

# **Craft ACT Craft And Design Centre Incorporation**

ABN : 33 314 092 587

## **Financial Statements**

For the Year Ended 31 December 2023

# Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

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For the Year Ended 31 December 2023

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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 2023**

The Board of management members present their report on Craft ACT Craft And Design Centre Incorporation for the financial year ended 31 December 2023.

**Board of management**

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

<b>Names</b>	<b>Position</b>
Penny Boyer	President (Appointed March 2023)
Rebecca Coronel	President (Retired March 2023)
Jenny Edwards	Deputy President (Appointed March 2023)
Charles Brewer	Treasurer
Giang Tan	Secretary (Appointed March 2023)
Laura Crick	Secretary (Retired March 2023)
Jennifer Kemarre Martiniello	Member & First Nations Representative
Isabelle Mackay-Sim	Member (Retired March 2023)
Rod Bobeldjik	Member
Lisa McGlynn	Member (Appointed March 2023)
Jonathon Zalagos	Artist Member (Appointed March 2023)
Adelina La Vita	Artist Member (Appointed March 2023)

**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 deficit of the Association for the financial year amounted to \$ (118,414) (2022: \$ (45,058)).

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

Committee member:  .....

Committee member:  .....

Dated this 15<sup>th</sup> day of March 2024

**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 2023, 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: 15 March 2024**



**Craft ACT Craft And Design Centre Incorporation**

ABN : 33 314 092 587

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 31 December 2023**

	2023	2022
	\$	\$
Revenue and other income	843,053	1,304,643
Interest revenue calculated using the effective interest method	19,087	7,677
Cost of sales	(54,428)	(87,806)
Employee benefits expense	(660,856)	(630,251)
Depreciation and amortisation expense	(9,377)	(14,639)
Administration and other expenses	(255,893)	(624,682)
<b>Deficit before income tax</b>	<b>(118,414)</b>	<b>(45,058)</b>
Income tax expense	-	-
<b>Deficit for the year</b>	<b>(118,414)</b>	<b>(45,058)</b>
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>	<b>(118,414)</b>	<b>(45,058)</b>

Note

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**Craft ACT Craft And Design Centre Incorporation**

ABN : 33 314 092 587

**Statement of Financial Position  
As At 31 December 2023**

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	633,084	685,247
Trade and other receivables	264	1,634
Inventories	28,849	28,463
Other assets	17,886	48,699
<b>TOTAL CURRENT ASSETS</b>	<b>680,083</b>	<b>764,043</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	37,560	40,868
<b>TOTAL NON-CURRENT ASSETS</b>	<b>37,560</b>	<b>40,868</b>
<b>TOTAL ASSETS</b>	<b>717,643</b>	<b>804,911</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	84,752	66,313
Employee benefits	48,471	64,189
Contract liabilities	153,288	125,698
Financial liabilities	835	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>287,346</b>	<b>256,200</b>
<b>TOTAL LIABILITIES</b>	<b>287,346</b>	<b>256,200</b>
<b>NET ASSETS</b>	<b>430,297</b>	<b>548,711</b>
<b>EQUITY</b>		
Retained earnings	430,297	548,711
<b>TOTAL EQUITY</b>	<b>430,297</b>	<b>548,711</b>

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 2023**

**2023**

**Balance at 1 January 2023**

Deficit for the year

**Balance at 31 December 2023**

Retained Earnings	Total
\$ 548,711	\$ 548,711
(118,414)	(118,414)
<u>430,297</u>	<u>430,297</u>

**2022**

**Balance at 1 January 2022**

Deficit for the year

**Balance at 31 December 2022**

Retained Earnings	Total
\$ 593,769	\$ 593,769
(45,058)	(45,058)
<u>548,711</u>	<u>548,711</u>

**Craft ACT Craft And Design Centre Incorporation**

ABN : 33 314 092 587

**Statement of Cash Flows**  
**For the Year Ended 31 December 2023**

	2023	2022
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	785,282	860,972
Payments to suppliers and employees	<b>(850,463)</b>	<b>(1,227,323)</b>
Interest received	19,087	7,675
Net cash used in operating activities	<b><u>(46,094)</u></b>	<b><u>(358,676)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<b>(6,069)</b>	<b>(9,662)</b>
Net cash used in investing activities	<b><u>(6,069)</u></b>	<b><u>(9,662)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net decrease in cash and cash equivalents held	<b>(52,163)</b>	<b>(368,338)</b>
Cash and cash equivalents at beginning of year	685,247	1,053,585
Cash and cash equivalents at end of financial year	<b>5</b> <b>633,084</b>	<b>685,247</b>



## **Craft ACT Craft And Design Centre Incorporation**

ABN : 33 314 092 587

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

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 - simplified discloses 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.

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



## Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 2 Summary of Material Accounting Policy Information

##### (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.

## Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 2 Summary of Material Accounting Policy Information

##### (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%



## Craft ACT Craft And Design Centre Incorporation

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### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 2 Summary of Material Accounting Policy Information

##### (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.

## Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 2 Summary of Material Accounting Policy Information

##### (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.



## Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 2 Summary of Material Accounting Policy Information

##### (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.



## Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 2 Summary of Material Accounting Policy Information

##### (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.

#### 3 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 : 33 314 092 567

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 4 Revenue and Other Income

##### Revenue from continuing operations

Revenue from contracts with customers  
- Sale of goods  
Grants  
- Arts ACT - Core Grant  
- Arts ACT - DESIGN Canberra  
- Arts ACT - VACS  
- Australia Council - Core Grant  
- Australia Council - VACS  
- City Renewal Authority - Grant

	2023	2022
	\$	\$
	83,891	175,938
	<b>410,000</b>	224,678
	-	150,966
	-	50,980
	150,974	142,685
	43,230	49,053
	-	120,000
<b>Total grants</b>	<b>604,204</b>	738,362

##### Other Income breakup

- Membership subscriptions  
- Sponsorship - Design Canberra  
- Sponsorship - AIR  
- Sponsorship - Craft ACT  
- Other income  
- DC - Organizational membership  
- Donations & fundraising  
- Donation Design Canberra - Glass Utopia

48,636	48,239
-	174,604
10,000	5,000
50,909	4,545
3,249	2,773
227	1,977
41,936	133,206
-	19,999

<b>154,957</b>	390,343
<b>843,053</b>	1,304,643

Total revenue and other income

#### 5 Cash and Cash Equivalents

Cash at bank and in hand  
Short-term deposits

253,084	305,247
380,000	380,000
<b>633,084</b>	685,247

#### 6 Trade and Other Receivables

Trade receivables

264	1,634
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#### 7 Inventories

At cost:  
Wholesale shop stock at cost

28,849	28,463
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**Craft ACT Craft And Design Centre Incorporation**

ABN : 33 314 092 587

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2023**

<b>8</b>	<b>Property, plant and equipment</b>	<b>2023</b>	<b>2022</b>
		\$	\$
	<b>PLANT AND EQUIPMENT</b>		
	Capital works in progress	3,995	3,995
	At cost	(3,995)	(3,995)
	Accumulated depreciation		
	Display equipment		
	At cost	18,806	18,806
	Accumulated depreciation	(18,806)	(18,806)
	Furniture and fittings		
	At cost	62,969	62,969
	Accumulated depreciation	(43,711)	(43,965)
	Total furniture, fixtures and fittings	19,258	19,004
	Office equipment		
	At cost	138,123	132,054
	Accumulated depreciation	(119,821)	(110,190)
	Total office equipment	18,302	21,864
	<b>Total property, plant and equipment</b>	<b>37,560</b>	<b>40,868</b>

**(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
	\$	\$	\$
<b>Year ended 31 December 2023</b>			
Balance at the beginning of year	19,003	21,865	40,868
Additions	-	6,069	6,069
Depreciation expense	-	(9,377)	(9,377)
<b>Balance at the end of the year</b>	<b>19,003</b>	<b>18,557</b>	<b>37,560</b>

## Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 9 Other Assets

	2023	2022
	\$	\$
Prepayments	17,172	38,407
Accrued income	714	10,292
	<u>17,886</u>	<u>48,699</u>

#### 10 Trade and Other Payables

Trade payables	53,824	63,661
Sundry payables and accrued expenses	30,928	2,652
	<u>84,752</u>	<u>66,313</u>

#### 11 Employee Benefits

Annual leave	36,041	29,754
Time off In Lieu	12,430	34,435
	<u>48,471</u>	<u>64,189</u>

#### 12 Contract Liabilities

Government grants and other income in advance	<u>153,288</u>	<u>125,698</u>
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#### 13 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Association is \$ 170,418 (2022: \$ 134,144).

#### 14 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2023 (31 December 2022: None).



## Craft ACT Craft And Design Centre Incorporation

ABN : 33 314 092 587

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 15 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:

Penny Boyer  
Jenny Edwards  
Charles Brewer  
Giang Tan  
Jennifer Kemarre Martiniello  
Rod Bobeldjik  
Lisa McGlynn  
Jonathon Zalakos  
Adelina La Vita

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

Key management personnel - refer to Note 13.

#### 16 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.

#### 17 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**

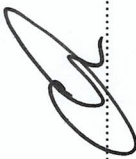
The responsible persons declare that in the responsible persons' opinion:

- 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 2022.*

  
.....

Committee member

  
.....

Committee member

Dated this 15<sup>th</sup>..... day of March..... 2024

# Independent Audit Report

To the members of Craft ACT Craft and Design Centre Incorporated

## *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 2023, 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 material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of Craft ACT Craft and Design Centre Incorporated is 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 company's financial position as at 31 December 2023 and of its financial performance for the year ended; and
- (ii) Complying with the Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

## *Material uncertainty related to going concern*

We would like to draw your attention that the registered entity has incurred a deficit of \$ 118,414 during the year ended 31 December 2023 (2022: deficit \$45,058). We further noted that the registered entity incurred a negative cash flow from operating activities amounting to \$46,094 during the year ended 31 December 2023 (2022: negative operating cash flow \$358,676). These events or conditions indicate a material uncertainty exists that may cast significant doubt on the registered entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## *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 company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical 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.

## *Other Information*

Management is responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, we consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of Responsible Persons for the Financial Report*

The responsible persons of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the company determine 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

The responsible persons are responsible for overseeing the company's financial reporting process.

#### *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 the 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 this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 company'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' 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 company'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 company to cease to continue as a going concern.

## VINCENTS

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the responsible persons 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.



**Phillip Miller**  
Director  
Vincents Assurance & Risk Advisory  
Canberra ACT  
Dated: 15 March 2024