

TREASURER REPORT

I am very pleased to present the 2017 financial report for Craft ACT: Craft and Design Centre. Our auditor, JS Bookkeeping Services has issued an unqualified audit opinion and this report represents a true and fair view of the financial position of Craft ACT. In the Committee's opinion there are reasonable grounds to believe that Craft ACT: Craft and Design Centre will be able to pay its debts as and when they become due and payable.

Craft ACT: Craft and Design Centre finished the year with a \$118,207 profit, which was a direct result of increases to revenue for the year yet decreases to administration expenses. With the Craft ACT shop (formerly AGENCY) now within the exhibition space, sales have increased while expenses have decreased significantly.

All grant funds are now located in the Grant income category. Of this, \$100,000 was contributed by the ACT Government towards DESIGN Canberra. Activities revenue has increased as a result of ticket sales (\$25,260), additional sponsorship and membership. In fact, cash sponsorship to support DESIGN Canberra rose from \$99,950 in 2016 to \$121,203 in 2017. Membership income has also increased by almost 30%. It is imperative to acknowledge and thank our members, sponsors, supporters and donors for their important ongoing contributions.

There are a number of differences between last financial year's report and this year's which was touched upon at the 2016 AGM. Additional reporting categories have been introduced in order to provide streamlined accounting for each activity. This enables faster and more accurate reporting for funding acquittals and management decisions. This change has provided some variances between the 2016 and the 2017 results. For example it appears that some expenses declined for Craft ACT exhibitions and salaries but in fact these are now more accurately categorized.

Other changes for the financial year worth noting are:

- The Craft ACT shop and gallery were closed for the ACT Government's HVAC upgrade, from 17 July 2017 to 5 September 2107. Fortunately total exhibition sales were unaffected (due in large part to the Mark Elliot sale) but retail sales were slightly affected. Note that the retail sales off site during the Design Canberra festival are now reported in DESIGN Canberra income (Event Art Sales)
- Changes in insurance took place as this we combined our insurance expenses, so exhibition insurance is now located as an administration expense. There was no incoming touring exhibition in 2017 which meant that there was no additional insurance required.
- The ACT Government no longer supports artist in residence programs for arts organisations without their own accommodation facilities, so that income has reduced. ACT Parks and Conservations continue to generously support the Craft ACT residency, as they have for the past 10 years.

I would like to take this opportunity to thank our CEO Rachael Coghlan and the Craft ACT staff who have produced an amazing year of results both financial and non financial. The change in financial position this year has been remarkable and I personally look forward to the 2018 year ahead.

SIGNED: 

Sam Bryant, Treasurer

DATED: 23/03/2018



J S B O O K K E E P I N G S E R V I C E S

ABN 40 600 346 176 POSTAL PO BOX 240 BELCONNEN ACT 2616

**Craft ACT: Craft and Design
Centre Incorporated**

ABN 33 314 092 587

Financial Statements
For the year ended 31 December 2017

JS Accounting and Bookkeeping Services
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ALL WORK IS CHECKED BY A QUALIFIED ACCOUNTANT PRIOR TO DELIVERY
FOR ALL YOUR BOOKKEEPING REQUIREMENTS AND TRAINING ON MYOB SOFTWARE CALL JOHN

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ACCOUNTANTS



Craft ACT: Craft and Design Centre Incorporated
ABN 33 314 092 587

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Craft ACT: Craft and Design Centre Incorporated
ABN 33 314 092 587
Committee's Report
For the year ended 31 December 2017

Your committee members submit the financial accounts of the Craft ACT: Craft and Design Centre Incorporated for the financial year ended 31 December 2017.

Committee Members

The names of committee members at the date of this report are:

Graham Humphries
 Sam Bryant
 Helen O'Neil
 Alison Jackson
 Liam Early
 Tracy Ireland
 Liam Early
 Rachael Coghlan
 Rohan Nicol
 Andrea Ho
 Jeremy Lepisto
 Richard Whiteley
 Stephen Trathen

Principal Activities

The principal activities of the association during the financial year were: to promote quality and excellence in craft and design and provide a source of information on craft and design in the Australian Capital Territory.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The result of the Association for the year ended 31 December 2017:

Year ended 31 December 2017	Year ended 31 December 2016
\$	\$
118,207	(70,220)

Craft ACT: Craft and Design Centre Incorporated
ABN 33 314 092 587
Committee's Report
For the year ended 31 December 2017

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

Graham Humphries

Sam Bryant

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 2017

	Note	2017 \$	2016 \$
Revenue		<u>800,951</u>	<u>537,802</u>
Gross profit		800,951	537,802
Marketing		(204,489)	(110,959)
Administration expenses		<u>(478,255)</u>	<u>(497,063)</u>
Profit before income tax		118,207	(70,220)
Income tax (credit) expense		<u>0</u>	<u>0</u>
Profit for the year		<u><u>118,207</u></u>	<u><u>(70,220)</u></u>
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Total other comprehensive income for the year, net of tax		<u>0</u>	<u>0</u>
Total comprehensive income for the year		<u><u>118,207</u></u>	<u><u>(70,220)</u></u>

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 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash assets		290,610	139,021
Receivables	2	123,565	24,944
Other	3	9,085	9,207
Total Current Assets		<u>423,260</u>	<u>173,172</u>
Non-Current Assets			
Receivables	2	295	0
Property, plant and equipment	4	21,292	33,638
Total Non-Current Assets		<u>21,587</u>	<u>33,638</u>
Total Assets		<u>444,847</u>	<u>206,810</u>
Liabilities			
Current Liabilities			
Payables		209,599	119,126
Current tax liabilities		26,150	16,747
Provisions	5	31,215	15,854
Total Current Liabilities		<u>266,964</u>	<u>151,727</u>
Non-Current Liabilities			
Financial liabilities		4,593	0
Total Non-Current Liabilities		<u>4,593</u>	<u>0</u>
Total Liabilities		<u>271,557</u>	<u>151,727</u>
Net Assets		<u>173,290</u>	<u>55,083</u>
Equity			
Reserves		112,712	112,712
Retained profits		60,578	(57,629)
Total Members' Funds		<u>173,290</u>	<u>55,083</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 31/12/2017

	Notes	Retained Earnings	Total
Balance at 01/01/2016		112,712	112,712
Comprehensive income			
Current year Loss		(70,220)	(70,220)
Retrospective adjustments		12,591	12,591
Other comprehensive income for the year			
Total comprehensive income for the year attributable to members of the entity		<u>(57,629)</u>	<u>(57,629)</u>
Balance at 31/12/2016		<u>55,083</u>	<u>55,083</u>
Comprehensive income			
Profit attributable to the members		118,207	118,207
Other comprehensive income for the year			
Total comprehensive income for the year attributable to members of the entity		<u>118,207</u>	<u>118,207</u>
Balance at 31/12/2017		<u>173,290</u>	<u>173,290</u>

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 2017

	2017	2016
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	700,131	698,655
Payments to Suppliers and employees	(550,077)	(671,770)
Interest received	1,830	2,289
Net cash provided by (used in) operating activities (note 2)	<u>151,884</u>	<u>29,174</u>
Cash Flow From Financing Activities		
Repayment of borrowings	(295)	0
Net cash provided by (used in) financing activities	<u>(295)</u>	<u>0</u>
Net increase (decrease) in cash held	151,884	29,174
Cash at the beginning of the year	<u>139,021</u>	<u>109,847</u>
Cash at the end of the year (note 1)	<u><u>290,610</u></u>	<u><u>139,021</u></u>

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 2017

2017

2016

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash and Cash Equivalents	290,610	139,021
	<u>290,610</u>	<u>139,021</u>

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	118,207	(65,573)
Depreciation expense	0	8,180
Loss on disposal of Assetss	12,336	33,042
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(98,621)	163,142
(Increase) decrease in prepayments	840	7,440
Unexpended Grants and Donations	0	(85,956)
Increase (decrease) in trade creditors and accruals	(8,124)	(5,825)
Inventories	0	(1,571)
Increase (decrease) in other creditors	98,597	(17,475)
Increase (decrease) in lease liabilities	4,593	0
Increase (decrease) in employee entitlements	15,821	0
Increase (decrease) in sundry provisions	8,235	(6,230)
Net cash provided by operating activities	<u>151,884</u>	<u>29,174</u>

Craft ACT: Craft and Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements**For the year ended 31 December 2017**

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1991.

The financial report covers Craft ACT: Craft and Design Centre Incorporated as an individual entity. Craft ACT: Craft and Design Centre Incorporated is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991.

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

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Comparatives

The classification of comparative figures has been changed where the change improves the comprehension of the financial information.

Income tax

The Association is exempt from income tax in accordance with Section 50-5 of the Income Tax Assessment ACT 1997.

Property, Plant and Equipment

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

a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the value in use of these assets.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Craft ACT: Craft and Design Centre Incorporated**ABN 33 314 092 587****Notes to the Financial Statements****For the year ended 31 December 2017**

Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by Craft ACT: Craft and Design Centre Incorporated to an employee superannuation fund and are charged as expenses when incurred.

Craft ACT: Craft and Design Centre Incorporated does not record, as an asset or a liability, the difference between the employer established defined benefit superannuation plan's accrued benefits and the net market value of the plans assets.

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in all call deposits with banks or financial institutions, investments in money market instruments maturing within one year.

Revenue recognition

Grant Income: Project (reciprocal) grants are recognised as revenue to the extent that the monies have been applied in accordance with the conditions of the grant. Grant funds received prior to year-end but unexpended as at that date are recognised as grants in Advance in the Balance Sheet.

Grant Income: Project (non-reciprocal) grants are recognised as revenue at the commencement of the grant period. Operating grant funds received prior to the applicable grant funding period are recognised as grants in Advance in the Balance Sheet.

All other revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax

All revenue and expenses are stated net of the amount of GST, except where in the amount of GST incurred is not recoverable from the ATO. In these circumstances the GST is recognised as part of the cost acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Craft ACT: Craft and Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements

For the year ended 31 December 2017

	2017	2016
Note 2: Receivables		
Current		
Trade debtors	123,565	24,944
	<u>123,565</u>	<u>24,944</u>
Non-Current		
Other loans	295	0
	<u>295</u>	<u>0</u>

Note 3: Other Assets**Current**

Prepayments	4,956	5,796
Other	4,129	3,411
	<u>9,085</u>	<u>9,207</u>

Note 4: Property, Plant and Equipment

Plant and equipment:

- At cost	121,076	115,018
- Less: Accumulated depreciation	(100,272)	(90,703)
	<u>20,804</u>	<u>24,315</u>

Other plant and equipment:

- At cost	22,801	32,943
- Less: Accumulated depreciation	(22,313)	(23,620)
	<u>488</u>	<u>9,323</u>
	<u>21,292</u>	<u>33,638</u>

Craft ACT: Craft and Design Centre Incorporated

ABN 33 314 092 587

Notes to the Financial Statements**For the year ended 31 December 2017**

	2017	2016
Note 5: Provisions		
Current		
Employee entitlements*	19,089	3,268
Sundry provisions	12,126	12,586
	<u>31,215</u>	<u>15,854</u>
* Aggregate employee entitlements liability	19,089	3,268

Note 6: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	0	5,500
Other services	750	5,400
	<u>750</u>	<u>10,900</u>

Note 7: Related parties

The Committee Members of the Associated who held office during any part of the year are as follows:

Graham Humphries
 Sam Bryant
 Helen O'Neil
 Alison Jackson
 Liam Early
 Tracy Ireland
 Rachael Coghlan
 Rohan Nicol
 Andrea Ho
 Jeremy Lepisto
 Richard Whiteley
 Stephen Trathen

Craft ACT: Craft and Design Centre Incorporated

ABN 33 314 092 587

Statement by Members of the Committee

For the year ended 31 December 2017

In the opinion of the Committee the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of Craft ACT: Craft and Design Centre Incorporated as at 31 December 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

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

Graham Humphries
President

Sam Bryant
Treasurer



J S B O O K K E E P I N G S E R V I C E S

ABN 40 600 346 176 POSTAL PO BOX 240 BELCONNEN ACT 2616

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

Craft ACT: Craft and Design Centre Incorporated

ABN 67 089 734 761

Report on the Financial Report

I have audited the accompanying financial report of **Craft ACT: Craft Design Centre Incorporated (Craft ACT)**, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee Member's declaration.

Information Other than the Financial Report and Auditor's Report

Those charged with governance of Craft ACT are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2017 but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

Committee Members' Responsibility for the Financial Report

The Committee Members of Craft ACT are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profit Commission Act 2012 and for such internal control as the committee members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



Independence

I am independent of the registered entity in accordance with the auditor independence requirements of the Australian Charities and Not-for-Profit Commission Act 2012.

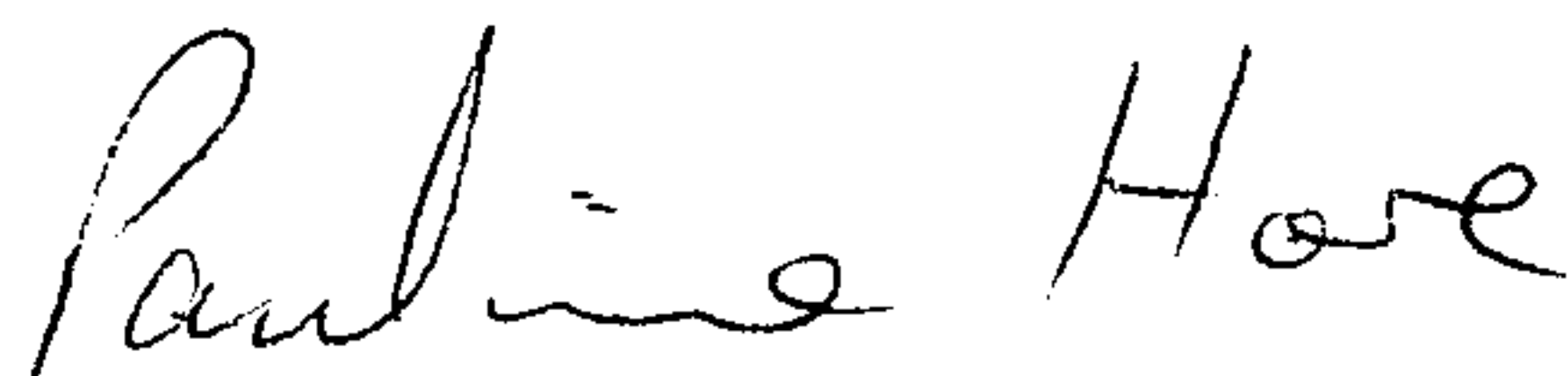
In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-Profit Commission Act 2012. We confirm that the independence declaration required by the Australian Charities and Not-for-Profit Commission Act 2012, which has been given to the committee members of Craft ACT: Craft and Design Centre Incorporated would be in the same terms if given to the Committee members as at the time of this auditor's report.

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

Opinion

In my opinion, the financial report of Craft ACT: Craft and Design Centre Incorporated is in accordance with the Australian Charities and Not-for-Profit Commission Act 2012, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the
- (iii) the Australian Charities and Not-for-Profit Commission Act 2012



Pauline Hore; JP(ACT); CPA
JS Bookkeeping and Accounting Services

9 March 2018

Craft ACT: Craft and Design Centre Incorporated

ABN 33 314 092 587

Certificate by Member of the Committee

For the year ended 31 December 2017

I, Graham Humphries and I, Sam Bryant certify that:

- a. We attended the annual general meeting of the association held on .
- b. The financial statements for the year ended 31 December 2017 were submitted to the members of the association at its annual general meeting.

Dated

Graham Humphries
Committee Member

Sam Bryant
Committee Member

Craft ACT: Craft and Design Centre Incorporated**ABN 33 314 092 587****Compilation Report to Craft ACT: Craft and Design Centre Incorporated**

We have compiled the accompanying general purpose financial statements of Craft ACT: Craft and Design Centre Incorporated, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Position as at 31 December 2017, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

The Responsibility of the Committee

The committee of Craft ACT: Craft and Design Centre Incorporated is solely responsible for the information contained in the general purpose financial statements and the reliability, accuracy and completeness of the information.

Our Responsibility


On the basis of information provided by the committee, we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework and APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with Australian Accounting Standards. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The general purpose financial statements were compiled for the benefit of the committee who is responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the general purpose financial statements.



Giorgio (John) Scarano

JS Accounting and Bookkeeping Services

PO Box 240

Belconnen ACT

14 March, 2018

Craft ACT: Craft and Design Centre Incorporated

ABN 33 314 092 587

**Income and Expenditure Statement
For the year ended 31 December 2017**

	2017 \$	2016 \$
Income		
Grants	507,330	324,053
Projects	0	45,686
General	1,432	0
Activities	169,981	120,335
Retail Sales	73,563	35,563
Exhibitions	36,132	6,503
Other Income	688	3,373
Foundations	9,995	0
Interest received	1,830	2,289
Total income	800,951	537,802
Expenses		
Administration	98,377	106,121
Salaries and On Costs	351,402	320,156
Marketing and Promotion	17,148	2,428
Agency	10,209	51,630
Program Costs	17,985	21,159
Projects	1,332	89,800
Community & Other Arts Projects, Program	123,174	0
Cost of Sales	61,998	0
Audit fees	0	5,500
Auditors - Other services	750	5,400
Bad debts	369	0
Sundry expenses	0	5,828
Total expenses	682,744	608,022
Profit from ordinary activities before income tax	118,207	(70,220)
Income tax revenue relating to ordinary activities	0	0
Net profit attributable to the association	118,207	(70,220)

The accompanying notes form part of these financial statements.

Craft ACT: Craft and Design Centre Incorporated
ABN 33 314 092 587
Income and Expenditure Statement
For the year ended 31 December 2017

	2017 \$	2016 \$
Items recognised directly in equity:		
Net increase in Asset Revaluation Reserve	0	0
Increase (decrease) in retained profits due to: Prior Year Adjustments	0	12,591
Total revenues, expenses and valuation adjustments attributable to the association and recognised directly in equity	<u>0</u>	<u>12,591</u>
Total changes in equity of the association	<u>118,207</u>	<u>(57,629)</u>
Opening retained profits	(57,629)	0
Net profit attributable to the association	118,207	(70,220)
Adjustments:		
Prior Year Adjustments	0	12,591
Closing retained profits	<u>60,578</u>	<u>(57,629)</u>