

Craft ACT Craft And Design Centre Incorporated

Financial Statements

For the Year Ended 31 December 2021

Craft ACT Craft And Design Centre Incorporated

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For the Year Ended 31 December 2021

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Craft ACT Craft And Design Centre Incorporated

Board of Management Report For the Year Ended 31 December 2021

The Board of management members present their report on Craft ACT Craft And Design Centre Incorporated for the financial year ended 31 December 2021.

Board of management

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

Names	Position
Rebecca Coronel	President
Sam Bryant	Treasurer
Graham Humpries	Immediate Past President (non-voting)
Jennie Cameron	Member
David Marshall	Member
Jennifer Kemarre Martiniello	Member
Isabelle Mackay-Sim	Member
Rachael Coghlan (ex officio)	Member (non-voting)
Jodie Cunningham (ex officio)	Member (non-voting)

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 \$ 44,187 (2020: \$ 199,721).

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



Committee member: Sam Bryant (Apr 27, 2022 14:54 GMT+10)



Committee member: Rebecca Coronel (Apr 27, 2022 20:07 GMT+10)

Apr 27, 2022

Dated this day of 2022

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 2021, 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

A handwritten signature in black ink, appearing to read "Phillip Miller".

Phillip Miller
Registered Company Auditor

Canberra
Date

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

Level 2, 14 Moore Street, Canberra ACT 2601 t 61.2 6274 3400 f 61.2 6274 3499
GPO Box 680, Canberra ACT 2601 w www.vincents.com.au

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Craft ACT Craft And Design Centre Incorporated

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue and other income	5	880,498	1,092,618
Interest revenue calculated using the effective interest method		1,194	1,119
Cost of sales		(114,653)	(32,505)
Employee benefits expense		(435,295)	(438,646)
Depreciation and amortisation expense		(14,574)	(14,904)
Administration expenses		(272,983)	(407,924)
Finance leases		-	(37)
Surplus before income tax		44,187	199,721
Income tax expense		-	-
Surplus for the year		44,187	199,721
Other comprehensive income for the year		-	-
Total comprehensive income for the year		44,187	199,721

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

Statement of Financial Position

As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,053,585	722,604
Trade and other receivables	7	15,132	-
Inventories	8	26,153	15,880
Other assets	10	17,905	11,705
TOTAL CURRENT ASSETS		<u>1,112,775</u>	<u>750,189</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	45,846	35,214
TOTAL NON-CURRENT ASSETS		<u>45,846</u>	<u>35,214</u>
TOTAL ASSETS		<u>1,158,621</u>	<u>785,403</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	62,351	54,349
Employee benefits	12	16,964	31,084
Contract liabilities	13	485,535	150,386
TOTAL CURRENT LIABILITIES		<u>564,850</u>	<u>235,819</u>
TOTAL LIABILITIES		<u>564,850</u>	<u>235,819</u>
NET ASSETS		<u>593,771</u>	<u>549,584</u>
EQUITY			
Retained earnings		593,771	549,584
TOTAL EQUITY		<u>593,771</u>	<u>549,584</u>

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

Statement of Changes in Equity

For the Year Ended 31 December 2021

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

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2020	349,863	349,863
Surplus for the year	199,721	199,721
Balance at 31 December 2020	549,584	549,584

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

Statement of Cash Flows

For the Year Ended 31 December 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,003,183	976,223
Payments to suppliers and employees	(648,190)	(652,054)
Interest received	1,194	1,119
Net cash provided by operating activities	<u>356,187</u>	<u>325,288</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(25,205)</u>	(27,158)
Net cash used in investing activities	<u>(25,205)</u>	<u>(27,158)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>-</u>	(1,139)
Net cash used in financing activities	<u>-</u>	<u>(1,139)</u>
Net increase in cash and cash equivalents held	330,982	296,991
Cash and cash equivalents at beginning of year	<u>722,603</u>	<u>425,613</u>
Cash and cash equivalents at end of financial year	6 <u>1,053,585</u>	<u>722,604</u>

The accompanying notes form part of these financial statements.

Craft ACT Craft And Design Centre Incorporated

Notes to the Financial Statements

For the Year Ended 31 December 2021

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

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies

(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%

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 2021

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 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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

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 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.

Notes to the Financial Statements

For the Year Ended 31 December 2021

3 Summary of Significant Accounting Policies

(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.

(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 Incorporated

Notes to the Financial Statements

For the Year Ended 31 December 2021

5 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
Revenue from contracts with customers		
- Sale of goods	207,806	134,457
Grants		
- Arts ACT - Core Grant	220,267	216,743
- Arts ACT - DESIGN Canberra	89,034	100,000
- Arts ACT - VACS	49,858	49,000
- Australia Council - Core Grant	103,600	97,878
- Australia Council - VACS	38,743	38,743
- City Renewal Authority - Grant	-	50,000
- Grants - Other	6,450	-
Total grants	507,952	552,364
Other Income breakup		
- Membership subscriptions	46,031	40,086
- Sponsorship - Design Canberra	-	120,540
- Sponsorship - AIR	5,000	5,000
- Cash flow boost	-	100,000
- JobKeeper support	81,300	121,200
- Other income	1,390	391
- Donations & fundraising	22,154	1,582
- Donation Design Canberra - Glass Utopia	8,865	16,998
	164,740	405,797
Total revenue and other income	880,498	1,092,618

6 Cash and Cash Equivalents

Cash at bank and in hand	673,585	342,604
Short-term deposits	380,000	380,000
	1,053,585	722,604

7 Trade and Other Receivables

CURRENT		
Trade receivables	15,132	-

8 Inventories

At cost:		
Wholesale shop stock at cost	26,153	15,880

Notes to the Financial Statements
For the Year Ended 31 December 2021

9 Property, plant and equipment

	2021	2020
	\$	\$
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	62,575	50,637
Accumulated depreciation	<u>(39,985)</u>	<u>(35,977)</u>
Total furniture, fixtures and fittings	<u>22,590</u>	14,660
Office equipment		
At cost	122,787	109,519
Accumulated depreciation	<u>(99,531)</u>	<u>(88,965)</u>
Total office equipment	<u>23,256</u>	20,554
Total property, plant and equipment	<u><u>45,846</u></u>	<u><u>35,214</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:

	Furniture and Fittings	Office Equipment	Total
	\$	\$	\$
Year ended 31 December 2021			
Balance at the beginning of year	14,660	20,554	35,214
Additions	11,938	13,268	25,206
Depreciation expense	<u>(4,008)</u>	<u>(10,566)</u>	<u>(14,574)</u>
Balance at the end of the year	<u><u>22,590</u></u>	<u><u>23,256</u></u>	<u><u>45,846</u></u>

Craft ACT Craft And Design Centre Incorporated

Notes to the Financial Statements

For the Year Ended 31 December 2021

10 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	17,905	11,323
Accrued income	-	382
	<u>17,905</u>	<u>11,705</u>

11 Trade and Other Payables

CURRENT		
Trade payables	54,701	23,925
Sundry payables and accrued expenses	7,650	17,884
Other payables	-	12,540
	<u>62,351</u>	<u>54,349</u>

12 Employee Benefits

Current liabilities		
Annual leave	16,964	31,084

13 Contract Liabilities

CURRENT		
Government grants and other income in advance	485,535	150,386

14 Leasing Commitments

Minimum lease payments:

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 \$ 185,635 (2020: \$ 228,220).

16 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2021 (31 December 2020: None).

Craft ACT Craft And Design Centre Incorporated

Notes to the Financial Statements

For the Year Ended 31 December 2021

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

Graham Humphries

Jennie Cameron AM

David Marshall AM

Jennifer Kemarre Martiniello

Isabelle Mackay-Sim

Laura Crick

Jenny Edwards

Rachael Coghlan

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 Impacts of COVID-19

The impact of COVID 19 has been raised and considered by the Craft ACT: Craft and Design Centre Incorporated (Craft ACT) Board at every Board meeting since the pandemic began. Craft ACT's financial position has not been affected by the impact of the COVID-19 pandemic.

There was no interruption or change to the standard payment of Craft ACT's core funding throughout the COVID period, and the Association received additional government support including JobKeeper, Cash flow boost, and rental relief. COVID-19 has also not impacted on the ability of Craft ACT to deliver contracted services to meet its contracts or funding requirements, as the operations of Craft ACT were able to continue as normal through remote working from home arrangements for staff.

Craft ACT was able to increase its exhibition sales income and retail revenue by establishing an online shop during the pandemic. The Association has \$1,053,585 cash and cash equivalents at 31 December 2021. The current cash position and secured future funding will be sufficient to meet the ongoing operating costs of the Association in the foreseeable 12 months from the date of signing of these financial statements.

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.

Craft ACT Craft And Design Centre Incorporated

Notes to the Financial Statements

For the Year Ended 31 December 2021

20 Statutory Information

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

1st Floor North Building
180 London Circuit
Civic Square ACT 2608

Craft ACT Craft And Design Centre Incorporated

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 day of 2022

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 2021, 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 2021 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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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 Audit Pty Ltd

Phillip Miller
Director

Canberra,

Date:

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

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**Craft ACT Craft And Design Centre Incorporated
For the Year Ended 31 December 2021**

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 2021. 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.

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Phillip Miller CA

Director

Craft ACT Craft And Design Centre Incorporated
For the Year Ended 31 December 2021

Income and Expenditure Statement

	2021	2020
	\$	\$
Income		
Grants:		
ACT Government	309,301	316,743
Australia council	103,600	97,878
Australia council VACS	38,743	38,743
Arts ACT VACS	49,858	49,000
CRA Grant	-	50,000
Other grants	6,450	-
	507,952	552,364
General		
Interest received	1,194	1,119
Cash flow boost	-	100,000
JobKeeper payments	41,300	121,200
ACT COVID-19 Business Support Grant	40,000	-
	82,494	222,319
Activities:		
Fundraising	13,335	-
Donations	8,818	1,582
Membership subscriptions	46,031	40,086
Sponsorship - Design Canberra	-	120,540
Sponsorship - AIR	5,000	5,000
	73,184	167,208
Trading Account:		
Sales - retail	115,637	95,310
Less COGS - retail	(40,988)	(35,974)
Net - retail	74,649	59,336
Gross exhibition sales commission	54,672	64,939
Less COGS - exhibition	(38,700)	(46,588)
Exhibition - Gallery fees	-	391
Freight	1,880	1,982
	17,852	20,724
DC - Craft ACT ticket sales	15,980	26,392
DC - Exhibition sales	19,637	19,729
DC - External ticket sales	-	8,567
DC- Competition/Participation fees	-	100
DC - less exhibition sales commission	(18,619)	(10,021)
DC - less tickets sales commission	-	(7,036)
DC - Glass Utopia	-	16,998
Non-DC - External Ticket sales	1,390	-
DC - Glass Utopia - Sponsorship	8,865	-
	27,253	54,729
Total Income	783,384	1,076,680

Craft ACT Craft And Design Centre Incorporated
For the Year Ended 31 December 2021

Income and Expenditure Statement

	2021	2020
	\$	\$
Expenses		
Salaries & on costs:		
Salaries	414,658	406,469
Annual leave	(14,119)	6,355
Superannuation contributions	34,756	25,821
Insurance- workers comp/personal	2,496	3,129
	<u>437,791</u>	<u>441,774</u>
Administration:		
Accounting fees	59,206	59,935
Audit fees	5,650	5,603
Bad debts	-	955
Finance costs	-	37
Bank charges	4,697	5,321
Postage and shipping	1,209	4,211
Insurance	6,387	6,312
Online subscriptions and IT support	22,232	12,632
Office equipment	-	99
Repairs and maintenance	3,994	2,591
Sundry expenses	395	1,613
Telephone and fax	4,409	3,246
Advertising	3,881	2,052
Rent - office	11,725	3,751
Depreciation	14,574	14,904
	<u>139,359</u>	<u>123,262</u>
Member professional development	-	1,060
Artists, Writer and speaker fees	15,436	64,746
Advertising	33,964	64,829
Catering expenses	153	6,175
Exhibition costs	10,463	35,078
Member insurance	15,035	12,528
Project expenses	53,806	59,945
printing and stationery -admin	12,555	27,631
Travel and meeting	17,903	2,796
Venue and equipment hire	157	10,705
Postage and shipping	1,208	25,836
Exhibitions signage and labels	1,367	594
	<u>162,048</u>	<u>311,923</u>
Total expenses	<u>739,197</u>	<u>876,959</u>
Surplus for the year	<u>44,187</u>	<u>199,721</u>



9 March 2022

Address

Post

Opening Hours

Treasurer's Report: Craft ACT budget 2021

2021 was a challenging year for Craft ACT due to the ACT's lockdown and stricter restrictions. However, after the uncertainty of 2021, I am pleased to report that Craft ACT's financial position is sound for 2022. Through good management, effective governance and productive relationships, Craft ACT has met or exceeded self-generated revenue from exhibitions and retail sales for 2021.

In September 2021, due to the pandemic driven lockdown and ongoing restrictions, after an extensive risk planning process the Craft ACT Board made the decision to cancel the 2021 DESIGN Canberra Festival that was set to be presented in November 21.

The team at Craft ACT engaged in intensive consultation with DESIGN Canberra's commercial sponsors and all of them agreed to continue to work with us to present the Transformation festival in 2022, all funds received for the 2021 festival were rolled over to 2022 and contracts have been varied and signed for funds committed.

In relation to the 2021 government funds allocated to Design Canberra we received a grant of \$100,000 from Arts ACT, a \$40,000 from Events ACT, \$50,000 from the City Renewal Authority. After the decision was made to cancel Design Canberra 2021, the team conducted consultation with our Government partners - Arts ACT and the City Renewal authority, requesting to use the remaining ACT Government funds of \$110,837 originally allocated for the DESIGN Canberra Festival 2021 for an alternate program. DESIGN Canberra presents Nurture 2021, designed to care for our makers and our community. Arts ACT to Minister Tara Cheyne, MLA, approved the expenditure of the \$110,837 on the Nurture program, with \$100,966.23 of the funds rolled over to 2022 for the final part of the Nurture program, Nurture Discover Craft and Design Trail, with estimated expenditure anticipated to occur in April and September 2022.

The new program Design Canberra presents Nurture program, drew on the well documented benefits of creativity to support wellbeing for health and recovery, and as an antidote to the stresses brought about by the pandemic. It was a success in supporting our artists members and providing wellbeing activities for the public, bringing in profit of \$1,178 (Expenditure \$15,916, Income \$17,095 to the organization, with \$18,619 funds going directly to artists.

The financial operations of Craft ACT have continued to benefit from the improvements to processing, reporting and coordination. In particular, improved systems including the Xero cloud based accounting system, the online shop, online/cloud based server to produce efficiencies for the organisation, have allowed the organisation to continue operating remotely during the state's lockdown.

Weekly cash flow reporting continues to take place between the CEO and accountant to ensure the regular monitoring of income and expenses and strengthen our financial management and governance responsibilities.

Craft ACT remains confident that our strategic objectives and the interests of our membership will be realised to a very high standard.

The strong results of 2021 mean that Craft ACT will be in a sound position in 2022. It is our belief that 2022 will present new challenges for the arts sector and the organisation is positioned to respond responsibly to this next stage.

Core business priorities - including membership, exhibitions, public engagement and seeking new sources of funding - will receive further attention in 2022. The number of staff to support expanded programs has increased to support our commitments.



Sam Bryant

Treasurer (outgoing)

Craft ACT Board of Management



Charlie Brewer

Treasurer (incoming)

Craft ACT Board of Management