

3 March 2020

The President
Craft ACT: Craft and Design Centre Incorporated
PO Box 992
Civic Square, ACT 2608

Dear Sir/Madam,

Re: Craft ACT: Craft and Design Centre Incorporated

We have completed our audit for the above in respect of the year ended 31 December 2019 and enclose the following:

- Representation letter
- Management letter with our detailed findings for the year under review
- Independence letter outlining to the governing body that we have been independent of the entity
- 2019 Financial Report
- Re-appointment letter
- Invoice for services rendered

Please arrange for the committee/board to sign the representation letter and financial report where marked and return a copy to us for signature by the auditor. We will then return a fully signed copy of the financial report for your records.

We would like to take this opportunity to thank you for the assistance offered to us during the course of our audit. Should you require any further information on the above matters please do not hesitate to contact our office.

Yours faithfully,

Vincents Audit Pty Ltd
Authorised Audit Company



Phillip W Miller CA
Director

canberra. adelaide. brisbane. gold coast. melbourne. sydney. sunshine coast.

Level 2, 14 Moore Street, Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499
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Craft ACT Craft and Design Centre Incorporated

Management Letter
31st December 2019

 .VINCENTS

Contents

Craft ACT Craft and Design Centre Incorporated 1
Cover letter 3
Observations 4
1. Operating result for the year 4

2 March 2020

The President
Craft ACT Craft and Design Centre Incorporated
1st Floor North Building ACT Government Complex
London Circuit
Civic Square ACT 2608

Dear Sir / Madam,

We have completed the audit of Craft ACT Craft and Design Centre Incorporated for the year ended 30 September 2019.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours faithfully,



Phillip Miller
Director
Vincents Assurance and Risk Advisory

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1. Operating result for the year

The company achieved an overall operating surplus for the year totalling \$74,659, as compared to a total operating surplus for the 2018 year of \$81,723. The current year result represents an overall result decrease of \$7,064.

Total income for the year of \$908,764 represented a 12.5% increase as compared to the 2018 year of \$807,285.

Total expenditure for the year of \$934,105 represented a 5% increase as compared to the 2018 year total of \$889,008,

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements of the association, and may therefore not bring to light all the errors or weaknesses that may exist in terms of internal controls, procedures and systems. It is the committee's responsibility to maintain an adequate system of internal control as the principle safeguard against irregularities which an audit examination may not disclose.

We would like to thank you and your staff for your assistance and co-operation while conducting our work.

Should you require any further assistance, please do not hesitate to contact our office.

Yours faithfully,



Phillip Miller
Director
Vincent's Assurance and Risk Advisory

 VINCENTS

3 March 2020

The Chairperson/President
Craft ACT: Craft and Design Centre Incorporated
PO Box 992
Civic Square, ACT 2608

Dear Sir/Madam,

Independence Discussions

We confirm that during the audit of the financial report of Craft ACT: Craft and Design Centre Incorporated for the year ended 31 December 2019, we have maintained our independence in accordance with the requirements of Professional Statement APES 110.

In the spirit of this confirmation, we have prepared the following comments to facilitate discussion and enable you to have a clear understanding of the issue.

Other Services

We have not carried out any other engagements for Craft ACT: Craft and Design Centre Incorporated that would impair our firm's professional independence as auditor.

Any services provided are subject to our own and the profession's strict rules and policies regarding auditor independence. We enforce these rules and policies in order to maintain objectivity and to be free of interest when discharging our professional responsibilities.

Our appointment as service provider for these engagements has been subject to Craft ACT: Craft and Design Centre Incorporated's corporate governance procedures encompassing the selection of service providers and the setting of their remuneration.

Some of the safeguards we follow with regard to auditor independence in relation to the provision of these services include ensuring:

- The services have not involved partners or staff acting in a managerial or decision-making capacity, or being involved in the processing or originating of transactions;
- The services have only been provided where we are satisfied that the related function or process will not have a material bearing on our planned audit procedures and would not involve us auditing our own work;
- The partners and staff involved in the provision of non-auditing services have not participated in Craft ACT: Craft and Design Centre Incorporated's associated or authorisation processes.

Based on the above safeguards, we are satisfied that the provision of other services has not in any way compromised our independence as external auditor of Craft ACT: Craft and Design Centre Incorporated.

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Financial Interests

As your auditor, direct and material indirect investments in any shares of Craft ACT: Craft and Design Centre Incorporated are prohibited to us. In summary this prohibition extends to:

- All partners and professional staff; and
- The families of these partners and professional staff; and
- The firm's partner and staff superannuation funds.

We seek annual confirmation from partners and staff that they have complied with this requirement. Based on the results of this process, we are not aware of any instances where partners or staff are not in compliance with this requirement in relation to this engagement.

Other Relationships

We are not aware of any situations where a spouse or close relative of a partner or staff members involved in the audit occupies a position as a director or executive at Craft ACT: Craft and Design Centre Incorporated that is significant to the audit.

We are not aware of any situations where a partner or staff member has accepted a position of employment with Craft ACT: Craft and Design Centre Incorporated in a senior executive or managerial capacity during or since the end of the financial year.

This report is intended solely for Craft ACT: Craft and Design Centre Incorporated and should not be used for any other purpose.

Should you require any further assistance, please do not hesitate to contact our office.

Yours faithfully,

Vincents Audit Pty Ltd
Authorised Audit Company

Phillip W Miller CA
Director

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Financial Statements

For the Year Ended 31 December 2019

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Contents

For the Year Ended 31 December 2019

	Page
Financial Statements	
Board of Management Report	1
Auditor's Independence Declaration	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Responsible Persons' Declaration	18
Independent Audit Report	19
Schedules	21

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

**Board of Management Report
For the Year Ended 31 December 2019**

The Board of management members present their report on Craft ACT Craft And Design Centre Incorporated for the financial year ended 31 December 2019.

Board of management

The names of the committee members in office at the date of this reports are:

Names	Position
Graham Humphries	President
Sari Sutton	Secretary and public officer
Sam Bryant	Treasurer
Andea Ho	Member
Rebecca Coronel	Member
Rob Henry	Member
Stephen Cassidy	Member
Jennie Cameron	Interim / Member
Julie Ryder	Member
Gilbert Riedelbauch	Member
Rachael Coghlan (ex officio)	Member

Principal activities

The principal activities of Craft ACT Craft And Design Centre Incorporated during the financial year were to promote quality and excellence in craft and design and to provide a source of information on craft and design in the Australian Capital Territory.

No significant changes in the nature of the Association's activity occurred during the financial year.

Operating result

The surplus of the Association for the financial year amounted to \$ 74,659(2018: \$ 81,723).

Signed in accordance with a resolution of the Members of the Committee:

Committee member: RC Coronel Committee member:

Dated this 6 day of April 2020

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Craft ACT Craft And Design Centre Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Vincent's Audit Pty Ltd

Phillip Miller
Director

Canberra

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue and other income	5	904,656	803,899
Interest revenue calculated using the effective interest method		4,108	3,386
Cost of sales		(10,817)	(4,407)
Employee benefits expense		(401,495)	(354,441)
Depreciation and amortisation expense		(5,134)	(5,121)
Administration expenses		(416,453)	(361,222)
Finance leases		(206)	(371)
Surplus before income tax		74,659	81,723
Income tax expense		-	-
Surplus for the year		74,659	81,723
Other comprehensive income for the year		-	-
Total comprehensive income for the year		74,659	81,723

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	425,613	382,873
Trade and other receivables	7	121,007	3,635
Inventories	8	18,323	8,850
Other assets	9	22,884	16,239
TOTAL CURRENT ASSETS		<u>587,827</u>	<u>411,597</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	22,961	28,095
TOTAL NON-CURRENT ASSETS		<u>22,961</u>	<u>28,095</u>
TOTAL ASSETS		<u>610,788</u>	<u>439,692</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	44,601	69,993
Borrowings	12	1,139	2,949
Employee benefits	14	24,728	17,272
Contract liabilities	13	190,456	74,274
TOTAL CURRENT LIABILITIES		<u>260,924</u>	<u>164,488</u>
TOTAL LIABILITIES		<u>260,924</u>	<u>164,488</u>
NET ASSETS		<u>349,864</u>	<u>275,204</u>
EQUITY			
Retained earnings		<u>349,863</u>	<u>275,204</u>
TOTAL EQUITY		<u>349,863</u>	<u>275,204</u>

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2019	275,204	275,204
Surplus for the year	74,659	74,659
Balance at 31 December 2019	349,863	349,863

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2018	193,481	193,481
Surplus for the year	81,723	81,723
Balance at 31 December 2018	275,204	275,204

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Statement of Cash Flows For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	903,466	826,858
Payments to suppliers and employees	(863,023)	(724,410)
Interest received	4,108	3,385
Net cash provided by operating activities	<u>44,551</u>	<u>105,833</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	-	(11,925)
Net cash used in investing activities	<u>-</u>	<u>(11,925)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(1,810)	(1,645)
Net cash used in financing activities	<u>(1,810)</u>	<u>(1,645)</u>
Net increase in cash and cash equivalents held	42,741	92,263
Cash and cash equivalents at beginning of year	382,872	290,610
Cash and cash equivalents at end of financial year	6 <u>425,613</u>	<u>382,873</u>

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2019

The financial report covers Craft ACT Craft And Design Centre Incorporated as an individual entity. Craft ACT Craft And Design Centre Incorporated is a not-for-profit Association, registered and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 New Accounting Standards and Interpretations adopted

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 January 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 January 2019.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

There was no impact of adopting AASB 15 on the Association's financial statements for the year ended 31 December 2019.

		AASB 15 and AASB 1058 carrying amount per Statement of Financial Position	Reclassification	Remeasurement	Carrying amount prior to adoption of AASB 15 and AASB 1058
	Note	\$	\$	\$	\$
Contract liabilities	13	190,456	(190,456)	-	-
Other liabilities		-	190,456	-	190,456
NET ASSETS		(190,456)	-	-	(190,456)

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2019

2 New Accounting Standards and Interpretations adopted

Leases - Adoption of AASB 16

The Association has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Association as a lessee

Under AASB 117, the Association assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Association or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Association has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

3 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identified the contract with a customer, identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount'

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that area subject to the constraining principle are recognised as a refund liability.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

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

(c) Goods and services tax (GST)

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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

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

(d) Inventories

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(e) Property, plant and equipment

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Display equipment	27%
Furniture, Fixtures and Fittings	15%
Office Equipment	18%-25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and finance lease liabilities.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Contract assets

Contract assets are recognised when the Association has transferred goods or services to the customer but where the Association is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Summary of Significant Accounting Policies

(j) Contract liabilities

Contract liabilities represent the Association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Association has transferred the goods or services to the customer.

4 Critical Accounting Estimates and Judgements

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2019

5 Revenue and Other Income

	2019	2018
	\$	\$
Revenue from contracts with customers		
- Sale of goods	101,971	71,533
Grants		
- Arts ACT - Core Grant	212,763	208,081
- Arts ACT - DESIGN Canberra	100,000	100,000
- Arts ACT - VACS	49,000	47,800
- Arts ACT - Community Outreach Arts Funding	22,013	-
- Australia Council - Core Grant	96,910	95,950
- Australia Council - VACS	38,131	37,531
- City Renewal Authority - City Grant	50,000	59,368
- Grants - Other	4,650	13,164
Total grants	573,467	561,894
- Member subscriptions	41,970	34,984
- Sponsorship - Design Canberra	175,224	110,455
- Sponsorship - AIR	5,000	5,000
- other income	1,909	-
- Donations & fundraising	5,115	20,033
Total Revenue and Other Income	904,656	803,899

6 Cash and Cash Equivalents

Cash at bank and in hand	345,613	231,780
Short-term deposits	80,000	151,093
	425,613	382,873

7 Trade and Other Receivables

CURRENT		
Trade receivables	121,007	3,635

8 Inventories

CURRENT		
At cost:		
Merchandise	18,323	8,850

9 Other Assets

CURRENT		
Prepayments	10,384	8,818
Accrued income	12,500	7,421
	22,884	16,239

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

10 Property, plant and equipment

	2019	2018
	\$	\$
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	3,995	3,995
Accumulated depreciation	(3,995)	(3,995)
Display equipment		
At cost	18,806	18,806
Accumulated depreciation	(18,546)	(18,450)
Total plant and equipment	<u>260</u>	<u>356</u>
Furniture and fittings		
At cost	35,600	35,600
Accumulated depreciation	(31,623)	(30,921)
Total furniture, fixtures and fittings	<u>3,977</u>	<u>4,679</u>
Office equipment		
At cost	97,400	97,400
Accumulated depreciation	(78,676)	(74,340)
Total office equipment	<u>18,724</u>	<u>23,060</u>
Total property, plant and equipment	<u><u>22,961</u></u>	<u><u>28,095</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Display equipment	Furniture and Fittings	Office Equipment	Total
	\$	\$	\$	\$
Year ended 31 December 2019				
Balance at the beginning of year	356	4,679	23,060	28,095
Additions				
Depreciation expense	(96)	(702)	(4,336)	(5,134)
Balance at the end of the year	<u>260</u>	<u>3,977</u>	<u>18,724</u>	<u>22,961</u>

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2019

11 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	29,221	63,231
Sundry payables and accrued expenses	5,100	6,301
Other payables	10,280	461
	<u>44,601</u>	<u>69,993</u>

12 Borrowings

CURRENT		
Secured liabilities:		
Lease liability secured	1,139	2,949
	<u>1,139</u>	<u>2,949</u>

Leased liabilities are secured by the underlying leased assets.

13 Contract Liabilities

CURRENT		
Government grants in advance	190,456	74,274
	<u>190,456</u>	<u>74,274</u>

14 Employee Benefits

Current liabilities		
Annual leave	24,728	17,272
	<u>24,728</u>	<u>17,272</u>

15 Leasing Commitments

Minimum lease payments:		
- not later than one year	2,016	2,016
- between one year and five years	1,176	1,176
Minimum lease payments	<u>3,192</u>	<u>3,192</u>

A lease is in place for the phone system and has a term of 36 months.

16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Association is \$ 215,210 (2018: \$ 182,978).

17 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2019 (31 December 2018:None).

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements

For the Year Ended 31 December 2019

18 Related Parties

(a) The Association's main related parties are as follows:

The Board of management members of the Association who held office during any part of the financial year are as follows:

Graham Humphries

Sari Sutton

Sam Bryant

Andrea Ho

Rebecca Coronel

Rob Henry

Stephen Cassidy

Jennie Cameron (interim)

Julie Ryder

Gilbert Riedelbauch

Rachel Coghlan (ex-officio)

No related party transactions occurred during the year. The Board of management members do not receive remuneration.

Key management personnel - refer to Note 16.

19 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

20 Statutory Information

The registered office and principal place of business of the association is:

Craft ACT Craft And Design Centre Incorporated

1st Floor North Building

80 London Circuit

Civic Square ACT 2608

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

.....

Sam Bryant (Treasurer)

.....

Rebecca Coronel (Member)

Dated this 6 day of April 2020

Independent Audit Report to the Members of Craft ACT Craft and Design Centre Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Craft ACT Craft and Design Centre Incorporated (the registered entity), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Craft ACT Craft and Design Centre Incorporated has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2019 and of its financial performance for the year ended; and
- (ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

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

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

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GPO Box 680, Canberra ACT 2601 w www.vincents.com.au



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vincents Audit Pty Ltd

Phillip Miller
Director

Canberra,

Date:

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Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

For the Year Ended 31 December 2019

Disclaimer

The additional financial data presented on page 21 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 31 December 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Craft ACT Craft And Design Centre Incorporated) in respect of such data, including any errors or omissions therein however caused.

.....
Phillip Miller CA

Director

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

For the Year Ended 31 December 2019

Income and Expenditure Statement

	2019	2018
	\$	\$
Income		
Grants:		
ACT Government	312,763	308,081
Australia council	96,910	95,950
Australia council VACS	38,131	37,531
Arts ACT VACS	49,000	47,800
CRA Grant	50,000	59,368
Other grants	26,663	13,164
	573,467	561,894
General		
Interest received	4,108	3,385
Activities:		
Fundraising	-	19,690
Donations	5,115	343
Member subscriptions/APM subscriptions	41,970	34,984
Sponsorship - Design Canberra	175,224	110,455
Sponsorship - AIR	5,000	5,000
	227,309	170,472
Trading Account:		
Sales - retail	72,378	53,898
Less COGS - retail	(33,838)	(24,326)
Net - retail	38,540	29,572
Gross exhibition sales commission	52,726	19,789
Less COGS - exhibition	(37,587)	(15,049)
Exhibition - Gallery fees	1,909	-
Freight	561	265
	17,609	5,005
DC - craft ACT ticket sales	26,993	18,855
DC - event art sales/exhibition	12,281	14,625
DC - external ticket sales	8,827	25,364
DC- Competition/Participation fees	3,318	3,374
DC - less art sales commission	(7,264)	(18,742)
DC - less tickets sales commission	(7,242)	(10,926)
	36,913	32,550
Total Income	897,947	802,878

Craft ACT Craft And Design Centre Incorporated

ABN 33 314 092 587

For the Year Ended 31 December 2019

Income and Expenditure Statement

	2019	2018
	\$	\$
Expenses		
Salaries & on costs:		
Salaries	371,247	327,941
Annual leave	7,457	5,146
Superannuation contributions	22,791	21,354
Insurance- workers comp/personal	1,500	86
Insurance- volunteer workers	-	183
	402,995	354,710
Administration:		
Accounting fees	57,167	57,180
Administration and management fees	-	3,844
Audit fees	5,300	4,500
Bad debts	-	125
Finance costs	206	371
Bank charges	3,807	3,189
Postage and shipping	1,956	2,418
Insurance	5,611	4,780
IT support	7,464	7,242
Office equipment	1,421	346
Repairs and maintenance	5,022	3,923
Sundry expenses	2,155	1,034
Telephone and fax	3,334	3,113
Advertising	1,953	2,349
Rent - office	22,314	18,316
Depreciation	5,134	5,121
	122,844	118,671
Member professional development	4,576	950
Artists, Writer and speaker fees	57,857	34,698
Advertising	71,417	52,164
Catering expenses	8,006	8,866
Exhibition costs	31,511	58,921
Member insurance	11,993	12,138
Project expenses	64,356	27,970
printing and stationery -admin	15,872	17,784
Travel and meeting	19,964	13,150
Venue and equipment hire	1,313	17,795
Postage and shipping	9,543	820
Documentation and photos	1,040	3,338
	297,448	248,594
Total expenses	823,287	721,155
Surplus for the year	74,659	81,723

3 March 2020

The President
Craft ACT: Craft and Design Centre Incorporated
PO Box 992
Civic Square, ACT 2608

Dear Sir/Madam,

Re: Audit - year ended 31 December 2020

Being eligible, we hereby apply for appointment as auditors for the year ended 31 December 2020.

Yours faithfully,

Vincents Audit Pty Ltd
Authorised Audit Company



Phillip W Miller CA
Director

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[assurance & risk advisory](#) | [business advisory](#) | [corporate advisory](#) | [financial advisory](#) | [forensic services](#) | [insolvency & reconstruction](#) | [lending solutions](#)

29 February 2020

CRAFT ACT: CRAFT AND DESIGN CENTRE
INCORPORATED
PO Box 992
CIVIC SQUARE ACT 2608

ABN: 44 387 658 295

Level 34
32 Turbot Street
Brisbane Q 4000

Tel: 07 3228 4000
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accounts@vincents.com.au

Postal Address:
PO Box 13004
George Street Q 4003

TAX INVOICE 295388

Re: Craft ACT: Craft and Design Centre Incorporated

Professional services to date in relation to audit of financial statements for the year ended 31 December 2019.	\$5,100.00
Fee for professional services rendered in relation to:	
• Bank Confirmation Charges (ANZ)	\$153.00
Fee for professional services rendered in relation to:	
• Administration fee for bank confirmation charges	\$100.00

Net Amount	\$5,353.00
GST	\$535.30
Total:	\$5,888.30

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Vincents Assurance & Risk Advisory - Remittance Advice**This fee is due and payable within 14 days of receipt unless prior arrangements have been made.****Payment Options****1. EFT Payment**

Account: Vincents Assurance & Risk Advisory
Bank Name: National Australia Bank
BSB No: 084004
Account No: 827155887
Reference: 295388

2. Cheque Payment

Please mail this slip with your cheque payable to:
Vincents Chartered Accountants
PO Box 13004
George Street QLD 4003

3. Credit Card Payment Visa Mastercard Amex

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Expiry Date

We reserve the right to charge a fee of 1.5% on all credit card payments that fall outside our agreed payment terms.

Please note VCA Services Pty Ltd will appear as the merchant on your credit card statement.

Name of Cardholder Signature of Cardholder

CRAFT ACT: CRAFT AND DESIGN CE Fee 295388**Amount Due:****\$5,888.30**