

Australian Copyright Council Limited
(a company limited by guarantee)
ABN 63 001 228 780

Annual report
31 December 2022

Australian Copyright Council Limited

Directors' report

For the year ended 31 December 2022

The directors present their report together with the financial report of the Australian Copyright Council Limited for the financial year ended 31 December 2022 and the auditor's report thereon.

1. Directors

The directors of the company at any time during or since the end of the financial year are:

Name and independence status	Experience and other directorships
Ms Kate Haddock Independent Director and Chair	Partner – Banki Haddock Fiora Director Nordoff Robins Director and Chair Authors Legal Director since 23 April 2013
Mr James Dickinson Member Director and Vice Chair	Chief Executive of Screenrights Director since 9 April 2019
Ms Lynne Small Member Director and Vice Chair	Chief Operating Officer - Phonographic Performance Company of Australia (PPCA) Company Secretary and Director - Support Act Limited Director since 23 April 2013
Mr Paul Muller Member Director and Treasurer	Chief Executive Officer of the Australia New Zealand Screen Association (ANZSA) Director Creative Content Australia Director since 9 April 2019
Ms Libby Baulch Member Director	Policy Director – Copyright Agency Director since 21 April 2015
Ms Olivia Lanchester Member Director	CEO - Australian Society of Authors Director - International Authors Forum Company Secretary Authors Legal Director since 31 March 2020
Mr Jonathan Carter Member Director	Head of Legal and Corporate Services and Company Secretary of APRA AMCOS Director Screenrights Director - Support Act Limited Director since 23 April 2021
Dr Terri Janke Independent Director	Managing Director of Terri Janke and Company Director since 23 April 2021 and resigned on 17 May 2022
Mr Graeme Austin Member Director	Professor of Law at Melbourne University and Chair of Private Law at Victoria University of Wellington Director Vida Maravillosa Ltd (NZ) Director since 8 June 2021 and resigned on 22 November 2022

Australian Copyright Council Limited
Directors' report (continued)
For the year ended 31 December 2022

2. Company secretary

Eileen Camilleri was appointed as the Company Secretary from 1 January 2022 to 31 December 2022.

3. Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings	
	A	B
Ms K Haddock	8	8
Ms L Small	8	8
Mr J Dickinson	7	8
Ms L Baulch	6	8
Mr P Muller	8	8
Ms O Lanchester	8	8
Mr J Carter	5	8
Dr T Janke	1	2
Mr G Austin	5	7

A – Number of meetings attended

B – Number of meetings held during the time the director held office for the year ended 31 December 2022.

Australian Copyright Council Limited

Directors' report (continued)

For the year ended 31 December 2022

4. Corporate governance statement

We believe in the values copyright laws protect: creative expression and a thriving, diverse, sustainable, creative Australian culture. A society's culture flourishes when its creators are secure in their right to benefit from their creative work and when access to those creative works is easy, legal and affordable. Copyright effectively and efficiently enables this balance between protection and access.

The Australian Copyright Council is an independent, not-for-profit organisation. Founded in 1968, we represent the peak bodies for professional artists and content creators working in Australia's creative industries and Australia's major copyright collecting societies.

We are advocates for the contribution of creators to Australia's culture and economy; the importance of copyright for the common good. We work to promote understanding of copyright law and its application, advocate for appropriate law reform and foster collaboration between content creators and consumers.

We provide easily accessible and affordable practical, user-friendly information, legal advice, education and forums on Australian copyright law for content creators and consumers.

Board of directors

Election and appointment of directors

The Board consists of a chair, two vice-chairs and a treasurer. The directors shall consist of a minimum of seven members of the Council and at least two independent directors. The total number of directors shall not at any time exceed nine. At each Annual General Meeting, affiliated organisations elect a maximum of six directors. Each elected director must be a representative of an affiliated organisation, and have been nominated by two other representatives of affiliated organisations. The elected directors shall appoint the independent directors. Each director must retire at the following Annual General Meeting, but may be re-nominated for election or re-appointed.

Role of the Board

The principal functions of the Board are:

- a) to review and approve the Council's strategic objectives;
- b) to review and approve the Council's position in relation to various policy issues, and the relative priority of those issues for the Council;
- c) to review and approve the annual budget;
- d) to ensure that systems are in place to monitor and control:
 - i. compliance with the law and ethical standards;
 - ii. financial performance; and
 - iii. accountability to members and funding bodies;
- e) to appoint the Chief Executive and determine the Chief Executive's remuneration.

The Directors recognise that the Council's main responsibility is to creators of copyright material and performers, in particular those who are members of affiliated organisations. The Directors also recognise the Council's responsibility to other stakeholders, in particular:

- other members of affiliated organisations;
- the affiliated organisations themselves; and
- funding bodies.

Directors may present the views of the organisations they represent to the Board, but acknowledge their legal duty as Directors to act in the best interests of the Council.

Australian Copyright Council Limited
Directors' Report (continued)
For the year ended 31 December 2022

4. Corporate governance statement (continued)

Composition of the Board

There are currently seven elected directors and two appointed independent directors.

General expectation of directors

Directors recognise that they are expected:

- a) to avoid putting themselves in a position where there is a real or potential conflict of interest, and to disclose a conflict of interest should it arise;
- b) to act in the best interests of the Council, rather than any sectional interest;
- c) to act with discretion and maintain confidentiality;
- d) to have a genuine interest and a desire for the Council to succeed and, where appropriate, to promote the Council to others;
- e) to read and analyse Board papers, and attend meetings;
- f) to consider strategic issues and make a positive contribution to decision making; and
- g) to periodically review their performance as Directors and as a Board.

Independent advice

Directors may seek independent professional advice, at the expense of the Council, after first securing the consent of the Chairman or Chief Executive Officer, such consent not to be unreasonably withheld. The first point of contact for advice is the Chairman, the Chief Executive Director or the Company Secretary.

Privacy, confidentiality and accountability

In general, the Council adopts open and accountable administration. However, the Council has a duty of confidence to people to whom it gives advice, and also respects the confidentiality of certain other information made known to it in the course of its activities, and the privacy of individuals. Directors undertake not to seek information in this category unless absolutely necessary to the performance of their duties and then only with the consent of the Board.

5. Objectives and strategy

Our objectives are to:

- promote national understanding of copyright law and its application
- be a thought leader and an influential advocate on the benefit of copyright for the good of the nation.
- strengthen the ACC's brand as a recognised and trusted copyright expert nationally and internationally.
- increase the organisation's financial sustainability to support our advocacy, advice and information functions.

These objectives are supported by our 2021-2024 business plan which will see the ACC fully integrate its operations with the digital economy.

6. Members' guarantee

The Company is limited by guarantee. Every member of the Company has a liability to contribute towards deficiencies in the event of the winding up of the Company, to the extent of \$100 per member. At 31 December 2022 the Company had 25 members (2021: 25). The total value of the members' guarantee at 31 December 2022 is \$2,500 (2021: \$2,500).

7. Principal activities

The principal activities of the Council during the course of the financial year were that of providing legal advice and information on Australian copyright law and copyright policy advocacy on behalf of its members.

Australian Copyright Council Limited
Directors' report (continued)
For the year ended 31 December 2022

8. Operating and financial review and key performance indicators

The Council is a not-for-profit company. During the year the Council's net loss was \$72,473 (2021: \$1,500).

9. Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Council that occurred during the financial year under review.

10. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction, or event of a material and unusual nature likely, in the opinion of the directors, to effect significantly the operations of the Council, the results of these operations, or the state of affairs of the Council in subsequent financial years.

11. Indemnification and insurance of officers and auditors

Indemnification

The Council has not provided any indemnification or insurance for its present or former auditors.

Insurance premiums

Since the end of the previous financial year the Council has paid insurance premiums of \$2,061 in respect of directors' and officers' liability, for current and former directors and officers, including senior executives of the Council. The insurance premiums relate to:

- The amount paid or payable to the party that has made a claim, to dispose of the claim; and
- The costs incurred by the insurer, or reasonable costs incurred with the insurer's consent in the investigation, defence, reporting or negotiation for settlement of any claim or official inquiry.

12. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 27 and forms part of the directors' report for financial year ended 31 December 2022.

This report is made with a resolution of the directors:



Kate Haddock, Chair

Dated at Sydney this 12th day of May 2023

Australian Copyright Council Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue	5	493,670	521,226
Other Income	5	-	20,335
Cost of goods sold		(9,595)	(13,871)
Employee expenses		(434,813)	(420,662)
Symposium expense		-	-
Seminar expense		-	(773)
Computer expense		(14,306)	(24,343)
Rental expense		(7,196)	7,378
Depreciation and amortisation expense	10, 11,12	(52,852)	(45,767)
Other expenses	6	(45,231)	(41,610)
Results from operating activities		(70,323)	1,912
Financial Income		1,434	41
Interest expense	12	(3,584)	(3,453)
Net financing expense		(2,150)	(3,412)
(Loss)/Profit before tax		(72,473)	(1,500)
Income tax expense	3(l)	-	-
(Loss)/Profit for the period		(72,473)	(1,500)
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive (loss)/profit for the period		(72,473)	(1,500)

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 11 to 23.

Australian Copyright Council Limited
Statement of Financial Position
As at 31 December 2022

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	8	442,333	461,670
Trade and other receivables	9	25,238	35,061
Inventories		-	-
Total current assets		467,571	496,731
Property and equipment	10	3,298	371
Intangible assets	11	23,754	28,013
Right-of-use assets	12	48,894	85,564
Total non-current assets		75,946	113,948
Total assets		543,517	610,679
Liabilities			
Current liabilities			
Trade and other payables	13	57,184	41,169
Grants received in advance		252,488	237,650
Employee benefits	14	49,708	39,625
Lease liabilities	12	38,651	35,625
Total current liabilities		398,031	354,069
Non-current liabilities			
Lease liabilities	12	13,453	52,104
Total non-current liabilities		13,453	52,104
Total liabilities		411,484	406,173
Net assets		132,033	204,506
Equity			
Accumulated surplus	15	132,033	204,506
Total equity		132,033	204,506

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 11 to 23.

Australian Copyright Council Limited
Statement of changes in equity
For the year ended 31 December 2022

	Retained earnings	Total equity
	\$	\$
Balance at 1 January 2022	204,506	204,506
Loss for the period	(72,473)	(72,473)
Total comprehensive profit for the period	132,033	132,033
Transactions with owners, recorded directly in equity	-	-
Total transactions with owners	-	-
Balance at 31 December 2022	132,033	132,033

For the year ended 31 December 2021

	Retained earnings	Total equity
	\$	\$
Balance at 1 January 2021	206,006	206,006
Profit for the period	(1,500)	(1,500)
Total comprehensive loss for the period	204,506	204,506
Transactions with owners, recorded directly in equity	-	-
Total transactions with owners	-	-
Balance at 31 December 2021	204,506	204,506

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 11 to 23.

Australian Copyright Council Limited
Statement of cash flows
For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts from customers and government grants (inclusive of GST)		581,291	574,152
Cash paid to suppliers and employees (inclusive of GST)		(548,003)	(476,170)
Interest received		1,434	41
Net cash from operating activities	17	34,722	98,023
Cash flows from investing activities			
Acquisition of property, equipment and intangibles		(14,850)	(16,800)
Net cash used in investing activities		(14,850)	(16,800)
Cash flows from financing activities			
Repayment of lease liabilities		(39,209)	(38,824)
Net cash used in financing activities		(39,209)	(38,824)
Net increase in cash and cash equivalents		(19,337)	42,399
Cash and cash equivalents at 1 January		461,670	419,271
Cash and cash equivalents at 31 December	8	442,333	461,670

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 11 to 23.

Australian Copyright Council Limited

Notes to the financial statements

1. Reporting entity

The Australian Copyright Council Limited (the "Company") is a not-for-profit company limited by guarantee domiciled in Australia. The address of the Company's registered office is 245 Chalmers Street, Redfern, Sydney NSW. The Company is involved in providing legal advice, submissions and representations on copyright policy issues, publications, seminars and research into copyright law.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 12th May 2022.

(b) Basis of measurement

The financial report is prepared on the historical cost basis, except as noted in the significant accounting policies at Note 3.

(c) Functional and presentation currency

The financial report is presented in Australian dollars.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

3. Significant accounting policies

(a) Property and equipment

(i) Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Australian Copyright Council Limited

Notes to the financial statements

3. Significant accounting policies (continued)

(a) Property and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives in the current and comparative periods are as follows:

- Fixtures and fittings 7 years
- Computer equipment 3 years

The residual value, if not insignificant, is reassessed annually.

(b) Intangible assets

(i) Software and website

Computer software and website that is not an integral part of the related hardware is recognised as an intangible asset.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

(iii) Amortisation

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives in the current and comparative periods are as follows:

- Software 3 years
- Website 5 years

(c) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost less impairment losses.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits which are carried at fair value of the amounts deposited.

Australian Copyright Council Limited

Notes to the financial statements

3. Significant accounting policies (continued)

(f) Impairment

The carrying amounts of the Company's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

(i) Calculation of recoverable amount

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Leases

(i) As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company recognises 'peppercorn' or concessionary leases at cost in accordance with AASB 2018-8 Amendments to Australian Accounting Standards – *Right-of-Use Assets of Not-for-Profit Entities*.

Australian Copyright Council Limited

Notes to the financial statements

3. Significant accounting policies (continued)

(g) Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(ii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(ii) Long-term service benefits

The Company's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

Australian Copyright Council Limited

Notes to the financial statements

3. Significant accounting policies (continued)

(h) Employee benefits (continued)

(iii) Short term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

(i) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently recorded at amortised cost. The carrying amount of accounts payable approximates net fair value.

(j) Deferred income

Grant income is deferred where a return obligation exists, and is released on a systematic basis as income to profit and loss when the performance obligation attaching to the grant is completed.

(k) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods and services are measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant control of the goods have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Grants and donations

Government grants are recognised in profit or loss as revenue, as the performance obligations attached to the grant are completed.

Government grant related to COVID-19 support is recognised as other income in the income statement.

(iii) Financial income

Finance income comprises interest income on funds invested. Interest income is recognised in the profit or loss as it accrues, using the effective interest method.

(l) Income tax

As the Company is a kind referred to as a not-for-profit cultural organisation by the Australian Taxation Office, its income is exempt from income tax.

(m) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Australian Copyright Council Limited

Notes to the financial statements

3. Significant accounting policies (continued)

(m) Goods and services tax (continued)

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

(n) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Cash and cash equivalents comprise of cash balances and call deposits.

(o) Economic dependency and going concern

The Company recognised a net loss of \$72,473 during the year ended 31 December 2022 (2021: \$1,500), and as of that date the Company's Net Current Assets totalled \$69,540 (2021: \$142,662). The net asset as at 31 December 2022 was \$132,033 (2021: \$204,506).

The ability of the Company to pay its debts as and when they fall due and to continue as a going concern is dependent on the continuation of support from its sponsors and benefactors, including the Australia Council.

Nothing has come to the attention of the directors that would indicate this funding will not be forthcoming in the next financial year.

Australian Copyright Council Limited

Notes to the financial statements

4 Financial risk management

Overview

The Company has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks. Further quantitative disclosures are included throughout this financial report.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and location in which customers operate, has less of an influence on credit risk.

Management believe that the chances of delinquency by its customers are remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income or the value of its holdings of financial instruments. The Company does not hold derivative instruments, however, it is exposed interest rate risk through its cash and cash equivalents.

Australian Copyright Council Limited

Notes to the financial statements

5. Revenue	2022	2021
	\$	\$
Revenue from sale of goods:		
Sale of Copyright Publications	15,821	20,657
Revenue from rendering of services:		
Government grants	276,750	274,108
Seminar and lecture income	66,105	81,637
Affiliation fees	134,994	134,597
Symposium income	-	-
Consultancy income	-	10,227
	493,670	521,226
Other income		
Government support – JobKeeper	-	20,250
Government support – Cash flow boost	-	-
Other	-	85
	-	20,335
6. Other expenses		
General expenses	25,495	36,819
Travel and accommodation	602	297
Professional fees	2,349	912
Library purchases	-	301
Bad debt expense	15,686	-
Miscellaneous expenses	1,099	3,281
	45,231	41,610
7. Auditor's remuneration		
Audit services		
Auditors of the Company		
<i>KPMG Australia:</i>		
Audit and review of financial reports	7,500	7,000
8. Cash and cash equivalents		
Cash at bank and on hand	12,685	77,456
Short term deposits	429,648	384,214
	442,333	461,670

Australian Copyright Council Limited
Notes to the financial statements

9. Trade and other receivables

	2022	2021
	\$	\$
Trade receivables	22,796	30,185
Less: Bad debts written off	(15,686)	-
	<u>7,110</u>	<u>30,185</u>
Other receivables and prepayments	18,128	4,876
	<u>25,238</u>	<u>35,061</u>

10. Property and equipment

Furniture and fittings

Cost

Balance at 1 January	211,916	211,916
Acquisitions	-	-
Reclassification	6,548	-
Disposal	(191,793)	-
Balance at 31 December	<u>26,671</u>	<u>211,916</u>

Depreciation

Balance at 1 January	(211,545)	(207,924)
Depreciation charge for the year	(3,621)	(3,621)
Disposal	191,793	-
Balance at 31 December	<u>(23,373)</u>	<u>(211,545)</u>

Carrying amounts

At 1 January	371	3,992
At 31 December	<u>3,298</u>	<u>371</u>

11. Intangible assets

Software and website

Cost

Balance at 1 January	111,624	94,824
Acquisitions	14,850	16,800
Reclassification	(6,548)	-
Disposal	(42,133)	-
Balance at 31 December	<u>77,793</u>	<u>111,624</u>

Amortisation and impairment losses

Balance at 1 January	(83,611)	(78,226)
Amortisation for the year	(12,561)	(5,385)
Disposal	42,133	-
Balance at 31 December	<u>(54,039)</u>	<u>(83,611)</u>

Carrying amounts

At 1 January	28,013	16,598
At 31 December	<u>23,754</u>	<u>28,013</u>

Australian Copyright Council Limited
Notes to the financial statements

12. Leases

	2022	2021
	\$	\$
(a) Right of use assets		
Balance as at 1 January	85,564	12,314
Addition	-	110,011
Depreciation charge for the year	(36,670)	(36,761)
Balance at 31 December	48,894	85,564

(b) Lease Liabilities

Maturity analysis – contractual undiscounted cash flows

Less than one year	40,385	39,208
One to five years	13,594	53,978
Total undiscounted lease liabilities at 31 December	53,979	93,186

Lease liabilities included in the statement of financial position at 31 December

Current	38,651	35,625
Non-current	13,453	52,104
Total Lease Liabilities at 31 December	52,104	87,729

(c) Amounts recognised in profit and loss

Depreciation charge	36,670	36,761
Interest on lease liabilities	3,584	3,453

(d) Amounts recognised in the statement of cash flows

Total cash outflow for leases	39,209	38,824
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13. Trade and other payables

Trade payables	9,154	17,494
Other creditors and accruals	48,030	23,675
	57,184	41,169

14. Employee benefits

Current

Liability for annual leave	49,708	39,625
	49,708	39,625

Defined contribution plans

The Company makes contributions to a defined contribution plan (superannuation). The amount recognised as an expense was \$ 39,930 for the year ended 31 December 2022 (2021: \$35,193).

Australian Copyright Council Limited

Notes to the financial statements

15. Accumulated Surplus

	2022	2021
	\$	\$
Reconciliation of movement		
Balance at 1 January	204,506	206,006
(Loss)/profit for the period	(72,473)	(1,500)
Balance at 31 December	132,033	204,506

16. Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

	2022	2021
	\$	\$
Trade receivables	7,110	30,185

As at 31 December 2022 the Company has recognised an impairment provision of \$15,686 in respect of aged trade receivables (2021: nil).

Liquidity risk

The Company is exposed to liquidity risk in normal course of its business. As at 31 December 2022 the Company had a liability for trade and other payables of \$57,184 repayable within 6 months (2021: \$41,169).

Interest rate risk

The Company is exposed to interest rate risk in the normal course of its business. The effective interest rate on cash and cash equivalents at 31 December 2022 is 1.35% (2021: 0.01%). There are no other income earning financial assets or interest-bearing financial liabilities.

Sensitivity analysis

An increase/decrease of 100 basis points in interest rates would have increased/decreased the Company's interest income for the year ending 31 December 2022 by \$4,423 (2021: \$4,617).

Fair values

The carrying values of financial instruments approximate their fair value. The notional amount of receivables and payables is deemed to reflect the fair value.

Australian Copyright Council Limited
Notes to the financial statements

17. Reconciliation of cash flows from operating activities

	2022	2021
	\$	\$
(Loss)/profit for the period	(72,473)	(1,500)
Adjustments for:		
Depreciation and amortisation	52,852	45,767
Interest expense	3,584	3,453
Bad debt expense	15,686	-
	<hr/>	<hr/>
Operating profit before changes in working capital and provisions	(351)	47,720
Decrease in trade receivables	7,388	15,472
Decrease in prepayments	(13,252)	3,355
Increase/(Decrease) in grants received in advance	14,838	27,635
Increase in provisions	10,083	8,408
Decrease in trade and other payables	16,016	(4,567)
	<hr/>	<hr/>
Net cash from operating activities	34,722	98,023

18. Segment reporting

The Company operates in Australia providing legal advice, submissions and representations on copyright policy issues, publications, seminars and research into copyright law.

19. Key management personnel disclosures

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

Ms K Haddock
Mr J Dickinson
Ms L Small
Mr P Muller
Ms L Baulch
Ms O Lanchester
Mr J Carter
Dr T Janke (resigned on 17 May 2022)
Mr G Austin (resigned on 22 November 2022)

Ms Eileen Camilleri – Chief Executive Officer and Company Secretary.

Australian Copyright Council Limited

Notes to the financial statements

19. Key management personnel disclosures (continued)

Transaction with key management personnel

None of the key management personnel have entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests at year end.

No director has received or is due to receive remuneration from the Company.

The key management personnel compensation included in employee expenses is as follows:

	2022	2021
	\$	\$
Short term employee benefits	180,150	160,721
Post-employment benefits	18,466	15,268
	<u>198,616</u>	<u>175,989</u>

20. Economic dependency

A significant portion of the Company's revenue is in the form of grants from the Australia Council for the Arts.

21. Members' guarantee

The Company is limited by guarantee. Every member of the Company has a liability to contribute towards deficiencies in the event of the winding up of the Company, to the extent of \$100 per member. At 31 December 2022 the Company had 25 members (2021: 25). The total value of the members' guarantee at 31 December 2022 is \$2,500 (2021: \$2,500).

22. Subsequent events

There has not been any other matters or circumstances that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of the affairs of the Company.

Directors' declaration

In the opinion of the directors of the Australian Copyright Council Limited ("the Company"):

- a) the financial statements and notes set out on pages 7 to 23, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2022 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; 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.

Dated at Sydney this 12th day of May 2023.

Signed in accordance with a resolution of the directors:



Kate Haddock, Chair



Independent Auditor's Report

To the member of Australian Copyright Council Limited

Opinion

We have audited the **Financial Report** of Australian Copyright Council Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises

- Statement of financial position as at 31 December 2022
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Australian Copyright Council Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Other Information

Other Information is financial and non-financial information in Australian Copyright Council Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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 Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Cameron Slapp

Partner

Sydney

12 May 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Australian Copyright Council Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Copyright Council Limited for the financial year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Cameron Slapp

Partner

Sydney

12 May 2023