

ARTS PROJECT AUSTRALIA ANNUAL REPORT 2007

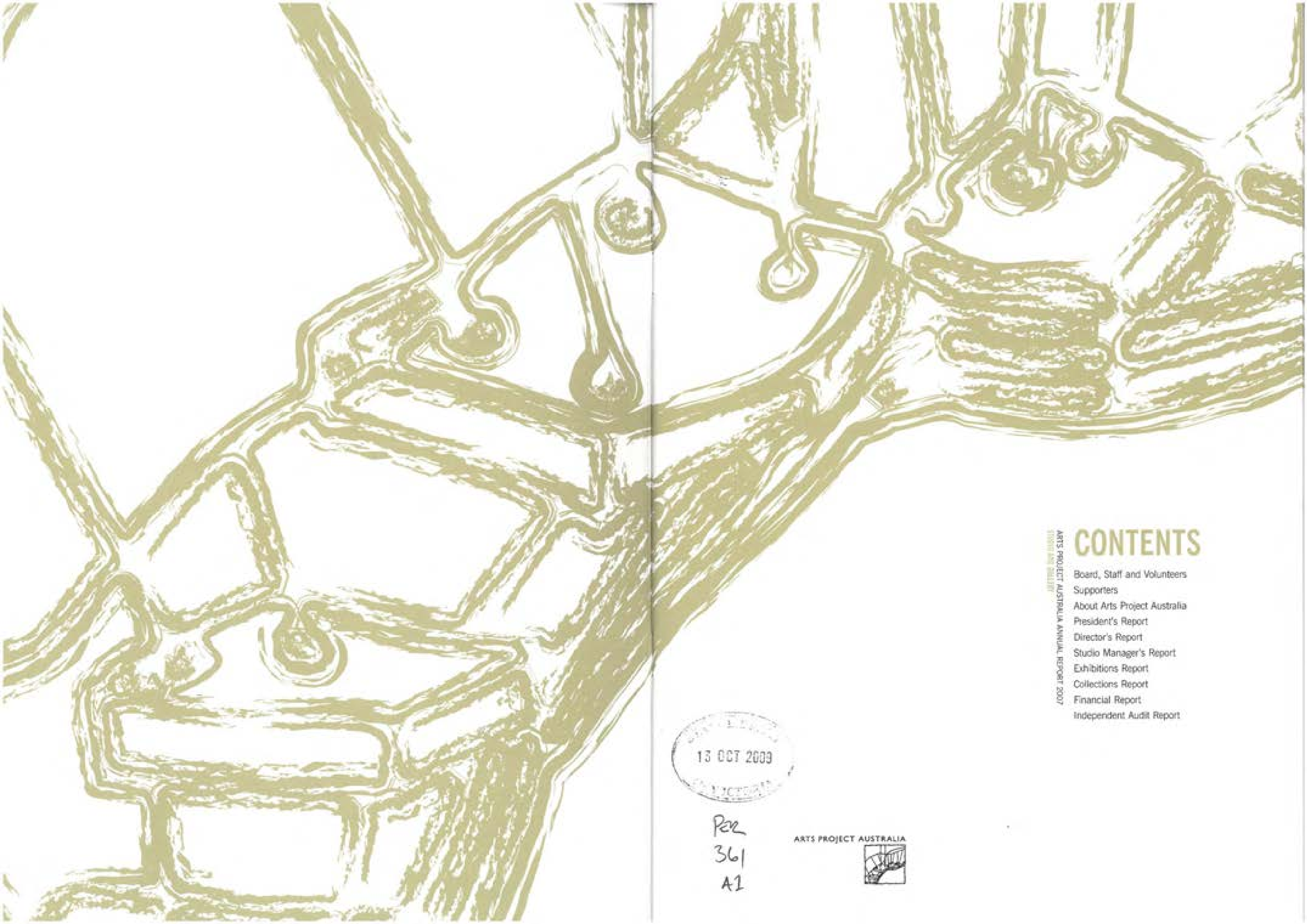
STUDIO + GALLERY



PER
361
A1
2007

ARTS PROJECT AUSTRALIA





ARTS PROJECT AUSTRALIA ANNUAL REPORT 2007
STUDYING AND QUALITY

CONTENTS

Board, Staff and Volunteers
Supporters
About Arts Project Australia
President's Report
Director's Report
Studio Manager's Report
Exhibitions Report
Collections Report
Financial Report
Independent Audit Report



Per
361
A1

ARTS PROJECT AUSTRALIA





TONIA NOWZ AND CAMERON NOBLE / NEAN CONSTABLE NOT TITLED / JOHN HOWARTH 2006 ACRYLIC / ANDREW BARBICUR NOT TITLED 2006 ACRYLIC

ARTS PROJECT AUSTRALIA ANNUAL REPORT 2007
STUDIO AND GALLERY

BOARD, STAFF AND VOLUNTEERS

BOARD OF MANAGEMENT

Heather Scovell	President	Jonah Jones	Member
Liz Bishop	Vice President	Nektaria Kalpakidis	Member (from Oct 2006)
Patrick O'Connor	Secretary/Treasurer/Public Officer	Dominik Kucera	Member (until Oct 2006)
Barbara Ajzenberg	Member	Stuart Purves	Member (from Oct 2006)
Catherine Easton	Member (from Oct 2006)	Norman Rosenblatt	Member
Carol Movich	Member (resigned Oct 2006)	Kay Ronco	Member

STAFF

Lena Giffio	Executive Director (until Jan 2007)
Patricia Mahon	Interim Executive Director (until Feb 2007)
Brendan Lillywhite	Transitional Executive Director
Kellie-Ann Blackman	Administrator (until April 2007)
Samantha Roberts	Administrator
Megan McEvoy	Studio Manager
Monica Synette	Archive and Cataloguing Coordinator
Clinton Greenwood	Exhibitions Coordinator
Camilla Bett	Marketing Coordinator (until April 2007)
Rowena MacGregor	Gallery Receptionist/Admin Assistant (until July 2006)
Charlotte Carter	Gallery Receptionist/Admin Assistant (until Oct 2006)
Apollonia A.M. Catalano	Gallery Receptionist/Admin Assistant - Casual (Dec 2006)
Sarah Strickland	Gallery Receptionist/Admin Assistant
Shay Minister	Studio Administration Assistant (until May 2007)
Punam Patel	Administration Assistant - Casual (March 2007)
Cathy Blanchflower	Artworker - General
Marieke Dench	Artworker - Operations
Simone Evenson	Artworker - General, Ceramics & Outreach
Rachel Gorman	Artworker - Volunteer Coordinator
Andrew Harry	Artworker - General (Casual)
Adam Lee	Artworker - General (until March 2007)
Jessica Lucas	Artworker - General (Casual)
James McDonald	Artworker - General
Moya McKenna	Artworker - General
Michelle Mills	Artworker - Animation
Joanne Mott	Artworker - General and Outreach
Kate Riedel	Artworker - Animation
Tonia Rowe	Artworker - Materials (until June 2007)
Simone Sheehan	Artworker - Animation (until April 2007)
Abigail Temby	Artworker - Occupational Health and Safety

VOLUNTEERS

Rosie Brennan	Chris Humphries	Fleur Stevenson
Brodie Butler-Robey	Jessica Lucas	Heidi Stewart
Siana Einfeld	James McDonald	Kim Wall
Andrea Griffin	Rebecca Robinson	Sarah Wall
Andrew Harry	Marion Rouel	Emma Weaver
Christina Hayes	Felicity Simpson	Julian White

SUPPORTERS

GOVERNMENT FUNDING AND SUPPORT

Victorian Department of Human Services
Commonwealth Department of Families, Community Services and Indigenous Affairs
Victorian Council of Adult, Community and Further Education - Northern Metropolitan Region
Commonwealth Community Heritage Grants Program

PARTNERS AND SUPPORTERS, EXHIBITIONS, COLLECTIONS AND PROGRAMS

Industry Services Fund
State Trustees Limited
J.T. Reid Charitable Trusts
ANZ Charitable Trust Australia The Dyson Bequest
Glenn Barkley
Dr Joseph Brown AO, OBE
Dr Kaye Cussen
Peter Fay
Stuart Purves
David Hurston
RMIT University
Jim Taylor and Godwin Bradbeer
The Down Syndrome Association of Victoria
National Gallery of Australia, Canberra
MADMusée, Liège, Belgium

SUPPORTERS IN-KIND

Clifford Posner
Rod Beer
Mark Chapman
Ciccione Family
Bristol Paints
K.W. Doggett Fine Paper
Paint Mobile
Velvet Paints
Up&Up Communications
Artworks Publishing
Artshop
Chapman and Bailey

BUILDING ACQUISITION SUPPORT

Hilgendorf Family
Department of Human Services
Department of Victorian Communities - Community Support Fund
Sidney Myer Foundation
Ian Potter Foundation
William Buckland Foundation
Gandel Charitable Trust
Dame Elisabeth Murdoch AC
Jack Brockhoff Foundation
Arts Victoria
Conti Architects
David Lancashire Design

LIFE MEMBERS

Cheryl Daye
Kitty Ginter
Rita Martell
Sally Shrimpton
John Northe



CHRIS NASON NOT TITLED HELICOPTER FLYING OVER WOMEN ON THE BEACH 2006 ACRYLIC ON CANVAS / IN EVERYONE'S COMPANY INSTALLATION



ALVARO ALVAREZ UPDATES HIS ARCHIVE FOLDER / WARREN O'BRIEN KNOT TITLED 2008 ACRYLIC

ARTS PROJECT AUSTRALIA ANNUAL REPORT 2007
LEAVING BEHIND

ABOUT ARTS PROJECT AUSTRALIA

Arts Project Australia was founded in 1974 as an organisation dedicated to supporting people with disabilities to become practitioners in the visual arts and to promoting their work as integral to the broad spectrum of contemporary arts practice.

Since its inception, Arts Project Australia has continued to strive for excellence, both in the exhibitions presented and the quality of the innovative studio program. Artists come to the studio each week where they have the opportunity to work in an array of media within the visual arts such as drawing, painting, ceramics, textiles and animation. While the participants are supported by artworkers, there is a focus on the individual artist, their autonomy of artistic expression and sense of control and ownership over their work.

Exhibitions are integral to Arts Project Australia. The ground floor gallery stages a full annual program of changing exhibitions featuring work by artists from Arts Project Australia as well as the broader community. Arts Project Australia continues to be involved in many exhibitions locally, nationally and internationally and artists from Arts Project Australia are also represented in many private and public collections.

Arts Project Australia has a unique history and approach and has long been recognised as a model for innovative

services for people with disabilities. It is committed to providing sustainable programs in an environment dedicated to visual arts practice.

MISSION

To support people with disabilities to become practitioners in the visual arts and to promote their work as integral to the broad spectrum of contemporary arts practice.

The following principles underpin the mission of the organisation:

- To provide the means by which people with disabilities can participate fully in the visual arts at their level of interest
- To promote and broaden the understanding of art by people with disabilities as integral to the broad spectrum of contemporary arts practice amongst artists and the general public
- To support and provide high quality community based education, training and employment in the visual arts
- To focus on and support personal development, which will enhance and enrich their ability in arts practice and in other aspects of their lives
- To build an organisational culture that reflects the values of Arts Project Australia

TERRY WILLIAMS ART TITLED JOHN FOWAN / WOLFRID CLOZING PUTS THE FINISHING TOUCHES TO HIS WORK IN THE ARCHIVE ROOM



PRESIDENT'S REPORT

This year has been a very busy and eventful one but we have now settled down and are focusing on our key activities, in particular, the work in the studio and the development of our collection and our exhibition activities.

The biggest transition for us during the year has been the change of our Executive Director. Lena Cirilo left us in January to take up a position with the Shire of Yarra Ranges. Under Lena's leadership we settled into our new building where she strengthened our administration and systems to enable us to manage our organisation efficiently and meet the accreditation and other requirements of our funding bodies. We are most grateful to her for her commitment and strong philosophy about the artists, their work and their place in the arts community.

We have been very pleased to welcome Brendan Lillywhite as our Transitional Executive Director. Brendan comes to us with a background in disability services, planning and management of community organisations and has a strong interest in the arts. Brendan has fitted into the organisation with ease, quickly getting to know us, managing the day-to-day issues and working with our funding bodies and other partners. Brendan has a strong vision of the opportunities for Arts Project Australia. I would particularly like to thank him for his understanding of the organisation, his energy and commitment to us and for the thinking he is putting into our future directions.

In considering our future, it was clear to us that it is time to focus on our collection, the gallery and the exhibitions program. There is opportunity for more work to be seen and promoted, to develop the Arts Project Australia collection and to build the exhibitions program and profile. A new Gallery Manager position has been created to review and develop these functions, working with the staff in these areas. We are also keen to look at our studio activities to ensure we are making the best use of the space and other resources in this area. This will continue to be an area of interest for the Board in the coming year.

Over the past year we were pleased to see the membership of Arts Project Australia grow stronger. Membership has risen to sixty four and many members are very active in the organisation. We were encouraged by the strong attendance at last year's Annual General Meeting and members, friends and relatives of artists came to a function to mark the beginning of the new year. As always, they are strong supporters at our exhibitions and openings. We appreciate this commitment very much. It was with great delight that John Mackay Northcote was awarded Life Membership of Arts Project Australia recognizing his outstanding contribution.

This year we were pleased to welcome several new members to the Board, Stuart Purves, Catherine Easton and Nektaria Kalpakidis. The Board continues to be a very active and robust forum. Members represent a range of experience and skills and bring a valuable contribution to working through some of the complex issues we face. My thanks to all the Board members for their commitment and contribution.

The Board continues to govern in accordance with Arts Project Australia's values and strategic objectives. Some key activities over the coming year will be to develop opportunities and programs for artists, promote the collection and exhibitions activities and strengthen other sources of income.

Our thanks to our funding bodies, the State Government through the Department of Human Services, North and West Metropolitan Region (DHS); the Northern Metropolitan Region of Adult Community and Further Education (ACFE); the Commonwealth Department of Families, Community Services and Indigenous Affairs (FaCSIA). Many of the people we work with in these government departments have taken a particular interest in Arts Project Australia. We appreciate this very much and hope that, in turn, they are enriched by experiencing the work of our artists.

We would also like to thank the organisations and individuals who have given us financial or professional support. The Industry Services Fund, The Community Heritage Grants Program which has supported the management of our collection, The J. T. Reid Charitable Trusts and The Dyson Bequest. Our partnership with State Trustees continued this year with the connected 07 exhibition at Federation Square. This exhibition brings the work of our artists and others to a public venue where it is seen by a wide audience.

In particular, we would also like to recognise the staff and volunteers. We appreciate their active commitment to the philosophy of Arts Project Australia and to working with the artists with thoughtfulness and strong standards of considering and presenting their work. The effect of this sensitivity and understanding is seen in the work, especially when it is exhibited.

Finally, and most importantly, thank you to the artists for their sense of focus, intense commitment and wonderful creativity.

Heather M. Scovell

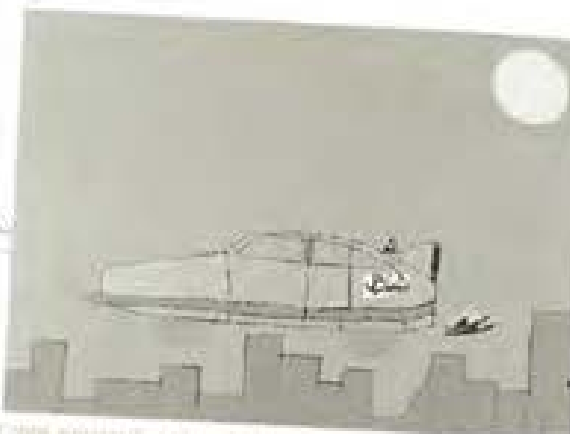
HEATHER SCOVELL
President

BARBARA VEHENRY ART TITLED FOSAM SITTING WITH EYES CLOSED / JOHN FOWAN / CHRIS STEWART IN THE STUDIO / TERRY WILLIAMS ART TITLED JOHN FOWAN / WOLFRID CLOZING PUTS THE FINISHING TOUCHES TO HIS WORK IN THE ARCHIVE ROOM





DOROTHY BERRY / CHOCOLATE LAND TWO COVER IANAL FOLEY UNIFIED BLACK RESISTANCE JET CAT JOHN DUBACHÉ, ACRYLIC, PENCIL & PEN



DIRECTOR'S REPORT

Since commencing at Arts Project Australia, people have heard me speak about the richness and diversity, depth and achievement that characterises who and what we are – all testament to the cumulative hard work, vision and endeavour of many people over the last 30 years.

The energy and commitment displayed by the artists, artswomen, operational staff and the Board at Arts Project Australia continues to be the core of our kindred spirit. These are the keepers of "the flame", as were the founding members and, contemporaneously, are those who are current members.

Whilst reflecting on the previous twelve months, significant milestones are readily identifiable, being strong statements of the tangible achievements both individually and collectively reached.

Achievement can be gauged across a range of indicators including the artists interest in regularly working in the studio, the quality and diversity of the works produced, the celebration and expression in the daily routine, culminating in group and individual exhibitions with the associated anticipation and recognition.

It is a privilege to be part of this dynamic. I continually witness the lack of ego expressed in the quiet pride of an opening night and the resultant recognition when work is sold to an appreciative audience. This is creative endeavour without guile or pretence.

Curators continue to demonstrate and articulate the sensitivity between artist and artswoman in a refreshing sense of continual flexibility, sensitivity and non-patronage.

In a world increasingly formulated, controlled and homogenised by those seeking membership and identity through conformity, at Arts Project Australia we experience unadulterated human spirit and interpretation portrayed honestly and with purity. By any one measure of achievement, we can just reflect on the amount of work sold this year which is a 50% increase from the previous year.

As part of this expanding recognition, we celebrate the collection: 'Pearls of Arts Project Australia - Stuart Purves Collection' which had its inaugural exhibition at the Penrith Regional Gallery & The Lewers Bequest at Emu Plains, New South Wales in May 2007. This inspiring body of 180 works is the result of nearly 10 years of collecting. It represents a consummate array of skill and expertise in what is arguably the most comprehensive cross section of work by Arts Project Australia artists in one collection in private hands.

Another active supporter is Peter Fay who continues to regularly visit from New South Wales and whose consistent and enthusiastic response and patronage is noted.

As Arts Project Australia artists continue to grow in recognition, other milestones occurred including Arts Project Australia being selected as the venue to launch the appointment of the first Disability Services Commissioner for Victoria, Mr Laurie Hackin, by the then Minister for Community Services, The Honourable Gavin Jennings.

The year has also been somewhat tumultuous, with many changes and challenges as Arts Project Australia continues to settle into an expanded capability and position for new directions. Lena Cirillo, Executive Director, moved on to a new role and other equally valued people have also left to explore new opportunities. We have also been extremely fortunate to recruit new artswomen with a breadth of talent.

The Board has recognised the importance of directing additional energy into making our collections more accessible with the creation of a new role of Gallery Manager. This new position covers both internal and external exhibitions and we look forward to an active touring program.

I wish to thank all that have devoted their time, energy and passion to the development of Arts Project Australia over the last year. This includes those that have generously volunteered their skills and expertise throughout the year.

The state government Department of Human Services; Adult, Community and Further Education; and the Commonwealth Department of Families, Community Services and Indigenous Affairs continue to support Arts

Project Australia through ongoing funding. Additional key supporters are the Sidney Myer Foundation and The Dyson Bequest.

Equally deserving of recognition are the artists, artswomen and "front and back of house" including gallery reception, archive, exhibitions and administration.

Finally, the Board members deserve mention for consistently volunteering their time, effort and overarching direction.

I remain in awe of the works that are produced and remain an unabashed advocate for the artists and their significant accomplishments.

We must collectively appreciate our achievements and continue to celebrate our move forward.

Brendan Lillywhite

BRENDAN LILLYWHITE
Transitional Executive Director

ETHEREAL STAGHTON LUNA PIER 2006 INK, PENCIL & COLAUCH



STEVEN WOMBELL AND STEVE WOMBELL FROM EXHIBITION NORTH - LAND OF THE BILLIAMS 2006 ACRYLIC ON CANVAS - COMMUNITY HERITAGE GALLERY WORKSHOP - THE NOBLE NOT THOUGH (SPY/STRAW) 2006 ACRYLIC





DOROTHY BERRY: ALANER JODG AND WAYNE HAINWELL / CHOCOLATE LAND ANIMATION CELLS / SIMONE TRESSIDOR: WITH HOWARD AND ALAN CONSTABLE



STUDIO MANAGER'S REPORT

This year has seen a flurry of activity in the studio. With over 140 artists working in any one week, the studio continues to run smoothly and the artists have developed some intriguing work.

Arts Project Australia artists, supported by other professional artists, undertake their committed role as contemporary arts practitioners. With the sound of an ABBA song or a collo concerto humming in the background, every day sees a canvas being stretched, a mound of pastel dust pile beneath an easel, or perhaps a ceramic glaze take on a new hue.

Out of such activities the artists have developed many captivating and progressive works which have found a home in the Arts Project Australia gallery as well as external exhibition and project spaces. These opportunities have been born out of the many visits to the studio by recognised curators and collectors as well as those generated internally.

As mentioned in previous reports, Stuart Purves finally realised his dream to complete and exhibit his extensive collection of Arts Project Australia artists' work.

Peter Fay, collector and curator, continues to make regular trips from interstate to visit the Arts Project Australia studio artists. Along with Peter's enthusiasm to

curate exhibitions with Arts Project Australia artists, he also commissioned Lisa Reid to paint a large scale portrait of himself. Ten months after its inception, Lisa's magnificent painting is well on its way. Peter would like to enter this work into the prestigious Archibald Painting Prize for Portraiture in 2008.

Lisa Reid was also successful being selected as a finalist to exhibit her coloured pencil work titled *Tristan* in the national 2006 *Jacaranda Acquisitive Drawing Award*. The award exhibition is touring Australia until early 2008.

After producing hundreds of grey lead line drawings and scanning them into the computer, Miles Howard-Wilks created a lyrical animation titled *Chocolate Land* which takes viewers on a journey through a wonderfully layered landscape made of chocolate. Curator Glenn Barkley keenly selected the animation and some pencil drawings for his exhibition titled *Otherworlds* at King Street Gallery on Burton in Sydney in June this year.

Other achievements for Arts Project Australia studio artists include Julian Martin and Miles Howard-Wilks' work being acquired for the progressive Ergas Collection and the studio being approached by a Sydney patron to submit for a large commission of the patron Saint Anthony of Padua.

As well as local visitors, the studio has had several visitors from overseas including Huib van den Wijngaard from Kunst & Vliegwerk - studio and gallery in Amsterdam, Suzanne Vesty from Spark Studios in New Zealand and Alex Wexler from New York. All were highly impressed with the setup of the studio, the artwork generated, and the philosophy under which the staff are employed and carry out their work.

There have been many valuable developments in the studio this year. Reflecting on a few, Alan Constable, who has an unquestionable work ethic, has had several breakthroughs with his creative processes. Recently Alan has taken up filmy gouache work on grit grounded papers, a significant shift from his impasto style acrylics. Chris O'Brien has added a new dimension to his sculptural practice by creating domestic dwellings. Dionne Canciano has been following her passion for the feline with numerous pastel works, with this medium allowing her to articulate the qualities of feline far more sensitively and seductively despite their sometimes fierce origins.

It would be impossible to support Arts Project Australia artists and generate the wider interests of Arts Project Australia without such committed and passionate artworkers. We have such a diverse and rich mix of abilities and technical skills represented which proudly complement the Studio activity.

The Animation program had an injection of new energy and expertise with Michelle Mills and Kate Riedel joining early in 2007, bringing their skills to move the program along with great enthusiasm. Cathy Blanchflower joined the studio as Artworker General in March. Cathy has an extensive exhibiting career, having recently returned from working in New York. James McDonald is also a new and valued addition to the Artworkers.

This year we have farewelled Adam Lee, Simone Sheehan, Shay Minster and Tonia Rowe, all who contributed greatly, and we wish them well in their new pursuits although they will be missed.

The volunteer program continues to be successful and has supported not only the studio but also the archives, exhibitions and administrative areas of Arts Project Australia. Many thanks to the volunteers and Rachel Gorman for her coordination.

As usual the year has been hectic and energetic with a lot of work created. The studio continues to be a vibrant space and we look forward to what the next year will produce.

MARIEKE DENCH
Acting Studio Manager

WAFER MARWELL / DOROTHY BERRY ART STYLED (BERRY: 2006 INK & ACRYLIC)





JOHN MACKAY NORTH AND CHERYL DAYE AT ARDENT GLEANINGS OPENING - JOHN BATES PHOTOGRAPHED 2006 ACQUISITION

ARTS PROJECT AUSTRALIA ANNUAL REPORT 2007

EXHIBITIONS REPORT

Over the past year, Arts Project Australia has been involved in a number of exciting and successful exhibitions at the Arts Project Australia gallery as well as high profile national and international venues. These exhibitions included paintings, drawings and ceramics, reflecting the depth and aesthetic richness of the work produced by studio artists. This year, a number of artists from Arts Project Australia have also been included in public exhibitions and awards alongside established contemporary artists. Exhibitions are developed and managed by the Exhibitions Committee, and we are grateful to David Hurston from the National Gallery of Victoria for his contribution on the committee.

This year, eight exhibitions were presented at the Arts Project Australia gallery, including a number of solo and group exhibitions. Strong audience numbers resulted in increased artwork sales. Further marketing initiatives are being developed to build on this public awareness.

A major exhibition this year was John Mackay North: Ardent Gleanings - a survey of significant works curated by Dr Cheryl Daye. This exhibition provided a stunning overview of this artist's career and was further enhanced by an informative floor talk by the curator. Alongside the exhibition, Arts Project Australia also published a monograph celebrating the work of John Mackay North. This publication is a great reference containing essays, full colour images and information about this important artist.

It was significant that Arts Project Australia was approached by Anne Loxley, Curator Penrith Regional Gallery & The Lewers Bequest, to participate in the exciting exhibition *Hours, Mine and Ours: 50 YEARS OF ABC TV*. This exhibition explored ideas about Australian culture, television and social history and notions of public broadcasting. The exhibition saw over 20 of Australia's leading contemporary artists use the 50 years of ABC TV broadcast archives as inspiration for the development of a new work. Through a collaborative process involving ABC archive researchers, the artists

used archival material including stills, publicity shots, documents, print material and film footage, as the basis of their work. Extensive work was undertaken by the artworkers in selecting visual resources and the result was a highly successful representation.

Arts Project Australia also exhibited at Melbourne Art Fair 2006, the premier fair and public exposition of contemporary visual art in the Asia Pacific region. Arts Project Australia presented a selection of new works produced by artists attending the studio program. These contemporary artworks included a variety of media and were viewed by thousands of national and international visitors. Participation in exhibitions such as these allows Arts Project Australia to engage a wide and diverse audience.

Building on the achievement of last year, *connected07* was again held at Federation Square. The partnership of Arts Project Australia and State Trustees continues to be extremely successful and we are grateful for the support and participation of the many other organisations that contributed to this inspiring exhibition of contemporary artworks. In particular, Art Unlimited, Learn for Yourself, Northern Support Service, Madrasca ATSS, Oakleigh Centre, Salvation Army Anchorage and the Stables Art Studio.

Arts Project Australia also operates an artwork leasing program that leases artworks to corporate, private and public agencies.

The exhibition calendar for the next year promises to be just as exciting with a number of strong exhibitions and events planned. We look forward to further engaging our audience in all Arts Project Australia activities.

JOHN MACKAY NORTH



ARTS PROJECT AUSTRALIA EXHIBITIONS

JOHN MACKAY NORTH: ARDENT GLEANINGS 17 JUNE - 2 SEPTEMBER 2006

John North is one of the core group of artists who have worked at Arts Project Australia for over fifteen years. This exhibition consisted of eighty works on paper exploring a number of identified themes which John North has explored during his career. A curator's floor talk was presented during the exhibition. Ardent Gleanings was Arts Project Australia's first comprehensive survey of an individual artist and was accompanied by the launch of a 52 page full colour monograph of the same title. It is envisaged this project will serve as a model upon which an extended program of similar surveys of other seminal APA artists might be developed. Curated by Dr Cheryl Daye.

Artist: John Mackay North.

MIRANDA MARR 9 SEPTEMBER - 14 OCTOBER 2006

Artists represented in this exhibition all developed, over a long period of time, very distinctive styles that relate to their own sense of mark making. These often include symbols, images or intricate patterns that are of great importance to the artist. Curated by Rachael Gorman.

Artists: Robert Brown, John Button, Antonella Calvano, Chris Jackson, Donald Muir, Kelle Seedman and Georgia Somerling.

PRIVATE AND CONFIDENTIAL 19 OCTOBER - 25 NOVEMBER 2006

This exhibition presented the work of 13 artists each of whom were selected by individual staff members who responded to the artists' process, narrative and formal qualities. Explanatory texts provided a rationalisation as to why the artwork had been chosen. There was an element of secrecy in this process as the outcome was considered 'private and confidential'. Curated by Megan McEvoy and Arts Project Australia staff.

Artists: Mark Adams, John Bates, John Mackay North, Thomas Blake, Alan Liebe, Rebecca Scibilia, Alec Brimage, Mark Adams, Kathryn Sharrock, Miles Howard-Wilks, Alan Constable, Dawn Edward and Catherine Staughton.

IN EVERYBODY'S COMPANY 9 - 15 DECEMBER 2006

It has been a long-standing tradition at the end of each year to exhibit the work of artists who participate in the studio program at Arts Project Australia. In *Everybody's Company* acknowledged the achievements of 126 artists in an impressive 'salon style' installation which headed the festive season and concluded the year's program.

Artists: Mark Adams, Maryanne Agius, Elizabeth Ah Mouy.

Steven Ajzenberg, Gina Aloisi, Alvaro Alvarez, Michael Amond, Fuli Andrianopolou, Samantha Ashdown, Henry Baker, Barbara Ball, Andrew Barbour, Geoffrey Barnett, John Bates, Des Beavis, Peter Ben, Dorothy Berry, Thomas Blake, Alec Brimage, Robert Brown, Michael Bugaja, Monica Burns, John Button, Giuseppe Calcagno, Antonella Calvano, Diane Candiano, Nicholas Capaldo, Maria Cappelli, Riccardo Cardinale, Kieran Carroll, Debbie Chipperton, Marco Clarco, Valerio Ciccone, Dianne Cika, Claude Codomo, Alan Constable, Leo Cussen, Martha-Jane De La Forte, Jonathan Dickinson, Alana Dodd, Dawn Edward, Scott Ferguson, Sandra Fielding, Jack Foley, Martin Forster, Irma Gabrielle, Nick Goudis, Joan Gowers, Tim Hangan, Brigit Harzahan, Valerie Hawkes, Kelvin Hoffmann, Paul Hocking, Paul Hodges, Ruth Howard, Miles Howard-Wilks, Richard Hung, Verutza Iaconis, Matthew Ireland, Elizabeth Ivoroff, Chris Jackson, Bethany James, Honora Kearney, Michael Keen, Brendan King, Sally Kirchoer-Johnston, Mark Knox, Andrew Kocuba, Penny Kilkis, Monica Lazzari, Alan Liebe, Fiona Longhurst, Anne Lynch, Julia Manning, Wayne Marnell, Julian Martin, Chris Mason, Kaye McDonald, Miranda Milane, Bernard Miller, David Moscop, Donald Muir, William Neville, Jodie Noble, Cameron Noble, Timothy Noble, John Mackay North, Christopher O'Brien, Warren O'Brien, Peter O'Meara, Vicki Peldousis, Michael Paul, Steven Penette, Robin Ploeman, Helen Reddan, Chris Reid, Lisa Reid, Terry Roadley, Alan Robertson, Anthony Romagnano, Rebecca Scibilia, Kelle Seedman, Kathryn Sharrock, Laura Sheehan, Mark Smith, Bradley Spencer, Catherine Staughton, Malcolm Sturrock, Georgia Somerling, Chevie-Lee Thomas, Michael Tassanacos, Ian Towavas, Philip Truett, Barbara Vickers, Robert Vickers, Malcolm Vincent, Shirley Wake, Ida Wams, Peter Weatherley, Martin White, Terence Williams, Timothy Williams, Kelly Williams, Jack Wilson, Steven Worrell and Stewart Wylie.

TO THE END OF THE EARTH: WORKS BY TERRY WILLIAMS 23 JANUARY - 3 MARCH 2007

Man and the planet Earth were dominant themes of this exhibition which also referenced alien existence, cannibalism and lunar landscapes. Fittingly, the concerns addressed by Williams' work relate to the current issues confronting the world and the future possibilities for our planet. Curated by Moira McKenna.

Artist: Terry Williams.

SAD BOYS AND SUPER HEROES 15 MARCH - 15 APRIL 2007

This exhibition brought together a small group of artists whose work draws upon aspects of popular culture to explore themes of 'good versus evil'. The perception of the superhero was interrogated through the exhibition referencing those idolized as upholding justice and the villains, outlawed or perceived as monsters. Curated by Adam Lee.

Artists: Leo Cussen, Kelvin Hoffmann, Tim Noble and Timothy Williams.

TERRY WILLIAMS NOT TILED (EXHIBITION WHISPER) POSTER FOR GARDEN - STUART PURVIS AT HEARTS OF APRIL DREAMING



a lucid moment

19 April - 26 May 2007

OBJECT AUST

JAMES DIBBLE

A.B.C. NEWS

A LUCID MOMENT: JULIAN MARTIN NOT TITLED (TWO SIDES) 2007, PASTEL / LISA REID JAMES DIBBLE ABC NEWSREADER 2006, GOUACHE

ARTS PROJECT AUSTRALIA ANNUAL REPORT 2007

A LUCID MOMENT

19 APRIL - 26 MAY 2007

Works selected for this exhibition conveyed a heartfelt approach to subject matter, from tender to mischievous. They appeared as both delicate and assured, reflecting the direct manner of the artistic process. Curated by Monica Synette.

Artists: Dorothy Berry, Alanna Dodd, Dawn Edward, Brigid Hanrahan, Robyn Kirkpatrick, Kaye MacDonald and Barbara Veheary.

LET'S GET LOWT

31 MAY - 14 JULY 2007

This exhibition was a sublime journey into abstraction by nine artists from the Arts Project Australia studio. Paintings and drawings possessed with a rich and vital energy. Whilst some artworks were derived from perceptions of the "real" environment, others were purely intuitive responses. They all transcend, however, into new realms, infused with energetic color, line and form. Curated by Jo Mott.

Artists: Full Full Andrianopolou, Bill Neville, Rebecca Scibilia, Michael Costello, Mark Knox, Andrew Barbour, Warren O'Brien, Julian Martin and Bethany James.

METROPOLITAN AND NATIONAL EXHIBITIONS

MELBOURNE ART FAIR 2006

2 - 8 AUGUST 2006

Royal Exhibition Building, Carlton

The Melbourne Art Fair is the premier fair and public exposition of contemporary visual art in the Asia Pacific region. Arts Project Australia was one of 80 participating national and international galleries and showcased recent paintings, drawings and ceramics by studio artists.

Artists: Maryanne Agius, Steven Ajzenberg, Alvaro Alvarez, Full Full Andrianopolou, Samantha Ashdown, John Bates, Dorothy Berry, Dione Canzano, Valerio Ciccone, Alan Constable, Leo Cussen, Jack Foley, Kelvin Heffernan, Paul Hodges, Anne Lynch, Wayne Marnell, Julian Martin, Chris Mason, Miranda Millane, Cameron Noble, Jodie Noble, Timothy Noble, John Mackay North, Chris O'Brien, Robin Plowman, Lisa Reid, Anthony Romagnano, Kellie Seedman, Catherine Staughton, Barbara Veheary, Terry Williams, Timothy Williams and Steven Worrell.

BOOKISH

30 SEPTEMBER - 22 OCTOBER 2006

Australian Galleries, Works on Paper, Melbourne

This exhibition of artists' book works included a number of emerging and established artists, including John Mackay North and Steven Worrell from Arts Project Australia.

Artists: John Mackay North and Steven Worrell.

YOURS MINE AND OURS: 50 YEARS OF ABC TV

25 NOVEMBER 2006 - 29 JANUARY 2007

Perth Regional Gallery & The Levens Bequest
Perth, NSW

This exhibition explored ideas about Australian culture, television and social history of public broadcasting. Over 20 of Australia's leading contemporary artists used the 50 years of ABC TV broadcast archives as inspiration for the development of a new work. The ABC also documented footage of the artists developing their work and this was later screened on TV. Over 57 works were chosen from Arts Project Australia and, adding to this success, Lisa Reid's work was selected as the invitation image. Artists represented at the Perth Regional Gallery & The Levens Bequest included: Arts Project Australia, Robyn Backen, Destiny Deacon and Virginia Fraser, Christopher Dean, Melinda Harper, Noel McKenna, Raquel Ornela, Luke Parker, Tony Schwenen, John Spierl, Warburton Arts Project and Victoria Hartbut.

Artists: Maryanne Agius, Samantha Ashdown, Dorothy Berry, Valerio Ciccone, Alan Constable, Leo Cussen, Brigid Hanrahan, Kelvin Heffernan, Jodie Noble Lisa Reid, Anthony Romagnano, Catherine Staughton and Steven Worrell.

CONNECTED 07: 9 - 24 JUNE 2007

The Atrium, Federation Square

Now in its fifth year, this annual event is developed and presented by Arts Project Australia in partnership with State Trustees. It was also the second year Connected was located at Federation Square, ensuring continued exposure to a broad audience. The fifty six artists participating in this year's exhibition represented individual studios and artists from Art Unlimited, Learn for Yourself, Northern Support Services, Nadrasca ATSS, Oakleigh Centre, Salvation Army Anchorage, the Stables Art Studio and Arts Project Australia.

Artists: Maryanne Agius, Steven Ajzenberg, Alvaro Alvarez, Antonia Antonios, Samantha Ashdown, Barbara Ball, John Bates, Peter Ben, Dorothy Berry, Denis Bosnjak, Alec Brimage, Robert Brown, Antonella Calvano, Dione Canzano, Valerio Ciccone, Alan Constable, Leo Cussen, Dylan Davis, Christian Den Besten, John Ebeling, Jack Foley, Graeme Doyle, David Gillham, Nick Goudie, Martin Green, Kelvin Heffernan, Elroy Hendricks, Paul Hodges, Miles Howard-Wilks, Chris Jackson, Linda Kaiser, Marcus Kent, Alan Lolbe, Anne Lynch, Julia Manning, Wayne Marnell, Julian Martin, Chris Mason, Laurie Milne, Donald Muir, Cameron Noble, Jodie Noble, John Mackay North, Chris O'Brien, June Patterson, Lisa Reid, Anthony Romagnano, Laura Sheehan, Catherine Staughton, Susan Stirling, Malcolm Starock, Georgia Smerling, Sophie Williams, Terry Williams, Timothy Williams and Steven Worrell.

PERSPECTIVES: 23 & 24 JUNE 2007

Studio 2, Northcote Town Hall

Opened by Stuart Purves AM, 22 June 2007

Forming part of the regular Northern Exposure festival of visual arts, centred around the Northcote Town Hall and the High Street gallery precinct, Perspectives presented eleven artworks of significant scale curated to elicit audience response. Curated by Clinton Greenwood.

Artists: John Bates, Dorothy Berry, John Button, Alan Constable, Miles Howard-Wilks, Julian Martin, Chris Mason and Catherine Staughton.

AUTISM VICTORIA: 16 MAY 2007

A display of visual art forming part of Autism Victoria's annual conference

Artists: Chris Mason and Miles Howard-Wilks.

INTERNATIONAL EXHIBITIONS:

AUSTRALIAN OUTSIDERS

15 JULY - 2 SEPTEMBER 2006

Jack Fischer Gallery

San Francisco, California, USA

Artists in this international exhibition included Leo Cussen, Julian Martin, Lisa Reid and Timothy Williams. This was the

PEARLS OF ARTS PROJECT AUSTRALIA: STUART PURVES COLLECTION

19 MAY - 24 JUNE 2007

Inaugural exhibition, Perth Regional Gallery & The Levens Bequest

Australian Galleries National Director, Stuart Purves has collected work from Arts Project Australia for many years. This exhibition testified to the prowess of these remarkable artists. The extensive collection of work from 43 Arts Project Australia artists was accompanied by a 68 page full colour catalogue.

Artists: Steven Ajzenberg, Alvaro Alvarez, Samantha Ashdown, John Bates, Dos Beavis, Peter Ben, Dorothy Berry, Antonella Calvano, Dione Canzano, Nick Capaldi, Kieren Carroll, Valerio Ciccone, Alan Constable, Leo Cussen, Joyce De Jong, Dawn Edward, Scott Ferguson, Patricia Goobie, Brigid Hanrahan, Kelvin Heffernan, Paul Hodges, Miles Howard-Wilks, Anne Lynch, Wayne Marnell, Julian Martin, Chris Mason, Belinda Medington, Sarah Miles, Bruce Morrison, Cameron Noble, Jodie Noble, Tim Noble, John North, Chris O'Brien, Robin Plowman, Lisa Reid, Anthony Romagnano, Catherine Staughton, Georgia Smerling, Malcolm Vincent, Terry Williams, Timothy Williams and Steven Worrell.

OTHERWORLDS: 28 MAY - 23 JUNE 2007

King Street Gallery on Burton, Sydney

An exhibition of eight artists including an animation by Miles Howard-Wilks titled Chocolate Land and related works on paper. Curated by Glenn Barclay.

Artist: Miles Howard-Wilks.

PETER FAY PRESENTS: 14 - 30 JUNE 2007

Gallery 9, Sydney

The aeroplane, moulded in clay and rendered in pastel, was the theme by which Arts Project Australia's representation in this exhibition was curated. Curated by Peter Fay.

Artists: Alan Constable and Leo Cussen.

First time these artists had exhibited together in San Francisco in what was an exciting event.

Artists: Leo Cussen, Julian Martin, Lisa Reid and Timothy Williams.

CHRIS JACKSON NOT TITLED (TWO SIDES) 2006 ACRYLIC ON CANVAS /
KEVIN HEFFERNAN NOT TITLED (TWO SIDES) 2006 ACRYLIC & TEXT



TIM WILLIAMS NOT TITLED (TWO SIDES) 2005 PENCIL & PEN / ARTS PROJECT STAND AT MELBOURNE ART FAIR 06



IRISH MUSEUM OF MODERN ART ENTRANCE / MINISTER ROD KEMP AND MONICA SYRETTE WITH ARTS PROJECT AUSTRALIA / TERRY WILLIAMS' NOT TITLED (FIGURE) 2006 CANVAS, COTTON THREAD & PEN

COLLECTIONS REPORT

The Arts Project Australia Permanent Collection provides access to selected artworks and heritage items for exhibition and aims to become an education and research resource. It is divided into three main categories.

The Arts Project Australia Art Collection, supported by The Dyson Bequest, is an exciting collection providing for the documentation, preservation and conservation of a representative cross-section of work produced in the studio.

The Arts Project Australia Historical Collection includes correspondence, documents, photographs, video, audiotapes, ephemera and publications pertaining to the history of Arts Project Australia.

The Sidney Myer Fund Permanent Collection comprises over four hundred drawings and paintings which formed the basis of two early landmark exhibitions organised by Arts Project Australia. The collection is named in recognition of the support given by the Sidney Myer Fund towards the documentation and conservation of the works from these exhibitions.

The Arts Project Australia Archive again had a very busy year. Many collectors and casual visitors made appointments to view artists' folios after seeing work in exhibitions both at Arts Project Australia and external galleries. The significance of the Permanent Collection was also recognised in the form of a Community Heritage Grant and with support for the Oral History Project. Arts Project Australia's connections to international collections and dealers were expanded when Archivist Monica Syrette travelled to Ireland and London.

In June 2006, Arts Project Australia applied for a Community Heritage Grant to run a Caring for Collections workshop. The workshop will provide Arts Project Australia staff with a solid grounding in the principles of collection care. The Community Heritage

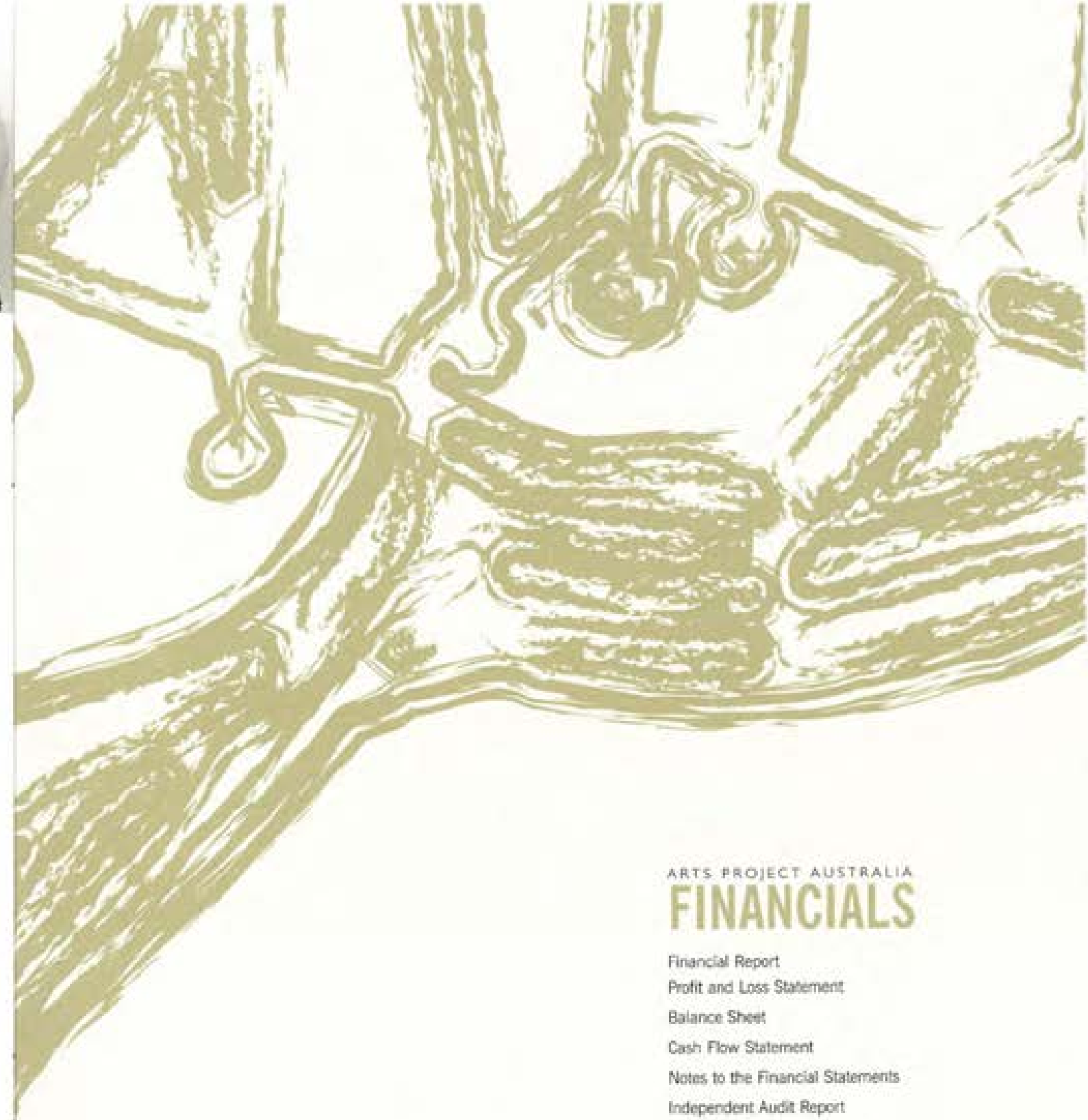
Grants Program aims to preserve and provide access to locally held nationally significant cultural heritage collections across Australia.

As part of the grant, Monica Syrette attended an intensive preservation and collection management training workshop at the National Library of Australia, the National Archives, the National Museum of Australia and the National Film and Sound Archive in Canberra. The grant was awarded to recipients by the Federal Minister for the Arts and Sport, Senator the Hon. Rod Kemp.

Arts Project Australia's history lies not just in the artwork produced or the historical documents but in the memories of its staff and artists. This heritage includes the ideas, philosophies and recollections of key people who have had a long-standing and significant relationship with the Arts Project Australia studio. In early 2007, Monica Syrette and Camilla Bell created a proposal for an Oral History project that would capture this intangible heritage. This exciting project is currently being developed and will commence in late 2007.

In April 2007, Monica Syrette travelled to the UK and Europe where she met with Eimear Martin, Fellow in Outsider Art at the Irish Museum of Modern Art (IMMA) and Henry Boxer, collector and dealer of Outsider and Visionary Art in London. Eimear Martin is the curator of the Musgrave Kiriley Outsider Art Collection whilst Henry Boxer has been dealing in Outsider and Visionary Art for years. Upon her return, Monica presented a talk to the staff and Board focusing on the continuing international debate surrounding the label Outsider Art and the important contributions Arts Project Australia can make to this debate.

These ongoing archival projects will ensure the preservation and development of Arts Project Australia's Permanent Collection.



ARTS PROJECT AUSTRALIA FINANCIALS

Financial Report
Profit and Loss Statement
Balance Sheet
Cash Flow Statement
Notes to the Financial Statements
Independent Audit Report



FINANCIAL REPORT

The year ended 30 June 2007 was a successful year for APA, primarily because the mortgage was repaid. We now look forward to many fruitful years in our custom-designed premises.

The financial statements following outline in detail the income, expenditure, cash flows and financial position of the association during the past two years.

REVENUE ANALYSIS

Total revenue increased 35% over the previous year. Continuing support from both Federal and State governments resulted in a small increase in recurrent grants. A special payment from the Victorian Department of Human Services to assist in repaying the mortgage was most appreciated. Increased attendances at both external and internal art exhibitions produced sales growth of 54%. A reduction in sponsorship during the year was evaluated and resulted in a decision to appoint a Gallery Manager. This action is planned to ensure future growth in sponsorship.

EXPENSE ANALYSIS

A 13% increase in total expenses was incurred primarily to improve the Studio facilities and staffing levels. Arts Project Australia is justly proud of its facilities and particularly the people who deliver the programs in these facilities. In addition to providing the programs, the cost of marketing and selling the resulting art continues to increase. Containing these costs is very necessary as our failure to do so would result in increased fees, which we are loath to do.

CASH FLOWS

Despite the strong profit, there was a net decrease in cash holdings of \$125,000. This was primarily due to the repayment of the bank loan of \$203,000. Importantly, operational cash flows were positive, and these are the underlying cash flows from our normal operations. This gives us confidence when projecting future cash flows.

BALANCE SHEET

The net worth of the Association now exceeds \$1.52 million, an increase of \$0.26 million. The strong balance sheet confirms that the longer-term strategy is trending as anticipated.

FUTURE

Since the financial year-end, the association has operated in line with its plan and there have been no significant changes in the association's state of affairs. An independent review of administration functions and IT requirements is currently in progress to ensure our future efficiency and capacity to meet the requirements of all our stakeholders.

In conclusion, I would like to thank the management and staff for their support, enthusiasm and focus over the past year.



PATRICK O'CONNOR
Treasurer

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
INCOME		
Grants Received		
Department of Human Services	618,291.98	406,226.02
Department of Families, Community Services & Indigenous Affairs	176,838.00	125,758.00
Council of Adult, Community & Further Education	34314.00	31,296.70
Total Grants	829,443.98	563,280.72
Exhibition/Artwork Sales	138,486.18	90,031.48
Studio Fees	57,866.25	59,083.40
Sponsorships/Philanthropic	45,604.75	81,180.15
Membership Fees	1450.15	1,036.46
Interest received	7,970.24	6,830.43
Profit on sale of assets	(1,922.00)	
Total income	1,080,821.55	799,520.64
EXPENSES		
Administration Expenses	39,019.33	22,862.24
Depreciation	24,499.00	28,977.00
Building & Equipment	50,974.48	61,352.11
Marketing & Public Relations	36,709.74	20,505.08
Postage & Telecommunications	13,996.55	15,412.46
Programs	132,584.28	82,046.29
Employment Expenses	524,105.35	477,253.32
Finance & Interest	552.88	16,885.48
Total Expenses	822,441.61	725,293.98
Profit from ordinary activities before income tax	258,379.94	74,226.66
Income tax revenue relating to ordinary activities		
Net profit attributable to the association	258,379.94	74,226.66
Total changes in equity of the association	258,379.94	74,226.66
Opening retained profits	1,263,961.35	1,189,734.69
Net profit attributable to the association	258,379.94	74,226.66
Closing retained profits	1,522,341.29	1,263,961.35

BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2007

		2007 \$	2006 \$
CURRENT ASSETS			
Cash Assets	(Note 5)	412,715.14	538,191.85
Trade Debtors	(Note 6)	9,012.64	6,666.00
Prepayments	(Note 7)	0	0
Total Current Assets		421,727.78	544,857.85
NON-CURRENT ASSETS			
Property, Plant and Equipment	(Note 8)	1,510,794.09	1,534,807.64
Total Non-Current Assets		1,510,794.09	1,534,807.64
Total Assets		1,932,521.87	2,079,665.49
CURRENT LIABILITIES			
Payables	(Note 9)	82,156.45	58,714.32
Current Tax Liabilities	(Note 10)	16,273.00	28,985.00
Current Provisions	(Note 11)	35,900.52	41,517.24
Other Current Liabilities	(Note 12)	106,850.61	233,956.36
Total Current Liabilities		241,180.58	363,172.92
NON-CURRENT LIABILITIES			
Interest-Bearing Liabilities	(Note 13)	169,000.00	452,531.22
Total Non-Current Liabilities		169,000.00	452,531.22
Total Liabilities		410,180.58	815,704.14
Net Assets		1,522,341.29	1,263,961.35
MEMBERS' FUNDS			
Reserves			
Accumulated surplus (deficit)	(Note 14)	1,522,341.29	1,263,961.35
Total Members' Funds		1,522,341.29	1,263,961.35

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Cash Receipts from Operations	1,070,504.67	793,575.75
Interest Received	7,970.24	6,830.43
Memberships	1,450.15	1,036.46
Cash Payments to suppliers and employees	(999,934.95)	(529,887.80)
Net Cash provided by (used in) operating activities	8,539.96	271,554.84
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	0	(1,922.00)
Purchase of property, plant and equipment	(485.45)	(36,280.57)
Net Cash provided by (used in) Investing Activities	(485.45)	(38,202.57)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of borrowing	(203,531.22)	(22,165.96)
Net Cash provided by (used in) Financing Activities	(203,531.22)	(22,165.96)
Net increase (decrease) in cash held	(125,476.71)	211,186.31
Cash at beginning of the financial year	538,191.85	327,005.54
Cash at the end of the financial year	412,715.14	538,191.85

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act (Vic). The committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) and the following Australian Accounting Standards:

AASB 112:	Income Taxes
AASB 1031:	Materiality
AASB 110:	Events Occurring After Reporting Date
AASB 117:	Leases

No other applicable Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically 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:

(a) Income tax

The association is exempt from income tax.

(b) Fixed Assets

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Fixtures and Fittings and Floor Covering have been reallocated to Plant & Equipment.

Land and building are to be independently revalued every 3 years. A commercial valuation was received during the 2005/06 financial year.

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the lease property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

Lease incentives under operating leases are recognized as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (cont.)

NOTE 2: REVENUE

Operating Activities:		
Grants/Memberships	1,059,851.31	770,290.21
Interest revenue	7,970.24	6,830.43
Other operating revenue:		
- Sponsorships	13,000.00	22,400.00
	1,080,821.55	799,520.64

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as Expense:		
Borrowing costs	552.88	16,885.48
Non-cash items:		
- Depreciation	24,499.00	28,977.00
- Provisions	2,460.20	18,725.00
- Profit/Loss on sale of property, plant & equipment	0	1,922.00
Total non-cash expenses	27,512.08	49,624.00

NOTE 4: CASH FLOW INFORMATION

Operating Profit after Tax	258,379.94	74,226.66
Cash Flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	24,499.00	28,977.00
Loss on sale of property, plant & equipment	0	1,922.00
Changes in assets and liabilities:		
(Increase)/Decrease in trade debtors	(2,346.64)	23,790.00
Increase/(Decrease) in trade creditors and other payables	23,442.13	525.46
Increase/(Decrease) in provisions	(18,382.72)	31,765.36
Increase/(Decrease) in grants	(207,105.75)	110,203.36
Net Cash provided by (used in) operating activities	78,539.96	271,554.84

NOTE 5: BANK ACCOUNTS

Bank accounts:		
- CBA Cheque A/C 3138.1008.4602	158,975.86	419,414.11
- CBA Cash Management Trust	245,601.19	118,447.74
- Gifts A/C	7,808.09	0
Other cash items:		
- Petty Cash	330.00	330.00
	412,715.14	538,191.85

NOTE 6: RECEIVABLES

Trade Debtors	9012.64	6,666.00
---------------	---------	----------

NOTE 7: OTHER CURRENT ASSETS

Prepayments	0.00	0.00
-------------	------	------

Arts Project Australia Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007 (cont.)

NOTE 8: PROPERTY, PLANT & EQUIPMENT

Freehold Land & Buildings	(at cost)	1,408,140.94	1,408,140.94
24 High Street - Plant & Equipment		125,444.58	124,959.13
Workshop Equipment	(at cost)	56,793.07	56,793.07
Office Equipment	(at cost)	51,215.50	51,215.50
Accumulated Depreciation W/Shop		(45,121.00)	(41,681.00)
Accumulated Depreciation O/Equip		(29,057.00)	(20,456.00)
Accumulated Depreciation P&E		(57,498.00)	(45,295.00)
Motor Vehicles	(at cost)	32,795.00	32,975.00
Accumulated Depreciation		(32,099.00)	(31,844.00)
Total Non-Current Assets		1,510,794.09	1,534,807.64

NOTE 9: PAYABLES

Unsecured:			
Trade Creditors		6,612.86	3,239.74
PAYG Payable		5,476.00	4,692.00
Superannuation Payable		2950.66	3,116.85
Other Creditors		67,116.93	47,665.73
		82,156.45	58,714.32

NOTE 10: CURRENT TAX LIABILITIES

GST Clearing		16,273.00	28,985.00
--------------	--	-----------	-----------

NOTE 11: PROVISIONS

Provision for Annual Leave		14,641.85	22,385.62
Provision for Long Service Leave		12,258.67	10,131.62
Other Provision		9,000.00	9,000.00
		35,900.52	41,517.24

NOTE 12: OTHER CURRENT LIABILITIES

Unexpended Grants		106,850.61	233,956.36
-------------------	--	------------	------------

NOTE 13: INTEREST-BEARING LIABILITIES

Unsecured:			
Community Support Fund		169,000.00	249,000.00
CBA Loan		0	203,531.22
		169,000.00	452,531.22

NOTE 14: MEMBER'S FUNDS

Opening Balance		1,263,961.35	1,189,734.69
Surplus (Deficit) for the year		258,379.94	74,226.66
Closing Balance		1,522,341.29	1,263,961.35

Arts Project Australia Inc

STATEMENT BY BOARD OF MANAGEMENT

The Board of Management 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 Board of Management, the financial report as set out on the previous pages,

1. Presents a true and fair view of the financial position of Arts Project Australia Inc as at 30 June 2007 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Arts Project Australia Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Management and is signed on behalf of the Board of Management by:

Heather M. Scovell

HEATHER SCOVELL
President

P. J. O'Connor

PATRICK O'CONNOR
Treasurer

Arts Project Australia Inc

INDEPENDENT AUDIT REPORT

SCOPE

We have audited the financial report, being a special purpose report, of Arts Project Australia Inc for the year ended 30 June 2007 as set out in the previous pages. The Board of Management is responsible for the financial report and has determined that the accounting policies used in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Incorporation Act (Vic) 1981 and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of Arts Project Australia Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Associations Incorporations Act (Vic). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures include examination, on a test basis, of evidence supporting the amounts and disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operation and its cash flows. These policies do not require the application of all Accounting Standards and other professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of Arts Project Australia Inc presents a true and fair view of the financial position of Arts Project Australia Inc as at 30 June 2007 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

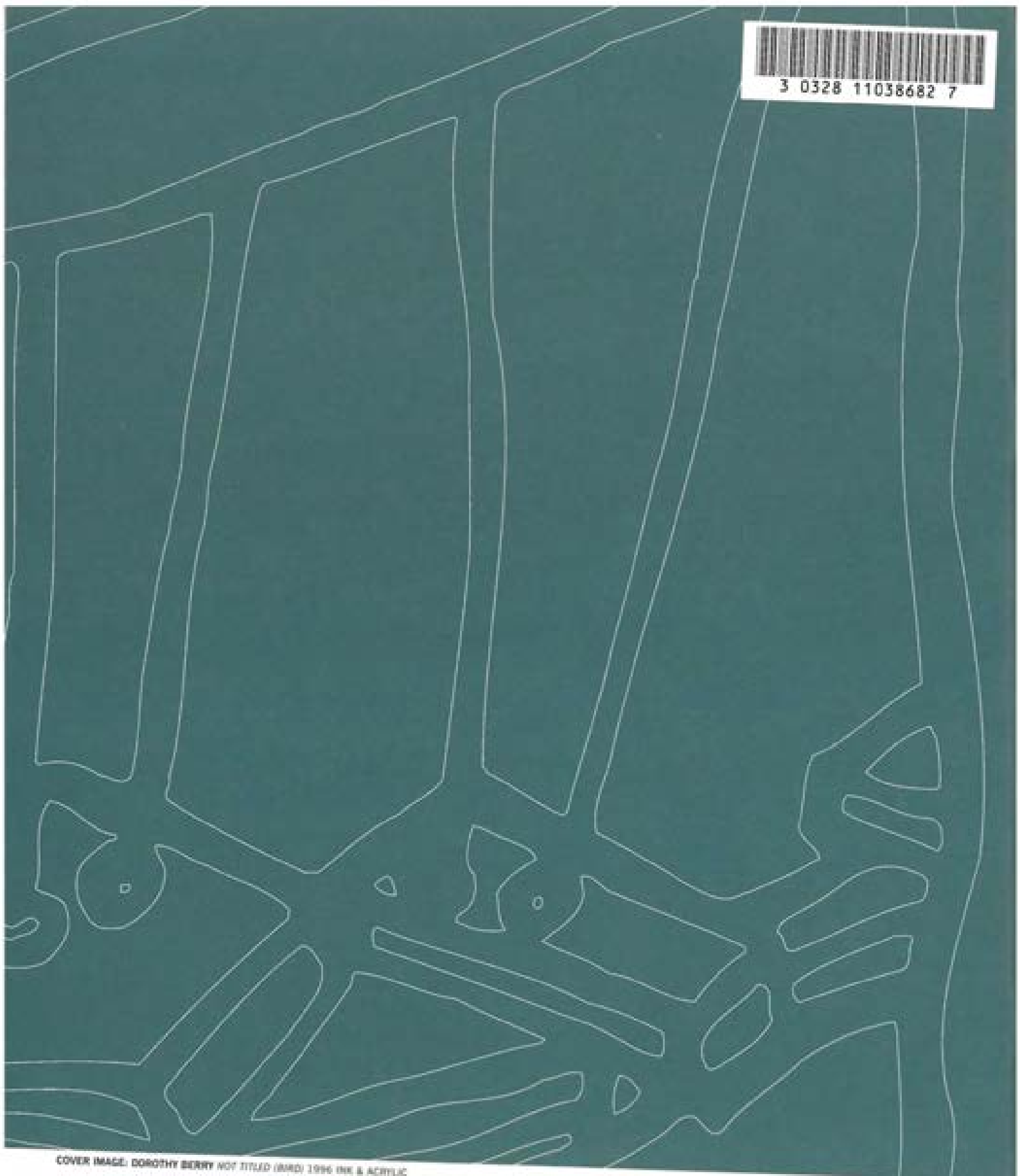


JAMES E. SABBAGE
Babbage & Co





3 0328 11038682 7



COVER IMAGE: DOROTHY BERRY *BIRD* (1996) INK & ACRYLIC

ARTS PROJECT AUSTRALIA



24 HIGH STREET NORTHCOTE VICTORIA 3070 AUSTRALIA
TELEPHONE: +61 3 9482 4484 FACSIMILE: +61 3 9482 1852
info@artsproject.org.au www.artsproject.org.au
ARTS PROJECT IS AN INCORPORATED ASSOCIATION AND RECOGNISED CHARITY