeting we faced an unusual situation whereby several long standing Board members were reaching the end of their tenure at the same time that we had three relatively new Board members, with little in the way of a buffer of mid-serving members. As a result of this, ANAT members agreed to amend the Constitution to enable the extension of a Board member's tenure from six years to 10 years, subject to the unanimous approval of the full Board. The rationale for the change was to support effective succession planning, with the requirement for unanimous support ensuring that the achievement of stronger continuity does not compromise Board vitality.

Another change on the Board was the resignation of Associate Professor Mark Boland. We wish Mark the very best and thank him sincerely for the insightful and practical input he contributed over many years. We were also delighted to welcome Peter McNally back onto the Board and we look forward to benefiting from his wealth of experience over the coming two years.

Thank you

I would sincerely like to thank my colleagues for their dedicated work over the past 12 months. Several impressive career progressions have put great time pressure on their Board work and yet everyone has continued to make positive contributions to the strategic direction of ANAT. On a personal note, I am extremely grateful for all your generous support and important advice. Thank you to Ross Harley, Peter McNally, Jodi Glass, David Anders and Elizabeth Eastland.

To our Director, Vicki Sowry, yet again you have successfully steered our ship through choppy waters into calmer seas. You are to be congratulated.

To our small team, restricted during uncertainty of funding, thank you for all your efforts in bringing the ANAT programs into being. Thank you Melissa Juhanson, Louise Vlach and Steven 'Pix' Pickles.

This year, I would also like to thank Australia Council Chair, Rupert Myer, for fostering relationships between the Small to Medium Arts Organisation's Chairs and promoting increased Board cooperation. Your leadership in this area is commended and appreciated.

ANAT exists to foster the relationships, dialogue and practices that artists explore in pursuing interdisciplinary partnerships with scientists, technologists and other non-arts sectors. The artwork produced from these partnerships expands our imaginations, challenges our preconceptions, and creates new ways of thinking that truly enliven us as a nation.

Now, only one year away from celebrating our 30th anniversary, we are deeply grateful to our supporters – to those who sign up to our social media platforms or receive our monthly email digest, to those who apply to, or participate in, our diverse program, and to those who contact us to discuss an idea or to get advice about their career, or – even better - who lead us to entirely new places... ANAT belongs to you.

A handwritten signature in black ink, appearing to read 'Gillian Morrison', with a stylized, flowing script.

Gillian Morrison
ANAT Chair

DIRECTOR'S REPORT

2016 was a year where the implementation of changes to federal funding arrangements, announced a year earlier, saw over 60 small to medium organisations lose operational funding from an Australia Council under considerable fiscal pressure. By having to quarantine the impact of the funding cuts from the Major Performing Arts companies, smaller organisations and individual artists took the hit.

ANAT is one of the organisations that was successful in securing four-year key organisation funding; while so many organisations lost their operational bedrock, we kept ours. To even out the playing field, those that lost operational funding were instead encouraged to apply for project funding – never a good situation, but marginally do-able in the short term. Those with four-year funding were, however, locked out of project funding for the duration of their organisational funding term – also not ideal. Once the dust settled the sector regrouped and can now be said to be stronger, better organised and more capable of addressing the whole of sector issues that effect us all. For ANAT, we finished the year with a solid footing for the future, albeit with the challenge of finding new partners and implementing new partnership models to enable us to deliver our program of activities.

Throughout this period of upheaval I'm pleased to report that we provided regular updates and advice to the artists we support, and to the many thousands of subscribers to our various social platforms. We retained our focus on our core programs, as well as delivering to our commitments to increase our international engagement, and support South Australian artists. Please see the 2016 Artistic Program report for details of the projects we delivered throughout year.

With the surety of operational support provided by the Australia Council and the continuation of the generous support of Arts South Australia, 2016 saw changes to our staffing, with the appointment of Melissa Juhanson to the role of Operations Manager. Melissa's substantial experience at the South Australian Film Corporation, and before that at Arts South Australia, have been a real asset to ANAT over the past twelve months and contributed greatly to us meeting our financial, operational and governance targets. Louise Vlach continued to provide an excellent service to artists and stakeholders alike as 'the voice' of ANAT across our online and social platforms, doubling our digital reach in a single year in the process – no mean feat. Stephen Pickles (aka Pix) calmly and doggedly dealt with the stuff that makes ANAT possible, fixing everything from minor technical glitches to major technology melt-downs and saving our bacon countless times. Without these three, ANAT would not be in the position it is today and I sincerely thank them.

And of course, I remain indebted beyond measure to the ANAT Board; without their deep knowledge, wise counsel, sustained support and advocacy of the unique role ANAT plays in Australia's arts ecology, we would be very much the poorer. So, to Gillian Morrison (Chair), and members David Anders, Mark Boland, Elizabeth Eastland, Jodi Glass, Ross Harley and Peter McNally, I salute you!

A handwritten signature in black ink, appearing to read 'Vicki Sowry', with a stylized flourish at the end.

Vicki Sowry
Director

ANAT GOVERNANCE

Board of Directors

Gillian Morrison – Chair

David Anders

Mark Boland

Elizabeth Eastland

Jodi Glass

Ross Harley

Peter McNally (from May 2016)

Vicki Sowry - ANAT Director

Risk Subcommittee

David Anders – Chair

Gillian Morrison

Peter McNally

Vicki Sowry

Human Resources Subcommittee

The HR Subcommittee is not a standing committee and is convened as needed

Gillian Morrison – Chair

Ross Harley

ANAT STAFF

Vicki Sowry

Director

Melissa Juhanson

Operations Manager (from February 2016)

Louise Vlach

Administration & Communications Officer

Steven Pickles

Technology Officer

PROGRAM HIGHLIGHTS

ANAT provides leadership and support for interdisciplinary creative projects that bring artists together with scientists, researchers and emerging technologies. Our programs include artists' residencies, emerging technology labs, online research tools, publications, seminars and workshops.

We use open calls to select participants for all of our projects as we find this is the best way of identifying talent in a rapidly evolving environment where track records in a given technology or practice are often yet to be established. Artistic excellence is assured through the input of artistic peers in all of our participant selection processes.

The following is an overview of the projects delivered throughout 2016, which, whilst modest in number compared to previous years, reflected our core artistic focus and implemented the necessary groundwork for future projects.

ARTISTIC PROGRAM

Synapse Art/Science initiative

For more than a decade ANAT, in partnership with the Australia Council for the Arts, has facilitated opportunities for over 30 artists to work with scientists and researchers through the prestigious Synapse residency program. Due to federal funding changes, the Australia Council was unable to continue funding the program this year.

Funding applications were submitted to the Australian Copyright Agency and the Ministry for the Arts' Catalyst fund to deliver the annual residency program and to enable us to establish the Synapse Alumni Network, with its focus on network building, information exchange and identification of future interdisciplinary opportunities for member artists and researchers.

We were successful in securing 40% of the required funds from the Copyright Agency's Cultural Fund, but were unsuccessful in raising the balance of funds required through the Catalyst program.

As a result of the funding shortfall, we chose to support a single Synapse residency in 2016, with the successful recipient being Jessica Herrington, a Canberra-based visual artist, a writer for SciArt Magazine, and the arts editor for Lateral Magazine. She worked with Professor Ted Maddess, Group Leader for Diagnostics for Eye Diseases at the John Curtin School of Medical Research at the Australian National University. Together, they investigated principles of visual perception in relation to computer-mediated realities and explored how to transform 3D objects into immersive and navigable environments.

In addition, we began development work on the inaugural Alumni Network meeting, which will take place in Adelaide in 2017, and facilitated University of South Australia PhD

candidate, Ashley Tower's research into the lab experience of art/science residency participants.

Other residencies

Building on our track-record in establishing and delivering interdisciplinary residencies for artists in non-arts settings, we continue to pursue opportunities to do so. In 2016 we finalised discussions with the CSIRO's Advanced Manufacturing hub in Melbourne and were successful in securing Creative Victoria funding to enable three artists to undertake residencies there in 2017. We progressed discussions with the Questacon National Science and Technology Centre in Canberra for an inaugural artist in residence in 2017 and with the Australian Antarctic Division, to partner with them on the 2017 Artist Fellowship, which supports Australian artists to experience life on the ice. Initial discussions also took place with the Charles Perkins Research Centre at the University of Sydney about establishing a national artists' residency program there in 2017.

Unfixed 2.0

Following the successful research residency that took place in Adelaide in November 2015, the second stage of the project rolled out in 2016. With the support of new funding partner, British Council Australia, the five Australian (including two South Australian) Unfixed artists travelled to the UK in September to experience the biennial Unlimited Festival. Following this they reconvened with their UK-based Unfixed colleagues for a week-long Creative Development Lab at the Pervasive Media Studios based at Watershed in Bristol.

The Lab's focus was to enable the participants to:

- Explore new ways of embedding creative technology into their practice;
- Collaborate and exchange skills, knowledge and ideas;
- Engage with the Pervasive Media Studio community and the work of its residents;
- Present outcomes at an event at Watershed at the conclusion of the Lab;
- Establish what is required to successfully deliver Unfixed 3.0 in 2017.

Invited to join the Unfixed artists for the Lab was Adelaide-based poet, writer and performer, Indigo Eli, whose work for the Unfixed Dialogues project convinced us that she'd make an excellent project scribe (we were right; see 2016 Program Documentation).

Experimenta Make Sense commissions

A new approach to audience development for ANAT was piloted in 2016, with our contribution to the Experimenta Commissions for the 2017 triennial touring exhibition, *Make Sense*. Our focus on the creative research and development process of artists is strengthened by our contribution to the selection and funding of four new works by Australian experimental artists.

East End Moving Image program for Adelaide City Council

Continuing our focus on creating opportunities for artists to create content for large-format and non-traditional screen spaces, ANAT again partnered with the Adelaide City Council, building on the earlier *Light up the Lantern* and *Warriappendi Lantern* projects. As well as

the Rundle Lantern, in 2016 we were involved with facilitating content for the East End Moving Image Program in Rundle Street.

WORD!

Together with the Adelaide City Council we commissioned local artists Stewart Daish, Caroline Daish, David Chapple, Aiyudot Khom, Ian Gibbins, and Jessica Lumb to create a series of short experimental films – taking the artists’ words to the streets of Adelaide - for screening on the East End Projector. The program screened for two-weeks in late 2016, with a further six-week season scheduled for early 2017.

Warriappendi Lights Up the Lantern

Further to its presentation as part of the inaugural Tarnanthi Festival, the *Warriappendi Lights Up the Lantern* works continued to screen on the Rundle Lantern throughout 2016.

30th Anniversary

ANAT celebrates its 30th anniversary in 2018. In 2016 we continued to work on the following two projects that will contribute to our anniversary celebrations.

All Grown Up

Students from the University of South Australia will continue to write up case studies of artists who participated in ANAT’s early pioneering projects in order to capture the impact ANAT has had on the subsequent careers of many important artists.

SMASH – archive mash up

ANAT’s collection was deposited with the State Library of South Australia in 2015. Through much of 2016 the collection was being digitised and accessioned, with the library also negotiating licensing arrangements with the relevant artists. Once complete, select works from the collection will be made available to artists to remix, reinterpret and re-present Australian media arts history.

Advocacy

ANAT continues to be active in the arts sector, locally, nationally and internationally. For example: we are a member of ArtsPeak, the national consortium of peak arts organisations; we presented on our work and the artists we support at conferences and symposia in Melbourne, Hong Kong, Brisbane, Albury, Sydney and London; we participated on industry assessment panels including Arts South Australia’s CACD panel, the Australian Antarctic Division’s Artist Fellowship panel, Carclew’s Program Grant Advisory Committee and the Australia Council’s Industry Advisory Group on Experimental and Emerging Arts. ANAT also remains an active member of the international SEAD (Science, Engineering, Art & Design) Network, and the artsactive network.

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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General Information

The financial report covers Australian Network For Art & Technology Incorporated as an individual entity. The financial report is presented in Australian dollars, which is Australian Network For Art & Technology Incorporated's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the Statement by Officers of the Association.

The financial report was authorised for issue on: 29 March 2017

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED

REPORT OF THE BOARD OF THE ASSOCIATION

The Board reports that:

- (a) during the year ended 31 December 2016, no officer of the Association, firm of which the officer is a member, or body corporate in which the officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association; and
- (b) during the year ended 31 December 2016, no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value, except for the reimbursement of expenses incurred on behalf of the Association and remuneration for services rendered by the officer as an employee of the Association.

STATEMENT BY OFFICERS OF THE ASSOCIATION

The Officers of the Association have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Officers of the Association:

- (a) The accompanying Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements dated 31 December 2016, comprising the "Special Purpose Financial Statements" present fairly the state of affairs as at that date, and the results of operations for the year then ended; and
- (b) the attached financial statements and notes thereto comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards as described in note 1 to the financial statements, the Australian Charities and Not-for-profits Commission Regulation 2013 and other mandatory professional reporting requirements;
- (c) the attached financial statements and notes thereto give a true and fair view of the Association's financial position as at 31 December 2016 and of its performance for the financial year ended on that date; and
- (d) The Board has reasonable grounds to believe that Association will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board made pursuant to section 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Gillian Morrison
Chairperson



Vicki Sowry
Director

12 April 2017
Dated

Independent Auditor's Report for Australian Network for Art and Technology Incorporated

Auditor's Opinion

We have audited the financial report, being a special purpose financial report, of Australian Network for Art and Technology Incorporated for the year ended 31 December 2016, comprising the statement of financial position, statement of comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the responsible persons' declaration.

In our opinion, the financial report of Australian Network for Art and Technology Incorporated has been prepared in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, 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 entity in accordance with the independence requirements of the Australian Charities and Not-for-profits 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 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.

Information Other than the Financial Report and Auditor's Report Thereon

The responsible persons' of the entity is responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to the responsible persons'.

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation

The Responsibility of the Responsible Persons' for the Financial Report

The responsible persons' of the entity are responsible for the preparation and fair presentation of the financial report, and have determined that the accounting policies used and described in Note 1 to the financial statements, which form part of the financial reports, are appropriate to meet the financial reporting requirements of the members and of the Australian Charities and Not-for-profits Commission Act 2012. The responsible persons' responsibility also includes such internal control as management determines 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, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Committee website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Basis of Accounting and Restriction and Distribution of Use

Without modifying our opinion, we draw attention to the fact that the financial report is prepared to assist the Australian Network for Art and Technology Incorporated to comply with the financial reporting provisions of the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Not for Profit Accounting Specialists

38 Surrey Rd
KESWICK SA 5035



Andrea Petersen
Fellow CA ANZ
Public Practice Certificate

Dated: 19 April 2017



AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE BOARD MEMBERS OF
AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED**

I declare that to the best of my knowledge and belief, in relation to the audit of Australian Network for Art & Technology Incorporated for the year ended 31 December 2016 there have been:

- i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Not for Profit Accounting Specialists

38 Surrey Road
KESWICK SA 5035



Andrea Petersen

Fellow CA ANZ

Public Practice Certificate

Dated: 19 April 2017

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2016

| | Note | 2016 \$ | 2015 \$ |
|-----------------------------|------|----------------------|-----------------------|
| OPERATING INCOME | | 518,976 | 926,390 |
| LESS OPERATING EXPENDITURE | | <u>503,619</u> | <u>773,765</u> |
| OPERATING SURPLUS/(DEFICIT) | | <u><u>15,357</u></u> | <u><u>152,625</u></u> |

The accompanying notes form part of these financial statements

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

| | Note | 2016 \$ | 2015 \$ |
|----------------------------------|------|-----------------------|-----------------------|
| CURRENT ASSETS | | | |
| Cash & Cash Equivalents | 2 | 520,976 | 305,549 |
| Trade & Other Receivables | 3 | 4,345 | 14,187 |
| Prepayments | | 6,315 | 12,775 |
| TOTAL CURRENT ASSETS | | <u>531,636</u> | <u>332,511</u> |
| NON-CURRENT ASSETS | | | |
| Property Plant & Equipment | 4 | <u>17,035</u> | <u>21,199</u> |
| TOTAL ASSETS | | <u><u>548,671</u></u> | <u><u>353,710</u></u> |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 5 | 37,521 | 35,571 |
| Income Received in Advance | 6 | 196,067 | 25,952 |
| Provisions | 7 | 24,846 | 18,525 |
| TOTAL CURRENT LIABILITIES | | <u>258,434</u> | <u>80,048</u> |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 7 | <u>6,403</u> | <u>5,186</u> |
| TOTAL LIABILITIES | | <u><u>264,837</u></u> | <u><u>85,234</u></u> |
| NET ASSETS | | <u><u>283,834</u></u> | <u><u>268,477</u></u> |
| ACCUMULATED FUNDS | | | |
| Retained Earnings | | 188,582 | 165,264 |
| General Reserve | | 95,252 | 103,213 |
| TOTAL ACCUMULATED FUNDS | | <u><u>283,834</u></u> | <u><u>268,477</u></u> |

The accompanying notes form part of these financial statements

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016

| | GENERAL RESERVE \$ | RETAINED EARNINGS \$ | ACCUMULATED FUNDS \$ |
|------------------------------------|--------------------------|----------------------------|----------------------------|
| BALANCE AT 31 DECEMBER 2014 | 15,961 | 138,104 | 154,065 |
| Net Surplus for the year | - | 114,412 | 114,412 |
| Transfer to the General Reserve | 87,252 | (87,252) | - |
| BALANCE AT 31 DECEMBER 2015 | <u>103,213</u> | <u>165,264</u> | <u>268,477</u> |
| Net Surplus for the year | - | 15,357 | 15,357 |
| Transfer to the General Reserve | (7,961) | 7,961 | - |
| BALANCE AT 31 DECEMBER 2016 | <u><u>95,252</u></u> | <u><u>188,582</u></u> | <u><u>283,834</u></u> |

The accompanying notes form part of these financial statements

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

a) Basis of Preparation

The Officers of the Association have prepared the financial report on the basis that the Association is not a reporting entity because there are no users depended on general purpose financial statements. Accordingly, this is a Special Purpose Financial Report and has been prepared solely to meet the requirements of the members, the Associations Incorporation Act 1985 (SA) and the Australian Charities and Not-for-profits Commission Act 2012.

The financial report covers Australian Network for Art & Technology Incorporated as an individual entity. Australian Network for Art & Technology Incorporated supports and promotes contemporary art practices that use and explore new technologies. The principal place of business of Australian Network for Art & Technology Incorporated is Adelaide, South Australia.

The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act 1985 (SA) and in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of:

| | |
|-----------|--|
| AASB 101 | <i>Presentation of Financial Statements</i> |
| AASB 1048 | <i>Interpretation and Application of Standards</i> |
| AASB 1054 | <i>Australian Additional Disclosures</i> |

These financial statements do not conform with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

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

b) Significant Accounting Judgements & Estimates

The preparation of financial statements requires management to make 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. 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 that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates or judgements which have risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) **Income Tax**

The Association is exempt from income tax pursuant to the Income Tax Assessment Act 1997. Accordingly Australian Accounting Standard AASB 112 has not been applied and no provision for income tax has been included in the Accounts.

d) **Sponsorship Income**

In-kind sponsorship is included as income relating to venue, equipment and consultancy fees for the Synapse Art/Science Residency program and Lab programs. This income is recognised where contractual agreements are signed and resources are valued at market rates. The differences in In-kind sponsorship income between years are due to changes in project sizes and support from year to year.

e) **Property, Plant & Equipment & Leasehold Improvements**

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

Depreciation

Depreciation has been provided using the diminishing value method for all office equipment. Leasehold Improvements are depreciated on a diminishing value basis at a rate of 20% which is reflective of the current lease term.

f) **Impairment of Assets**

The carrying amount of fixed assets is reviewed annually by the Board of the Association to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

g) **Sponsorship Expenditure**

In-kind sponsorship is included as income relating to venue, equipment and consultancy fees for the projects that attracted In-kind sponsorship income at note 1(b). The differences in In-kind sponsorship expenditure between years are due to changes in project sizes and support from year to year.

h) **Revenue**

All revenue is stated net of the amount of goods and services tax (GST). Income arising from the contribution of an asset to the association is recognised when the association obtains control of the contribution or the right to receive the contribution, and 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.

i) **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 the asset or as part of an item of the expense.

Receivables and payables in the assets and liabilities statements are shown inclusive of GST.

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

j) General Reserve

The Board has implemented a policy to maintain a general reserve equivalent to twenty percent of total expenditure, excluding in-kind donations.

k) Economic Dependence

The Association is dependent on the Australia Council for the Arts for the majority of its revenue to operate the Association. Quadrennial funding has been extended to 31 December 2020.

| | 2016 \$ | 2015 \$ |
|---|-----------------|-----------------|
| 2. CASH & CASH EQUIVALENTS | | |
| Cash at Bank | 520,976 | 305,549 |
| 3. TRADE & OTHER RECEIVABLES | | |
| Trade Debtors | 2,483 | 2,398 |
| GST Receivable | - | 10,739 |
| Credit Card | 1,862 | 1,050 |
| | <u>4,345</u> | <u>14,187</u> |
| 4. PROPERTY PLANT & EQUIPMENT | | |
| Office Equipment - at Cost | 85,156 | 85,156 |
| Less: Accumulated Depreciation | <u>(74,507)</u> | <u>(72,472)</u> |
| | 10,649 | 12,684 |
| Leasehold Improvements | 47,451 | 47,451 |
| Less: Accumulated Depreciation | <u>(41,065)</u> | <u>(38,936)</u> |
| | 6,386 | 8,515 |
| | <u>17,035</u> | <u>21,199</u> |
| 5. TRADE AND OTHER PAYABLES | | |
| Trade Creditors and Accruals | 7,133 | 29,075 |
| Payroll Liabilities | 10,580 | 6,496 |
| GST Payable | 19,808 | - |
| | <u>37,521</u> | <u>35,571</u> |
| 6. INCOME RECEIVED IN ADVANCE | | |
| Grants Received in Advance | | |
| Australia Council for the Arts - Operational & VACS | 180,154 | - |
| | <u>180,154</u> | <u>-</u> |
| Unexpended Grant Funds | 15,913 | 25,952 |
| | <u>196,067</u> | <u>25,952</u> |

AUSTRALIAN NETWORK FOR ART & TECHNOLOGY INCORPORATED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

| | 2016 \$ | 2015 \$ |
|--|---------------|---------------|
| 7. PROVISIONS | | |
| Current | | |
| Provision for Annual Leave | 9,379 | 5,033 |
| Provision for TOIL | 190 | 190 |
| Provision for Long Service Leave | <u>15,276</u> | <u>13,302</u> |
| | <u>24,846</u> | <u>18,525</u> |
| Non-Current | | |
| Provision for Long Service Leave | <u>6,403</u> | <u>5,186</u> |
| 8. LEASE AGREEMENT | | |
| Australian Network for Art & Technology Incorporated has a non-cancellable property lease commitment that expires on 28 February 2018. This commitment has not been reflected in the Statement of Financial Position as at 31 December 2016. | | |
| The lease commitments are based on the revised monthly rent as per the market rent review undertaken in March 2015. Future increases in lease commitments may occur annually in line with CPI or market rent reviews in accordance with the lease agreement. | | |
| - not later than 1 year | 40,334 | 36,203 |
| - later than 1 year but not later than 3 years | <u>6,738</u> | <u>42,291</u> |
| | <u>47,072</u> | <u>78,494</u> |

AUSTRALIAN NETWORK FOR ARTS & TECHNOLOGY INCORPORATED
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 \$ | 2015 \$ |
|--------------------------------|------|-----------------------|-----------------------|
| INCOME | | | |
| PUBLIC SUBSIDY | | | |
| AUSTRALIA COUNCIL FOR THE ARTS | | | |
| Visual Arts Board | | 253,135 | 253,134 |
| Visual Arts and Craft Strategy | | 59,416 | 58,538 |
| The British Council | | 10,000 | - |
| TOTAL VISUAL ARTS BOARD | | <u>322,551</u> | <u>311,672</u> |
| OTHER FEDERAL | | | |
| Other Australia Council | | 2,669 | 139,915 |
| TOTAL OTHER FEDERAL | | <u>2,669</u> | <u>139,915</u> |
| STATE & LOCAL GOVERNMENT | | | |
| Arts SA | | 107,333 | 100,000 |
| DFEEST | | - | 19,153 |
| Tafe SA | | - | - |
| Local Government | | 9,000 | 4,138 |
| TOTAL STATE & LOCAL GOVERNMENT | | <u>116,333</u> | <u>123,291</u> |
| INTERNATIONAL FUNDING | | | |
| International Funding | | 14,104 | - |
| TOTAL INTERNATIONAL FUNDING | | <u>14,104</u> | <u>-</u> |
| TOTAL PUBLIC SUBSIDIES | | 455,656 | 574,877 |
| OTHER INCOME | | | |
| General Donation | | 510 | 500 |
| FabLab Print Fees - Corporate | | - | 4,424 |
| Management Fee | | 3,000 | 18,600 |
| Sponsorship Income | | - | 2,500 |
| Membership Fees | | 74 | 80 |
| Participant Fees | | - | - |
| Room Rental | | - | 273 |
| Consultancy | | 3,051 | 6,082 |
| Bank Interest | | 3,652 | 6,192 |
| Sundry | | - | 16,952 |
| Reimbursement | | 2,784 | - |
| Copyright Agency | | 33,400 | - |
| TOTAL OTHER INCOME | | <u>46,470</u> | <u>55,602</u> |
| NON CASH INCOME | | | |
| Sponsorship - In-kind | 1(d) | <u>16,850</u> | <u>122,583</u> |
| TOTAL NON CASH INCOME | | 16,850 | 122,583 |
| TOTAL INCOME | | <u>518,976</u> | <u>753,062</u> |

AUSTRALIAN NETWORK FOR ARTS & TECHNOLOGY INCORPORATED
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 \$ | 2015 \$ |
|---|------|----------------|----------------|
| EXPENDITURE | | | |
| ADMINISTRATION | | | |
| OFFICE RENT & RUNNING COSTS | | | |
| Rent/Insurance | | 45,108 | 39,252 |
| Electricity/Security/Outgoings/Cleaning | | 11,318 | 11,017 |
| TOTAL OFFICE RENT & RUNNING COSTS | | <u>56,426</u> | <u>50,269</u> |
| OFFICE CONSUMABLES & RESOURCES | | | |
| Equipment/Office/Depreciation | | 13,242 | 15,527 |
| TOTAL OFFICE CONSUMABLES & RESOURCES | | <u>13,242</u> | <u>15,527</u> |
| COMMUNICATIONS | | | |
| Telephone/Teleconferencing | | 4,733 | 6,735 |
| Postage/Courier | | 374 | 7,065 |
| TOTAL COMMUNICATIONS | | <u>5,107</u> | <u>13,800</u> |
| LEGAL, FINANCE & GOVERNANCE | | | |
| Board Expenses | | 5,129 | 5,850 |
| Audit/Accounting Fees | | 18,649 | 7,268 |
| Legal Fees | | 6,600 | 5,035 |
| Licenses/Fees/Charges | | 2,844 | 713 |
| TOTAL LEGAL, FINANCE & GOVERNANCE | | <u>33,222</u> | <u>18,866</u> |
| TOTAL ADMINISTRATION | | 107,997 | 98,461 |
| STAFF WAGES & EXPENSES | | | |
| Wages and Leave adjustments | | 230,523 | 225,676 |
| Superannuation | | 22,129 | 19,941 |
| WorkCover | | 736 | 1,782 |
| Staff Development & Amenities | | 1,935 | 1,825 |
| Conference/Seminar Fees | | - | 323 |
| OH&S | | - | 21 |
| TOTAL STAFF WAGES & EXPENSES | | 255,322 | 249,568 |
| STAFF TRAVEL | | | |
| Domestic Airfares | | 2,908 | 3,163 |
| Accommodation | | 636 | 2,940 |
| Other Travel Expenses/Per Diem | | 3,221 | 4,336 |
| TOTAL STAFF TRAVEL | | 6,765 | 10,439 |
| MARKETING | | | |
| Advertising | | - | 175 |
| Design | | - | 1,800 |
| Printing | | - | 125 |
| Documentation | | 2,610 | 1,919 |
| TOTAL MARKETING | | 2,610 | 4,019 |

...cont

AUSTRALIAN NETWORK FOR ARTS & TECHNOLOGY INCORPORATED
DETAILED STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 \$ | 2015 \$ |
|--|------|----------------|----------------|
| EXPENDITURE (cont.) | | | |
| PROGRAM EXPENSES | | | |
| CONSULTANTS FEES | | | |
| Artists Fees | | 18,050 | 41,596 |
| Project Managers/Consultant Fees | | 7,550 | 37,158 |
| Curators/Tutor Fees | | - | 5,480 |
| Technical Support Fees | | - | 408 |
| TOTAL CONSULTANTS FEES | | <u>25,600</u> | <u>84,642</u> |
| PROGRAM LOCATION EXPENSES | | | |
| Catering | | 1,462 | 2,520 |
| Production Materials & Freight | | 11,084 | 5,551 |
| Commissions / Awards | | 18,073 | - |
| TOTAL PROGRAM LOCATION EXPENSES | | <u>30,619</u> | <u>8,071</u> |
| PROGRAM TRAVEL | | | |
| International Airfares | | 17,088 | 21,973 |
| Domestic Airfares | | 1,357 | 4,401 |
| Accommodation | | 19,132 | 21,330 |
| Other Travel Expenses/Per Diem | | 20,278 | 3,140 |
| TOTAL PROGRAM TRAVEL | | <u>57,855</u> | <u>50,844</u> |
| IN-KIND EXPENSES | | | |
| Venue Hire | 1(d) | 6,000 | 64,700 |
| Staff | 1(d) | 8,600 | 41,883 |
| Other | 1(d) | 2,250 | 16,000 |
| TOTAL IN-KIND EXPENSES | | <u>16,850</u> | <u>122,583</u> |
| TOTAL PROGRAM EXPENSES | | <u>503,619</u> | <u>628,627</u> |
| OTHER EXPENDITURE | | | |
| Loss on Disposal of Equipment | | - | 11,705 |
| Sundry | | - | (1,682) |
| | | <u>-</u> | <u>10,023</u> |
| TOTAL EXPENDITURE | | <u>503,619</u> | <u>638,650</u> |
| OPERATING SURPLUS/(DEFICIT) | | <u>15,357</u> | <u>114,412</u> |

ANAT extends special thanks to:

Access2Arts: Gaelle Mellis, Martin Sawtell; **Accessible Arts:** Sarah Houbolt; **Adelaide City Council:** Jenn Brazier, Edward James; **Arts Industry Council of South Australia:** Gail Kovatseff; **ArtsPeak:** Nicole Beyer, Tamara Winikoff; **Arts South Australia:** Jennifer Layther, Angela Salomon; **Australia Council for the Arts:** Andrew Donovan, Jeremy Smith; **Australian Antarctic Division:** Kristin Raw; **British Council Australia:** Anna Hay, Helen O'Neil, Grey Yeoh; **City of Sydney:** Alexia Estrellado; **Copyright Agency:** Zoe Rodriguez; **Creative Victoria:** CSIRO: Deborah Lau; **Experimenta Media Arts:** Susan Kukucka, Lynn Mowson, Jonathan Parsons; Fee Plumley; **Feral Arts:** Norm Horton, Sarah Moynihan; **Hackerspace Adelaide;** **Murray Art Museum Albury:** Jacqui Hemsley; **Not for Profit Accounting Services:** Kimberley Vuljanic **Penrith Regional Gallery:** Lee-Anne Hall; Mary Rosengren; **Unlimited Festival:** Clara Giraud, Jo Verrent; **Watershed UK:** Rachael Burton, David Haylock, Clare Reddington, Victoria Tillotson.

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