

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Financial Statements

For the Year Ended 31 December 2022

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

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For the Year Ended 31 December 2022

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Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Board of Management Report For the Year Ended 31 December 2022

The Board of management members present their report on Craft ACT Craft And Design Centre Incorporation for the financial year ended 31 December 2022.

Board of management

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

| Names | Position |
|-------------------------------|----------------------------------|
| Rebecca Coronel | President |
| Charles Brewer | Treasurer (Appointed March 2022) |
| Sam Bryant | Treasurer (Resignd March 2022) |
| Laura Crick | Secretary |
| Jennifer Kemarre Martiniello | Member |
| Isabelle Mackay-Sim | Member |
| Jodie Cunningham (ex officio) | Member (non-voting) |
| Rod Bobeldjik | Member |
| Carolyn Forster OAM | Member (Resigned July 2022) |
| Jenny Edwards | Deputy President |

Principal activities

The principal activities of Craft ACT Craft And Design Centre Incorporation 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 \$ (45,058) (2021: \$ 44,187).

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

Committee member:



Committee member:



Dated this 31 day of March 2023

Auditor's Independence Declaration under Section 60-40 of the *Australian 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 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the 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.

Vincents Assurance & Risk Advisory



Phillip Miller
Director

Canberra
Date 31 March 2023

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

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Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Statement of Financial Position

As At 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|-------------------------------|------|----------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 685,247 | 1,053,585 |
| Trade and other receivables | 7 | 1,634 | 15,132 |
| Inventories | 8 | 28,463 | 26,153 |
| Other assets | 10 | 48,699 | 17,905 |
| TOTAL CURRENT ASSETS | | <u>764,043</u> | <u>1,112,775</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 40,868 | 45,846 |
| TOTAL NON-CURRENT ASSETS | | <u>40,868</u> | <u>45,846</u> |
| TOTAL ASSETS | | <u>804,911</u> | <u>1,158,621</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 66,313 | 62,351 |
| Employee benefits | 12 | 64,189 | 16,964 |
| Contract liabilities | 13 | 125,698 | 485,535 |
| TOTAL CURRENT LIABILITIES | | <u>256,200</u> | <u>564,850</u> |
| TOTAL LIABILITIES | | <u>256,200</u> | <u>564,850</u> |
| NET ASSETS | | <u>548,711</u> | <u>593,771</u> |
| EQUITY | | | |
| Retained earnings | | <u>548,711</u> | <u>593,771</u> |
| TOTAL EQUITY | | <u>548,711</u> | <u>593,771</u> |

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Statement of Changes in Equity

For the Year Ended 31 December 2022

2022

| | Retained Earnings | Total |
|------------------------------------|------------------------------|-----------------|
| | \$ | \$ |
| Balance at 1 January 2022 | 593,769 | 593,769 |
| Deficit for the year | (45,058) | (45,058) |
| Balance at 31 December 2022 | 548,711 | 548,711 |

2021

| | Retained Earnings | Total |
|------------------------------------|------------------------------|----------------|
| | \$ | \$ |
| Balance at 1 January 2021 | 549,584 | 549,584 |
| Surplus for the year | 44,187 | 44,187 |
| Balance at 31 December 2021 | 593,771 | 593,771 |

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Statement of Cash Flows For the Year Ended 31 December 2022

| | 2022 | 2021 |
|--|------------------|------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 860,972 | 1,003,183 |
| Payments to suppliers and employees | (1,227,323) | (648,190) |
| Interest received | 7,675 | 1,194 |
| Net cash provided by operating activities | <u>(358,676)</u> | <u>356,187</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | <u>(9,662)</u> | <u>(25,205)</u> |
| Net cash used in investing activities | <u>(9,662)</u> | <u>(25,205)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net increase in cash and cash equivalents held | (368,338) | 330,982 |
| Cash and cash equivalents at beginning of year | <u>1,053,585</u> | <u>722,603</u> |
| Cash and cash equivalents at end of financial year | 6 <u>685,247</u> | <u>1,053,585</u> |

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2022

The financial report covers Craft ACT Craft And Design Centre Incorporation as an individual entity. Craft ACT Craft And Design Centre Incorporation 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 Association does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards 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 Change in Accounting Policy

The management has elected to apply the following Accounting Standard (annual reporting periods beginning on or after 1 July 2021).

- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

These financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The Association previously prepared general purpose financial statements - Reduced Disclosure Requirements following the recognition and measurements requirements of all applicable Australian Accounting Standards. Accordingly, the application of Australian Accounting Standards - Simplified Disclosures has not affected the reported financial position, financial performance and cash flows of the entity, but has impacted the disclosures included in these financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2022

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' 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 are 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.

Notes to the Financial Statements
For the Year Ended 31 December 2022

3 Summary of Significant Accounting Policies

(b) Revenue and other income

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 are measured at the lower of cost and net realisable value.

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.

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% |

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

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.

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 that 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

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 asset has increased significantly 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 asset 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.

Trade receivables and contract assets

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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Summary of Significant Accounting Policies

(f) Financial instruments

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 comprise 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) Leases

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) 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. Cash flows 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 cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Summary of Significant Accounting Policies

(j) 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.

(k) 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 Incorporation

ABN : 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2022

5 Revenue and Other Income

Revenue from continuing operations

| | 2022 | 2021 |
|---|------------------|----------------|
| | \$ | \$ |
| Revenue from contracts with customers | | |
| - Sale of goods | 175,938 | 207,806 |
| Grants | | |
| - Arts ACT - Core Grant | 224,678 | 220,267 |
| - Arts ACT - DESIGN Canberra | 150,966 | 89,034 |
| - Arts ACT - VACS | 50,980 | 49,858 |
| - Australia Council - Core Grant | 142,685 | 103,600 |
| - Australia Council - VACS | 49,053 | 38,743 |
| - City Renewal Authority - Grant | 120,000 | - |
| - Grants - Other | - | 6,450 |
| Total grants | 738,362 | 507,952 |
| Other Income breakup | | |
| - Membership subscriptions | 48,239 | 46,031 |
| - Sponsorship - Design Canberra | 174,604 | - |
| - Sponsorship - AIR | 5,000 | 5,000 |
| - JobKeeper support | - | 81,300 |
| - Sponsorship - Craft ACT | 4,545 | - |
| - Other income | 2,773 | 1,390 |
| - DC - Organizational membership | 1,977 | - |
| - Donations & fundraising | 133,206 | 22,154 |
| - Donation Design Canberra - Glass Utopia | 19,999 | 8,865 |
| | 390,343 | 164,740 |
| Total revenue and other income | 1,304,643 | 880,498 |

6 Cash and Cash Equivalents

| | | |
|--------------------------|----------------|------------------|
| Cash at bank and in hand | 305,247 | 673,585 |
| Short-term deposits | 380,000 | 380,000 |
| | 685,247 | 1,053,585 |

7 Trade and Other Receivables

| | | |
|-------------------|-------|--------|
| CURRENT | | |
| Trade receivables | 1,634 | 15,132 |

8 Inventories

| | | |
|------------------------------|--------|--------|
| At cost: | | |
| Wholesale shop stock at cost | 28,463 | 26,153 |

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

9 Property, plant and equipment

| | 2022 | 2021 |
|--|----------------------|-----------------|
| | \$ | \$ |
| PLANT AND EQUIPMENT | | |
| Capital works in progress | | |
| At cost | 3,995 | 3,995 |
| Accumulated depreciation | <u>(3,995)</u> | <u>(3,995)</u> |
| Display equipment | | |
| At cost | 18,806 | 18,806 |
| Accumulated depreciation | <u>(18,806)</u> | <u>(18,806)</u> |
| Furniture and fittings | | |
| At cost | 62,969 | 62,575 |
| Accumulated depreciation | <u>(43,965)</u> | <u>(39,985)</u> |
| Total furniture, fixtures and fittings | <u>19,004</u> | 22,590 |
| Office equipment | | |
| At cost | 132,054 | 122,787 |
| Accumulated depreciation | <u>(110,190)</u> | <u>(99,531)</u> |
| Total office equipment | <u>21,864</u> | 23,256 |
| Total property, plant and equipment | <u><u>40,868</u></u> | <u>45,846</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:

| | Furniture and Fittings | Office Equipment | Total |
|---------------------------------------|---------------------------|----------------------|----------------------|
| | \$ | \$ | \$ |
| Year ended 31 December 2022 | | | |
| Balance at the beginning of year | 22,590 | 23,256 | 45,846 |
| Additions | 394 | 9,267 | 9,661 |
| Depreciation expense | <u>(3,980)</u> | <u>(10,658)</u> | <u>(14,638)</u> |
| Balance at the end of the year | <u><u>19,004</u></u> | <u><u>21,865</u></u> | <u><u>40,869</u></u> |

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2022

10 Other Assets

| | 2022 | 2021 |
|----------------|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 38,407 | 17,905 |
| Accrued income | 10,292 | - |
| | <u>48,699</u> | <u>17,905</u> |

11 Trade and Other Payables

| | | |
|--------------------------------------|---------------|---------------|
| CURRENT | | |
| Trade payables | 63,661 | 54,701 |
| Sundry payables and accrued expenses | 2,652 | 7,650 |
| | <u>66,313</u> | <u>62,351</u> |

12 Employee Benefits

| | | |
|---------------------|---------------|---------------|
| Current liabilities | | |
| Annual leave | 29,754 | 16,964 |
| Time off In Lieu | 34,435 | - |
| | <u>64,189</u> | <u>16,964</u> |

13 Contract Liabilities

| | | |
|---|---------|---------|
| CURRENT | | |
| Government grants and other income in advance | 125,698 | 485,535 |

14 Leasing Commitments

In prior year, a lease is in place for the phone system and has a term of 36 months ended July 2020.

15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Association is \$ 134,144 (2021: \$ 185,635).

16 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2022 (31 December 2021: None).

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

Notes to the Financial Statements For the Year Ended 31 December 2022

17 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:

Rebecca Coronel

Sam Bryant

Charles Brewer

Carolyn Foster OAM

Jennifer Kemarre Martiniello

Isabelle Mackay-Sim

Laura Crick

Jenny Edwards

Rod Bobeldjik

Jodie Cunningham

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

Key management personnel - refer to Note 15.

18 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.

19 Statutory Information

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

Craft ACT Craft And Design Centre Incorporation

1st Floor North Building

180 London Circuit

Civic Square ACT 2608

Craft ACT Craft And Design Centre Incorporation

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*.



.....
Committee member



.....
Committee member

Dated this .31 day of .March 2023

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 2022, 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 2022 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*.

Emphasis of matter

We would like to draw your attention to current year's deficit of \$ 45,058. This years' deficit result represents an overall decrease in results of \$ 89,245, as compared to the 2021 surplus of \$44,187. We note that Craft ACT's places significant reliance on Government grants. We further draw attention to the requirement for management to monitor future expenditure in relation to grant funded programs. If there is a future trend of continuing deficits there will be a risk of Craft ACT not being able to continue operating as a going concern.

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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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.

Vincent's Assurance & Risk Advisory

Phillip Miller
Director

Canberra,

Date: 31 March 2023

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Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

For the Year Ended 31 December 2022

Disclaimer

The additional financial data presented on 22 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 2022. 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 Incorporation) in respect of such data, including any errors or omissions therein however caused.

Vincent's Assurance & Risk Advisory

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Phillip Miller



Director 31 March 2023

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

For the Year Ended 31 December 2022

Income and Expenditure Statement

| | 2022 | 2021 |
|---------------------------------------|------------------|----------------|
| | \$ | \$ |
| Income | | |
| Grants: | | |
| ACT Government | 375,644 | 309,301 |
| Australia council | 142,685 | 103,600 |
| Australia council VACS | 49,053 | 38,743 |
| Arts ACT VACS | 50,980 | 49,858 |
| CRA Grant | 120,000 | - |
| Other grants | - | 6,450 |
| | 738,362 | 507,952 |
| General | | |
| Interest received | 7,675 | 1,194 |
| Exhibition - Gallery fee | 1,636 | - |
| JobKeeper payments | - | 41,300 |
| ACT COVID-19 Business Support Grant | - | 40,000 |
| | 9,311 | 82,494 |
| Activities: | | |
| Fundraising | - | 13,335 |
| Donations | 133,206 | 8,818 |
| Membership subscriptions | 50,216 | 46,031 |
| Sponsorship - Design Canberra | 179,149 | - |
| Sponsorship - AIR | 5,000 | 5,000 |
| | 367,571 | 73,184 |
| Trading Account: | | |
| Sales - retail | 106,901 | 115,637 |
| Less COGS - retail | (33,599) | (40,988) |
| Net - retail | 73,302 | 74,649 |
| Gross exhibition sales commission | 16,390 | 54,672 |
| Less COGS - exhibition | (10,973) | (38,700) |
| Freight | 1,491 | 1,880 |
| | 6,908 | 17,852 |
| DC - Craft ACT ticket sales | 36,551 | 15,980 |
| DC - Exhibition sales | 12,333 | 19,637 |
| DC- Competition/Participation fees | 2,273 | - |
| DC - less exhibition sales commission | (8,183) | (18,619) |
| Non-DC - External Ticket sales | 1,137 | 1,390 |
| DC - Glass Utopia - Sponsorship | 19,999 | 8,865 |
| | 64,110 | 27,253 |
| Total Income | 1,259,564 | 783,384 |

Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

For the Year Ended 31 December 2022

Income and Expenditure Statement

| | 2022 | 2021 |
|-------------------------------------|------------------|----------------|
| | \$ | \$ |
| Expenses | | |
| Salaries & on costs: | | |
| Salaries | 586,367 | 414,658 |
| Annual leave | 12,790 | (14,119) |
| Superannuation contributions | 31,095 | 34,756 |
| Insurance- workers comp/personal | 632 | 2,496 |
| Time off In Lieu Expense | 34,435 | - |
| | <u>665,319</u> | <u>437,791</u> |
| Administration: | | |
| Accounting fees | 58,625 | 59,206 |
| Audit fees | 256 | 5,650 |
| Bank charges | 5,435 | 4,697 |
| Postage and shipping | 9 | 1,209 |
| Insurance | 9,872 | 6,387 |
| Online subscriptions and IT support | 17,247 | 22,232 |
| Repairs and maintenance | 5,063 | 3,994 |
| Sundry expenses | 29 | 395 |
| Telephone and fax | 2,680 | 4,409 |
| Advertising | 212 | 3,881 |
| Rent - office | 17,738 | 11,725 |
| Depreciation | 14,639 | 14,574 |
| | <u>131,805</u> | <u>139,359</u> |
| Member professional development | 1,316 | - |
| Artists, Writer and speaker fees | 89,204 | 15,436 |
| Advertising | 115,306 | 33,964 |
| Catering expenses | 9,779 | 153 |
| Exhibition costs | 53,733 | 10,463 |
| Member insurance | 17,271 | 15,035 |
| Project expenses | 166,108 | 53,806 |
| printing and stationery -admin | 13,951 | 12,555 |
| Travel and meeting | 16,556 | 17,903 |
| Venue and equipment hire | 16,457 | 157 |
| Postage and shipping | - | 1,208 |
| Exhibitions signage and labels | 7,817 | 1,367 |
| | <u>507,498</u> | <u>162,048</u> |
| Total expenses | <u>1,304,622</u> | <u>739,197</u> |
| Surplus/ (Deficit) for the year | <u>(45,058)</u> | <u>44,187</u> |