

**Canberra Glassworks Limited**  
**ACN 120 881 898**

**Financial Report**

**31 December 2020**

## **Table of Contents**

31 December 2020

|   |           |
|---|-----------|
| Directors' Report   | <b>3</b>  |
| Directors' Declaration  | <b>7</b>  |
| Auditor's Independence Declaration                                | <b>8</b>  |
| Auditor's Report  | <b>9</b>  |
| Statement of Comprehensive Income                                 | <b>11</b> |
| Statement of Financial Position                                   | <b>12</b> |
| Statement of Changes in Equity                                    | <b>13</b> |
| Statement of Cash Flows   | <b>14</b> |
| Notes to and forming part of the financial report:                |           |
| Note 1: Summary of significant accounting policies                | <b>15</b> |
| Note 2: Financial risk management                                 | <b>19</b> |
| Note 3: Revenue   | <b>20</b> |
| Note 4: Expenses  | <b>21</b> |
| Note 5: Cash and cash equivalents                                 | <b>21</b> |
| Note 6: Trade and other receivables                               | <b>21</b> |
| Note 7: Inventories   | <b>21</b> |
| Note 8: Other current assets                                      | <b>22</b> |
| Note 9: Plant and equipment                                       | <b>22</b> |
| Note 10: Intangibles  | <b>22</b> |
| Note 11: Trade and other payables                                 | <b>23</b> |
| Note 12: Current provisions                                       | <b>23</b> |
| Note 13: Non-current provisions                                   | <b>23</b> |
| Note 14: Related parties and key management personnel disclosures | <b>23</b> |
| Note 15: Contingent Liabilities                                   | <b>23</b> |
| Note 16: Economic dependency                                      | <b>24</b> |
| Note 17: Events occurring after balance sheet date                | <b>24</b> |
| Note 18: Thomas Foundation Reserve                                | <b>24</b> |
| Note 19: Members' guarantee                                       | <b>24</b> |

## Directors' Report

For the year ending 31 December 2020

It is with pleasure that we provide our report on the operations of Canberra Glassworks Limited for the year ending on 31 December 2020, under the Australian Charities and Not-for-profit Commission ACT 2012. Canberra Glassworks Limited is a company limited by guarantee.

### Directors

The following persons were Directors of Canberra Glassworks Limited during the financial year and up to the date of this report. Directors were in office for this entire period unless otherwise stated.

|  | <b>Record of Board Meeting attendance 2020</b> |
|--|--|
|  | <b>Eligible / Attended</b>                     |
| <p><b>Gary Rake</b> – (appointed as Director and Treasurer 25/01/2018 appointed as Chair 30 April 2020)<br/>Economist and accountant. He has held senior positions in the public and private sectors with responsibilities covering planning, asset management, financial management, human resources, criminal and civil investigations, marketing and internal audit.</p>  | 12/12  |
| <p><b>Liz Nield OAM</b> - Director (appointed 03/04/2019 appointed as Deputy Chair 30 April 2020)<br/>Liz is currently the Director, External Relations, National Portrait Gallery and has a long history of working in marketing and philanthropy. Previously she was the Executive Director of Philanthropy at Opera Australia and has served on the board of both the Australian Romantic and Classical Orchestra and the Sydney Chamber Opera.</p>   | 10/12  |
| <p><b>Rebecca Edwards</b> - Director (appointed 03/04/2019, Company Secretary)<br/>Rebecca Edwards is the Sid and Fiona Myer Curator of Ceramics and Design at the National Gallery of Australia. She has previously worked at the National Gallery of Victoria as Assistant Curator of the Australian Painting, Sculpture and Decorative Arts and held various curatorial positions at the National Gallery of Australia where she worked across the Australian Art collection. Rebecca holds an undergraduate degree in Art History from the University of Melbourne and has recently completed a PhD from the same institution.</p>   | 9/12   |
| <p><b>David Whitney</b> – Director (appointed as Director 09/05/2018, resigned as Chair and as a director on 30 April 2020)<br/>David's working career includes arts management experience with the Adelaide Festival; General Manager Riverland Region Cultural Trust (S.Aust); Director Araluen Arts Centre, Alice Springs; Director Canberra Theatre Centre and Director artsACT (the ACT Government Arts Policy and Funding program). Responsibilities included oversight of budgets, programming and patron engagement including direct management of local, national and international artists and performers. David has a long association with the Canberra Glassworks through his previous career and is very interested in the development of the Kingston Arts Precinct.</p>  | 3/3  |
| <p><b>Brendan Smyth</b> - Director (appointed 26/11/16)<br/>Member of the Australian Capital Territory Legislative Assembly representing the electorate of Brindabella for the Liberal Party from 1998 to 2016, Commissioner for International Engagement within the ACT Government.</p>   | 8/12   |
| <p><b>Anne Marie Perret</b> – Director (appointed 25/01/2018)<br/>Anne-Marie Perret has had a varied career applying her skills and capabilities with both private and public sector organisations. Anne-Marie has worked with HSBC in Hong Kong as well as Ernst &amp; Young and PwC in Canberra. Anne-Marie works independently assisting high-growth technology clients with funding as well as governance and growth.<br/>Anne-Marie is actively involved in high growth innovative and entrepreneurial companies through her role in Griffin Accelerator, as an Angel Investor, a Director of the Griffin Accelerator Holdings Pty Ltd, a member of the ACT Government's Renewable Energy Innovation Fund Business Advisory.<br/>Anne-Marie is President of the Australian Institute of Company Directors ACT Divisional Council, a board member of Brumbies Rugby and a past board member of Capital Artists Patrons Organisation.</p> | 10/12  |
| <p><b>Katherine Nguyen</b> - Director (appointed 03/04/2019). Katherine is an enthusiastic and engaged curator who has been involved in art and exhibition practice in Canberra since moving here 8 years ago at the National Library of Australia, Australian War Memorial and now at Parliament House.<br/>Currently employed by the Department of Parliamentary Services as Assistant Director, Projects &amp; Programs and is responsible for managing a range of projects and programs for the Art Collection &amp; Exhibitions section including the delivery of services to parliamentarians, temporary exhibitions &amp; displays onsite, travelling exhibitions and large-scale collection movement projects including election changeovers and refurbishments. Katherine has double Masters qualifications in Art History and Curatorial Practice.</p>   | 10/12  |
| <p><b>Peter Baker</b> - Director (appointed 26/09/2019)<br/>Peter is a Senior Associate at the law firm King &amp; Wood Mallesons. He holds a Bachelor of Arts /Bachelor of Laws from ANU and has worked with Westpac, JB Were, Bank of America and BT Financial Group.</p>  | 12/12  |
| <p><b>Kelli Cole</b> - Director (appointed 26/3/2020)</p>  | 5/8  |

## Directors' Report

For the year ending 31 December 2020

### Principal Activities

During the financial year from 1st January 2020 to 31 December 2020, the Company continued to engage in its principal activity which is supporting, promoting and developing contemporary glass in Australia, the results of these activities are disclosed in the attached financial statements.

### Vision 2016 – 2020

A valued and vibrant place for contemporary Australian art and artists connecting through glass nationally and internationally.

### Mission

Our mission is to increase the visibility, viability and vitality of Australian glass by being an engaging and valued centre for art, craft and design within the Australian cultural landscape.

### Purpose

Canberra Glassworks is Australia's leading centre for contemporary glass art, craft and design and our purpose is:

- To enhance the careers of artists by providing state-of-the-art equipment, facilities, and high quality programs which support innovation, development, production and the exhibition of their work;
- To provide accessible opportunities for children and adults to view and learn about contemporary glass and connect with the heritage values and history of the Kingston Power House;
- To provide a world-class tourist experience alongside Canberra's significant national attractions and institutions;
- To build and promote Canberra Glassworks as a nationally and internationally recognised Australian centre for excellence in contemporary art, craft and design.

### Goals & Strategies 2016 - 2020

#### Strategies

|   |   |
|---|---|
| <p><b>Artistic Goal:</b><br/>A nationally and internationally accessible, active world-class centre for exploration, innovation and excellence in contemporary art, craft and design</p>  |   |
| <p><b>Artistic Strategies</b></p> <ul style="list-style-type: none"> <li>• Stimulate cross-disciplinary contemporary arts practice;</li> <li>• Increase national and international artistic engagement through exhibitions, residency programs, creative fellowship, cultural exchange and showcase opportunities;</li> <li>• Increase artist employment, production and commissioning opportunities;</li> <li>• Improve access to the Canberra Glassworks facilities, equipment and studio spaces;</li> <li>• Retain current artists and attract renowned national and international artists as hirers;</li> <li>• Develop, present and tour exhibition programs which are supported by public programs and high quality support materials;</li> </ul>   | <p><b>Artistic Key Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• Number of local, national and international artists hiring and accessing the facility each year</li> <li>• Number of artists involved in national and international residencies &amp; workshops</li> <li>• Positive feedback on artistic programs in survey rating by general public each year</li> <li>• Level of positive feedback in survey rating by artists for the Canberra Glassworks facility, equipment and artistic programs annually</li> <li>• Number of new Australian works presented in Canberra Glassworks exhibitions or for Canberra Glassworks touring</li> <li>• Level of critical writing and guest curatorship of Canberra Glassworks exhibitions</li> <li>• Number of Indigenous, cross-media, cultural exchange and artistic partnership projects each year</li> <li>• Level of national and international audience engagement through Canberra Glassworks touring exhibitions/projects annually</li> <li>• Number of artists engaged in the development and presentation of Canberra Glassworks programs each year</li> <li>• Level of Canberra Glassworks representation at national and international glass industry showcases and conferences</li> </ul> |
| <p><b>Marketing &amp; Sales Goal:</b><br/>A national attraction which tells the story of contemporary glass, sells contemporary glass and actively engages artists, audiences and participants in the exploration of glass within the historic Kingston Powerhouse</p>  |   |
| <p><b>Marketing &amp; Sales Strategies</b></p> <ul style="list-style-type: none"> <li>• Develop the Canberra Glassworks brand and its direct connection with artistic programming;</li> <li>• Increase engagement with and sales to sponsors, donors, collectors and the tourism market nationally and internationally;</li> <li>• Increase visitor engagement with glass and artists throughout the building and at public events;</li> <li>• Provide a communication platform for the online sale of contemporary glass and the promotion of Canberra Glassworks and its artists to new markets nationally and internationally;</li> <li>• Develop Canberra Glassworks production line works for retail sale nationally and internationally.</li> </ul> | <p><b>Marketing &amp; Sales Key Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• Number of visitors per year</li> <li>• Level of participation in community engagement programs presented each year</li> <li>• Level of positive response to marketing and promotional opportunities per year, including direct hits to the website and social media followers, and sign ups to the newsletter database.</li> <li>• Canberra Glassworks representation at local industry events, meetings and opportunities.</li> <li>• Level of national/ international recognition through awards/prizes</li> </ul>  |

## Directors' Report

For the year ending 31 December 2020

|  |  |
|--|--|
| <p><b>Community Engagement Goal:</b><br/>An artistically vibrant arts organisation which introduces glass in contemporary Australian life through a range of artist access, professional development, education and community engagement programs</p>  |  |
| <p><b>Community Engagement Strategies</b></p> <ul style="list-style-type: none"> <li>• Introduce contemporary glass processes and techniques to young people and the broader community through a range of Education and Public Programs;</li> <li>• Introduce an annual Professional Workshop series, appealing to artists locally, nationally and internationally;</li> <li>• Expose the facilities and its programs through partnerships with like-minded institutions (eg. Megalo Print Studio);</li> <li>• Develop pathways for makers not trained in glass at university level to achieve a level of competency and become inducted hirers;</li> <li>• Provide Creative Fellowship intensives where early career artists are assisted to work with the Canberra Glassworks Creative Fellow, encouraging diverse national cohort networks and connections throughout the glass community.</li> </ul>   | <p><b>Community Engagement Key Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• Community Engagement Key Performance Indicators</li> <li>• Level of marketing, promotion and showcasing of Australian artists through Canberra Glassworks</li> <li>• Number of events and attendances for public talks and events per year</li> <li>• Number of professional development programs presented each year and attendances</li> <li>• Number of education tours and workshops presented each year and participants</li> <li>• Level of artist, audience and participant engagement in contemporary glass as indicated in surveys annually</li> <li>• Number of new artists inducted per year as a result of Community Engagement programs</li> </ul> |
| <p><b>Financial Goal:</b><br/>An arts organisation with a range of income sources which is valued by contemporary glass artists and the broader community</p>  |  |
| <p><b>Financial Strategies</b></p> <ul style="list-style-type: none"> <li>• Secure ongoing funding from the Australia Council and artsACT for 2016 – 2020;</li> <li>• Increase earned income from the sale of artworks and merchandise eg. Retail, exhibition sales, commissions, production, merchandising, etc.</li> <li>• Increase earned income from Community Engagement programs including Professional Workshops, Education Programs,</li> <li>• Artist Access and Public Programs;</li> <li>• Attract and retain financial partners, sponsors, philanthropic funds, donors and investors for Canberra Glassworks programs;</li> <li>• Communicate the financial value of contemporary glass in Australia and the investment that artists make in their work;</li> <li>• Maintain and manage cash reserves and Canberra Glassworks assets.</li> </ul>   | <p><b>Financial Key Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• Level of Australian Government investment annually</li> <li>• Level of ACT Government investment annually</li> <li>• Level of cash and in-kind investment from donors, philanthropic funds and sponsors annually</li> <li>• Number of donors and sponsors continuing to support programs annually</li> <li>• Level of growth of company reserves annually</li> <li>• Level of earned income generated each year as % of total income</li> </ul>  |
| <p><b>Administration and Governance Goal:</b><br/>A professionally administered and governed contemporary glass facility with exemplary and sustainable practices</p>  |  |
| <p><b>Administration and Governance Strategies:</b></p> <ul style="list-style-type: none"> <li>• Increase the level of professionalism and national arts industry engagement and experience of staff and contracted artists;</li> <li>• Retain and increase engagement with a professional Board of Directors who have experience in the Arts, Law, Finance, Commercial Enterprise, Management, Philanthropy, Sponsorship and Governance;</li> <li>• Maintain and develop the sustainability of the Canberra Glassworks facility as an ACT Government asset and its appeal to artists nationally and internationally;</li> <li>• Professionally govern and administer Canberra Glassworks and review systems, resources, policies and plans annually;</li> <li>• Improve and integrate communication, administration and booking systems across the organisation for Board, staff and hirers;</li> <li>• Improve and integrate communication, administration and booking systems across the organisation for Board, staff and hirers;</li> </ul> | <p><b>Administration and Governance Key Performance Indicators</b></p> <ul style="list-style-type: none"> <li>• Level of staff turnover annually</li> <li>• Number of staff professional development and national arts industry training opportunities annually</li> <li>• Skills and experience of Board members and staff in Arts, Law, Finance, Commercial Enterprise, Philanthropy, Sponsorship and Governance</li> <li>• Maintain a level of contemporary glass technical and production expertise within organisational structure</li> <li>• Level of efficiency of internal administration, communication, booking, facilities, technical and project management systems</li> <li>• Level of investment in Employees as % of total expenditure</li> </ul>       |
| <p>The Company has an obligation to acquit its ACT Government and Australian Government grants annually and provides qualitative and quantitative reporting against its Key Performance Indicators.</p>  |  |

Canberra Glassworks Limited

## Directors' Report

For the year ending 31 December 2020

### Significant changes in the state of affairs

#### Review of Operations

It is my pleasure to present the Treasurer's Report for the 12 month period from 1 January to 31 December 2020. With the support of our staff, artists, the community and both the ACT and Commonwealth Governments, we have come through a very challenging year in a strong financial position. Despite lengthy and severe operational restrictions due to the pandemic, government income support measures have helped us achieve a significant operating surplus and maintain a strong cash position. We have achieved considerable growth in our operations during recent years.

Our total revenue in 2020 was \$2.186m compared to \$1.925m in 2019. Our final result is a surplus of \$321,022 in 2020 compared to a deficit of \$46,484 in 2019.

Canberra Glassworks generated 58.8% of its income as earned income from a range of sources in 2020. Income from sales generated 22.90% of income including more growth in income from exhibition sales and consignment sales. Our Education programs were reduced to COVID closure, accounting for just 7.1% of total income. Income from facility hire was also reduced by COVID and generated 4.6% of total income.

We have maintained discipline in administration and employment expenditure - with tough decisions taken early to ensure we survived this difficult trading year. This year again the biggest part of total expenditure (48.3%) supported staff employment. Expenditure on maintenance of our facility and equipment increased slightly and made up 13.6% of total expenditure. Combined expenditure on administration, marketing, legal expenses and insurance was 14.3% of total expenditure.

We have completed the upgrade of many of our financial and business systems and I thank the dedicated team members who have helped manage our organisation through this year.

I would also like to thank everyone who has helped financially support the Canberra Glassworks in 2020. Whether through cash or in kind support, you have made a positive difference and we are grateful. With your continued support, the Canberra Glassworks will continue to grow and develop and this will flow through to benefits for art, for artists and for the broader Canberra community.

The net operating result for the Company for financial year ended 31 December 2020 was a surplus of \$321,022.

#### Matters subsequent to the end of the financial year

Like most Australian businesses, the operations of Canberra Glassworks continues to be affected by periodic government restrictions put in place to reduce the spread of the COVID19 virus.

These restrictions will periodically impact the Canberra Glassworks consumer-generated revenues - such as retail sales, education and classes and facility hire.

However, there is currently no impact on our funding from government sources - which represents approximately 50% of our annual revenue. This revenue, alone, is sufficient to fund the basic operations of Canberra Glassworks and protect the assets we would need to resume full operations after the restrictions are lifted. This leaves Canberra Glassworks in a stronger position than many other organisations.

The Board has considered the financial impacts of these restrictions and stands ready to reapply the measures that saw us safely navigate the 2020 year.

#### Likely developments and expected results of operations

Canberra Glassworks will engage in its principal activity which is supporting, promoting and developing contemporary glass in Australia. From 2016- 2020, consistent with its Strategic Plan, Canberra Glassworks will continue to develop the number and type of its products, services and activities.

#### Members' guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 31 December 2020, the number of members was 8.

#### Auditors independence declaration

A copy of the auditors' independence declaration as required by the *Corporations Act 2001* is attached. This forms part of the Directors' Report for the financial period ended 31 December 2020.

Signed in accordance with a resolution of the Directors.



.....  
Gary Rake  
Chair  
Canberra  
30 September 2021

Canberra Glassworks Limited

## Directors' Declaration

31st December 2020

- (a) the financial statements and notes satisfy the requirements of the *Australian Charities and Non-for-profit Commission Act 2012* and:
- (i) give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Board



.....  
Gary Rake

Chair

Canberra

Declaration Date: 30 September 2021

AUDITOR'S INDEPENDENCE DECLARATION UNDER ACNC ACT S 60-40  
TO THE DIRECTORS OF CANBERRA GLASSWORKS LIMITED

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I provide the following declaration of independence to the directors of Canberra Glassworks Limited. As the lead audit partner for the audit of the financial statements of Canberra Glassworks Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Adrian Kelly  
Audit Partner and Registered Company Auditor  
Charterpoint Pty Ltd

Dated this 30<sup>th</sup> day of September 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CANBERRA GLASSWORKS LIMITED

## Report on the Financial Report

### Opinion

We have audited the accompanying financial report of Canberra Glassworks Limited (the company), which comprises the statement of financial position as at 31 December 2020, the statement comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the company has been prepared in accordance with Div 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 2020 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Div 60 of the *Australian Charities and Not-for-profit 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 company 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 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.

### Responsibilities of the Directors for the Financial Report

The directors of the company 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-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### 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 the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.
- Evaluated 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 the directors 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.



Adrian Kelly  
Audit Partner and Registered Company Auditor  
Charterpoint Pty Ltd

Dated this 30<sup>th</sup> day of September 2021

**Statement of Comprehensive Income**

For the year ending 31 December 2020

|  | Notes | 2020               | 2019        |
|--|-------|--------------------|-------------|
|  |       | \$                 | \$          |
| <b>Revenue</b>   |       |                    |             |
| Operating income   | 3     | <b>2,180,721</b>   | 1,919,371   |
| Other income   | 3     | <b>5,074</b>       | 5,898       |
|  |       | <b>2,185,795</b>   | 1,925,270   |
| <b>Expenses</b>  |       |                    |             |
| Cost of sales  |       | <b>(299,469)</b>   | (242,522)   |
| Administrative expenses                                  |       | <b>(165,907)</b>   | (161,250)   |
| Employee benefits expenses                               | 4     | <b>(900,422)</b>   | (938,917)   |
| Facility expenses  |       | <b>(253,527)</b>   | (323,239)   |
| Legal and insurance expenses                             |       | <b>(38,645)</b>    | (48,997)    |
| Marketing and sponsorship expenses                       |       | <b>(62,200)</b>    | (84,362)    |
| Education program expenses                               |       | <b>(117,887)</b>   | (138,234)   |
| Exhibition expenses                                      |       | <b>(26,717)</b>    | (66,824)    |
|  |       | <b>(1,864,773)</b> | (2,004,346) |
|  |       | <b>321,022</b>     | (79,076)    |
| Other comprehensive income                               |       | -                  | -           |
| <b>Total comprehensive (deficit)/income for the year</b> |       | <b>321,022</b>     | (79,076)    |
| Less: transfer from/(to) reserves                        | 18    | <b>2,636</b>       | 32,592      |
| <b>Net (deficit)/surplus for the year</b>                |       | <b>323,658</b>     | (46,484)    |

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

Canberra Glassworks Limited

## Statement of Financial Position

For the year ending 31 December 2020

|                                      | Notes | 2020             | 2019             |
|--------------------------------------|-------|------------------|------------------|
|                                      |       | \$               | \$               |
| <b>ASSETS</b>                        |       |                  |                  |
| <b>Current assets</b>                |       |                  |                  |
| Cash and cash equivalents            | 5     | 1,203,674        | 960,591          |
| Trade and other receivables          | 6     | 49,392           | 57,088           |
| Inventories                          | 7     | 73,732           | 70,977           |
| Other current assets                 | 8     | 10,419           | 34,389           |
| <b>Total current assets</b>          |       | <b>1,337,217</b> | <b>1,123,045</b> |
| <b>Non-current assets</b>            |       |                  |                  |
| Plant and equipment                  | 9     | 57,548           | 79,782           |
| Intangibles                          | 10    | 47,042           | 38,137           |
| <b>Total non-current assets</b>      |       | <b>104,589</b>   | <b>117,919</b>   |
| <b>TOTAL ASSETS</b>                  |       | <b>1,441,806</b> | <b>1,240,963</b> |
| <b>LIABILITIES</b>                   |       |                  |                  |
| <b>Current liabilities</b>           |       |                  |                  |
| Trade and other payables             | 11    | 521,043          | 653,304          |
| Provisions                           | 12    | 58,379           | 50,220           |
| <b>Total current liabilities</b>     |       | <b>579,423</b>   | <b>703,523</b>   |
| <b>Non-current liabilities</b>       |       |                  |                  |
| Provisions                           | 13    | 5,633            | 3,986            |
| <b>Total non-current liabilities</b> |       | <b>5,633</b>     | <b>3,986</b>     |
| <b>TOTAL LIABILITIES</b>             |       | <b>585,056</b>   | <b>707,509</b>   |
| <b>NET ASSETS</b>                    |       | <b>856,750</b>   | <b>533,454</b>   |
| <b>EQUITY</b>                        |       |                  |                  |
| Accumulated funds                    |       | 571,320          | 250,300          |
| Thomas Foundation Reserves           | 18    | 285,431          | 283,157          |
| <b>TOTAL EQUITY</b>                  |       | <b>856,750</b>   | <b>533,457</b>   |

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

Canberra Glassworks Limited

## Statement of Changes in Equity

For the year ending 31 December 2020

| Notes  | Accumulated<br>funds<br>\$ | Thomas<br>Foundation<br>Reserves<br>\$ | Total Equity<br>\$    |
|--|----------------------------|--|-----------------------|
| <b>Balance as at 1 January 2019</b>          | 329,376                    | 250,565                                | 579,941               |
| Net surplus/deficit for the period           | (79,076)                   | -                                      | (79,076)              |
| Transfer (from)/to Thomas Foundation reserve | -                          | 32,592                                 | 32,592                |
| <b>Balance as at 31 December 2019</b>        | <u>250,300</u>             | <u>283,157</u>                         | <u>533,457</u>        |
| <b>Balance as at 1 January 2020</b>          | <b>250,300</b>             | <b>283,157</b>                         | <b>533,457</b>        |
| Net surplus for the year                     | <b>321,022</b>             | -                                      | <b>321,022</b>        |
| Adjustment (roundings)                       | -                          | (362)                                  | (362)                 |
| Transfer (from)/to Thomas Foundation reserve | -                          | 2,636                                  | 2,636                 |
| <b>Balance as at 31 December 2020</b>        | <u><b>571,320</b></u>      | <u><b>285,431</b></u>                  | <u><b>856,750</b></u> |

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

Canberra Glassworks Limited

## Statement of Cash Flows

For the year ending 31 December 2020

|   | 2020             | 2019            |
|---|------------------|-----------------|
|   | \$               | \$              |
| <b>Cash flows from operating activities</b>                       |                  |                 |
| Receipts from customers and others                                | 1,367,098        | 1,161,701       |
| Receipt of grants from artsACT                                    | 765,952          | 752,875         |
| Payments to suppliers and employees                               | (1,915,078)      | (1,524,319)     |
| Interest received   | 5,074            | 5,898           |
| <b>Net cash provided by operating activities</b>                  | <b>223,046</b>   | <b>396,155</b>  |
| <b>Cash flows from investing activities</b>                       |                  |                 |
| Purchase of plant and equipment and intangibles                   | (26,444)         | (39,293)        |
| <b>Net cash used in investing activities</b>                      | <b>(26,444)</b>  | <b>(39,293)</b> |
| <b>Cash flows from financing activities</b>                       |                  |                 |
| Loan Received   | -                | -               |
| Repayment of borrowing  | -                | -               |
| <b>Net cash used in financing activities</b>                      | <b>-</b>         | <b>-</b>        |
| <b>Net increase in cash and cash equivalents</b>                  | <b>196,624</b>   | <b>356,862</b>  |
| Cash and cash equivalents at the beginning of the financial year  | 960,589          | 603,727         |
| <b>Cash and cash equivalents at the end of the financial year</b> | <b>1,157,213</b> | <b>960,589</b>  |

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the Financial Statements

For the year ending 31 December 2020

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### Note 1: Summary of significant accounting policies

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The financial report of Canberra Glassworks Limited for period ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors.

Canberra Glassworks Limited (the Company) is a not-for-profit company limited by guarantee and incorporated in Australia.

The principal activities of the Company during the financial year were to:

- provide artists with state-of-the-art equipment, intensive workshops, studios and mentorship programs; and
- provide opportunities to the public to interact with and learn about glass making and the heritage of Canberra's Kingston Powerhouse.

The registered office of the Company is 11 Wentworth Avenue, Kingston ACT 2604.

#### (a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Accounting Interpretations and the *Corporations Act 2001*. These statements are presented in Australian dollars, which is the Company's functional currency.

#### (b) Statement of compliance

The financial report complies with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board. Certain Australian Accounting Standards and Accounting Interpretations have been recently issued or amended but are not yet effective. The Directors have assessed the effects of the new standards and believe there will not be a material effect on the Company.

#### (c) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### (d) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt.

#### (e) Inventories

Inventories including raw material and finished goods are valued at the lower of cost and current replacement cost.

Cost incurred in bringing each product to its present location and condition are accounted for as follows:

*Raw materials and finished goods* - purchase cost on a first-in, first-out basis. The cost of purchase comprises the purchase price including transport, handling and other costs directly attributable to the acquisition.

#### (f) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repair and maintenance costs are recognised as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets to the Company as follows:

- Office refurbishment - 10 years
- Furniture and fittings - 10 years
- Plant and equipment - 4 to 5 years
- Book library - 10 years

The capitalisation threshold for recognising minor equipment items as assets is \$500.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### *Disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of comprehensive income in the year the asset is derecognised.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

## Notes to the Financial Statements

For the year ending 31 December 2020

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### Note 1: Summary of significant accounting policies (continued)

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#### (g) Intangible assets

##### *Computer software*

Costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Cost capitalised include external direct costs of materials and service. Amortisation is calculated on a straight-line basis over 2.5 years.

##### *Lease Inducement*

Costs incurred in redeveloping the on-site cafe space to attract a high quality cafe operator that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to Lease Inducement. Cost capitalised include Canberra Glassworks contribution payments to the whole project. Amortisation is calculated on a straight-line basis over the life of the current lease period and will be reviewed on an annual basis.

#### (h) Leased assets

Assets held by the Company under leases, which transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

#### (i) Trade and other payables

Trade and other payables are stated at their amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligations.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

#### (k) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave entitlements; and
- other types of employee entitlements,

are charged against surpluses on a net basis in their respective categories.

The contributions made to superannuation funds are charged to the statement of comprehensive income.

##### *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (l) Accumulated funds

Accumulated funds are available for programs and support services in future financial years.

## Notes to the Financial Statements

For the year ending 31 December 2020

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### Note 1: Summary of significant accounting policies (continued)

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#### (m) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Grant income and donations*

The Company is a not-for-profit entity and receives a principal part of its funds from grants and donations. Income arising from the contribution of an asset to the Company shall be recognised when, and only when, all the following conditions have been satisfied:

- the Company obtains control of the contribution or the right to receive the contribution;
- it is probable that the economic benefits comprising the contribution will flow to the Company; and
- the amount of the contribution can be measured reliably.

##### *Education income*

Revenue from providing education workshops and courses are recognised by reference to the delivery of the product or services rendered.

##### *Hire income*

The Company derives revenue from hiring specialist glass making equipment and facilities to artists, occupancy of the venue for functions and events, and from the licensing of the café.

##### *Special commissions income*

The Company derives income from creating special in-house glass art commissions and is recognised when received or receivable. Organisations which engaged the Company for awards, corporate gifts and other forms of glass art included Redford Foundation and Vivien Anderson Gallery.

##### *Sale of artworks and merchandise*

Revenue from sale of artwork and merchandise is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### *Interest revenue*

Revenue is recognised as interest accrued using the effective interest method.

##### *Deferred income*

Deferred income consists of fees received for classes held after the end of financial year. Deferred income is not recognised as revenue until such time when the services have been provided.

#### (n) Income taxes and other taxes

The Company is exempt from income tax pursuant to Subdivision 50A of the *Income Tax Assessment Act, 1997*. The Company is registered by the Department of Infrastructure, Transport, Regional Development and Communications of Cultural Organisations for the purposes of obtaining Deductible Gift Recipient status.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Australian Taxation Office based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

##### **Other taxes**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the balance sheet.

## Notes to the Financial Statements

For the year ending 31 December 2020

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### Note 1: Summary of significant accounting policies (continued)

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#### **(o) Impairment of assets**

##### *(i) Financial assets*

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimate future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in comprehensive income. Individual significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

##### *(ii) Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro-rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. As a not-for-profit entity, the Company assesses the value in use as the depreciated replacement cost of the asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

#### **(p) Nature and purpose of reserve**

##### *Thomas Foundation Reserve*

This reserve records the capital contribution provided by the Thomas Foundation. It is intended to be invested in interest-bearing investments and the interest earned to be used to provide financial support to artists engaged in the Company's programs.

#### **(q) Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the report amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the report amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

##### *(i) Significant accounting judgements*

There are no significant accounting judgements.

## Notes to the Financial Statements

For the year ending 31 December 2020

### Note 2: Financial risk management

In its day-to-day operations, the Company is exposed to financial risks including; credit, liquidity, interest rate and market risk.

All treasury risks are managed through regular risk assessments and ongoing Board reporting, with any exposure considered immaterial.

The Company holds the following financial instruments:

|                              | 2020             | 2019             |
|------------------------------|------------------|------------------|
|                              | \$               | \$               |
| <b>Financial assets</b>      |                  |                  |
| Cash and cash equivalents    | 1,203,674        | 960,591          |
| Trade and other receivables  | 49,392           | 67,172           |
|                              | <b>1,253,065</b> | <b>1,027,763</b> |
| <b>Financial liabilities</b> |                  |                  |
| Trade and other payables     | 521,043          | 254,544          |
|                              | <b>521,043</b>   | <b>254,544</b>   |

For receivables and payables due to be settled within one year, the notional amount is deemed to reflect the fair value.

All other receivables and payables are discounted to determine the fair value.

Classification of financial assets and liabilities depends on the purpose for which the assets and liabilities were acquired.

The Company's classification is set out below:

| Financial asset/liability   | Classification                        | Valuation Basis | Accounting Policy  |
|-----------------------------|---------------------------------------|-----------------|--------------------|
| Trade and other receivables | Loans and receivables                 | Amortised cost  | Refer to Note 1(d) |
| Trade and other payables    | Financial liability at amortised cost | Amortised cost  | Refer to Note 1(i) |

#### (a) Credit risk

The Company does not consider its credit risk to be material, as financial assets, other than cash and cash equivalents, are not significant.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit terms by customers are regularly monitored by line management. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The maximum exposure to credit risk for the year ending 31 December 2020 is the carrying amounts of financial assets recognised in the balance sheet of the Company. The Company holds no significant collateral as security and the credit quality of all financial assets that are neither past due nor impaired is consistently monitored in order to identify any potential adverse changes in the credit quality.

## Notes to the Financial Statements

For the year ending 31 December 2020

### Note 2: Financial risk management (continued)

#### (b) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company's financial liabilities comprise trade and other payables which originate from its ongoing operations.

The following table illustrates the maturities for financial assets and liabilities:

#### Maturity analysis of financial assets and liability based on management's expectation

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflow. The Company's financial assets are considered in the Company's overall liquidity risk. To monitor existing financial assets and liabilities as well as to ensure effective control of future risks, the Board has established an Audit and Risk Committee to monitor liquidity.

|                             | Notes | ≤ 1 month<br>\$ | 6 to 12 months<br>\$ | ≥ 1 year<br>\$ | Total<br>\$    |
|-----------------------------|-------|-----------------|----------------------|----------------|----------------|
| <b>31 Dec 2019</b>          |       |                 |                      |                |                |
| Cash and cash equivalents   | 5     | 960,591         | -                    | -              | 960,591        |
| Trade and other receivables | 6     | 57,088          | -                    | -              | 57,088         |
| Total financial assets      |       | 1,017,679       | -                    | -              | 1,017,679      |
| Trade and other payables    | 11    | 653,304         | -                    | -              | 653,303        |
| Total financial liabilities |       | 653,304         | -                    | -              | 653,303        |
| <b>Net maturity</b>         |       | <b>364,376</b>  | <b>-</b>             | <b>-</b>       | <b>364,377</b> |
| <b>31 Dec 2020</b>          |       |                 |                      |                |                |
| Cash and cash equivalents   | 5     | 1,203,674       | -                    | -              | 1,203,674      |
| Trade and other receivables | 6     | 49,392          | -                    | -              | 49,392         |
| Total financial assets      |       | 1,253,066       | -                    | -              | 1,253,066      |
| Trade and other payables    | 11    | 521,043         | -                    | -              | 521,042        |
| Total financial liabilities |       | 521,043         | -                    | -              | 521,042        |
| <b>Net maturity</b>         |       | <b>732,023</b>  | <b>-</b>             | <b>-</b>       | <b>732,024</b> |

#### Contractual maturities

Management consider the contractual maturities of its trade and other payables are as disclosed. The Company has no contingent liabilities.

#### (c) Interest rate risk

The income and the associated operating cash flows of the Company's assets are substantially independent of changes in market interest rates. Therefore, no sensitivity analysis is disclosed.

|                                  | Notes | 2020<br>\$       | 2019<br>\$       |
|----------------------------------|-------|------------------|------------------|
| <b>Note 3: Revenue</b>           |       |                  |                  |
| <b>Operating income</b>          |       |                  |                  |
| Grant income from artsACT        |       | 765,952          | 752,875          |
| Other Grant income               |       | 134,149          | 177,326          |
| Donation from general public     |       | 86,919           | 86,679           |
| Education income                 |       | 155,352          | 241,652          |
| Sale of artworks and merchandise |       | 268,797          | 275,859          |
| Hire income                      |       | 100,712          | 135,208          |
| Special Commissions income       |       | 231,892          | 92,546           |
| Café Rent Income                 |       | 96,748           | 89,276           |
| Other income                     |       | 340,200          | 67,951           |
|                                  |       | <b>2,180,721</b> | <b>1,919,371</b> |
| <b>Other income</b>              |       |                  |                  |
| Interest income - Other          |       | 5,074            | 5,898            |
|                                  |       | <b>5,074</b>     | <b>5,898</b>     |
|                                  |       | <b>2,185,795</b> | <b>1,925,270</b> |

The capital base of the grant received from the Thomas Foundation is protected under the condition of the grant agreement.

**Notes to the Financial Statements**

For the year ending 31 December 2020

|  | Notes  | 2020<br>\$     | 2019<br>\$     |
|--|--------|----------------|----------------|
| <b>Note 4: Expenses</b>  |        |                |                |
| Net surplus/(deficit) for the year includes the following specific expenses: |        |                |                |
| <b>Employee benefits expenses:</b>   |        |                |                |
| Wages and salaries   |        | 779,376        | 752,389        |
| Casual - Contractors fees  |        | 23,493         | 71,553         |
| Superannuation   |        | 73,170         | 80,589         |
| Other employee benefits expense  |        | 24,383         | 34,386         |
|  |        | <u>900,422</u> | <u>938,917</u> |
| Depreciation expense   | 9      | 24,870         | 21,240         |
| Amortisation expense   | 10     | 14,903         | 20,200         |
|  | 21     | <u>39,773</u>  | <u>41,440</u>  |
| Remuneration of auditors:  |        |                |                |
| An audit of the financial report   |        | 7,000          | 7,000          |
| Other services   |        | 1,500          | 1,500          |
|  |        | <u>8,500</u>   | <u>8,500</u>   |
| Residencies funded - Thomas Foundation                                       | 18, 21 | <u>3,971</u>   | <u>5,006</u>   |

**Note 5: Cash and cash equivalents**

|  |  |                  |                |
|--|--|------------------|----------------|
| Cash at bank                                 |  | 917,815          | 674,740        |
| Cash at bank - Funds held in trust (Note 18) |  | 285,431          | 285,114        |
| Cash on hand                                 |  | 428              | 737            |
|  |  | <u>1,203,674</u> | <u>960,591</u> |

Funds held in trust represents the capital base of the grant received from the Thomas Foundation, which is protected under the conditions of the grant agreement and is therefore restricted capital.

The interest income derived from the investment of the grant can be used for the purpose specified in the grant agreement.

**Note 6: Trade and other receivables**

|                              |  |               |               |
|------------------------------|--|---------------|---------------|
| Trade receivables            |  | 67,244        | 59,803        |
| Allowance for doubtful debts |  | (17,852)      | (2,715)       |
|                              |  | <u>49,392</u> | <u>57,088</u> |

**(a) Trade and other receivables**

The ageing analysis of trade and other debtors is as follows:

|                    | Not Considered<br>Impaired | Considered<br>Impaired | Total         |
|--------------------|----------------------------|------------------------|---------------|
|                    | \$                         | \$                     | \$            |
| <b>31 Dec 19</b>   |                            |                        |               |
| Current            | 6,048                      | -                      | 6,048         |
| 1-30 days past due | 4,146                      | -                      | 4,146         |
| 31+ days past due  | 46,894                     | 2,715                  | 49,609        |
|                    | <u>57,088</u>              | <u>2,715</u>           | <u>59,803</u> |
| <b>31-Dec-20</b>   |                            |                        |               |
| Current            | 25,640                     | -                      | 25,640        |
| 1-30 days past due | 18,466                     | -                      | 18,466        |
| 31+ days past due  | 5,287                      | 17,852                 | 23,139        |
|                    | <u>49,392</u>              | <u>17,852</u>          | <u>67,244</u> |

Collateral is not normally obtained.

**Note 7: Inventories**

|   |  |               |               |
|---|--|---------------|---------------|
| Raw materials and consumables (at cost) |  | 56,374        | 60,168        |
| Finished goods (at cost)                |  | 17,358        | 10,809        |
|   |  | <u>73,732</u> | <u>70,977</u> |

During the year, no inventory was written down against a liability of the same amount (2019:\$nil).

**Notes to the Financial Statements**

For the year ending 31 December 2020

|                                     | Notes | 2020<br>\$    | 2019<br>\$ |
|-------------------------------------|-------|---------------|------------|
| <b>Note 8: Other current assets</b> |       |               |            |
| Prepayments                         |       | <b>10,419</b> | 34,389     |
|                                     |       | <b>10,419</b> | 34,389     |

**Note 9: Plant and equipment**

|                                       | Notes | Office<br>Refurbishment<br>\$ | Furniture &<br>Fittings<br>\$ | Plant &<br>Equipment<br>\$ | Total<br>\$   |
|---------------------------------------|-------|-------------------------------|-------------------------------|----------------------------|---------------|
| <b>At 31 December 2019</b>            |       |                               |                               |                            |               |
| Net book value as at 1 January 2019   |       | 6,779                         | 9,353                         | 46,291                     | 62,423        |
| Additions (at cost)                   |       | 0                             | 0                             | 39,292                     | 39,292        |
| Disposals                             |       | -                             | -                             | -                          | -             |
| Depreciation expense                  | 4     | (693)                         | (1,800)                       | (19,440)                   | (21,240)      |
| Net book value as at 31 December 2019 |       | <b>6,086</b>                  | <b>7,553</b>                  | <b>66,143</b>              | <b>80,475</b> |
| Cost                                  |       | 13,450                        | 44,270                        | 203,018                    | 260,737       |
| Accumulated depreciation              |       | (7,364)                       | (36,717)                      | (136,875)                  | (180,955)     |
| Net carrying amount                   |       | <b>6,086</b>                  | <b>7,553</b>                  | <b>66,143</b>              | <b>79,782</b> |

|                                       | Notes | Office<br>Refurbishment<br>\$ | Furniture &<br>Fittings<br>\$ | Plant &<br>Equipment<br>\$ | Total<br>\$   |
|---------------------------------------|-------|-------------------------------|-------------------------------|----------------------------|---------------|
| <b>At 31 December 2020</b>            |       |                               |                               |                            |               |
| Net book value as at 1 Jan 2020       |       | <b>6,086</b>                  | <b>7,553</b>                  | <b>66,143</b>              | <b>79,782</b> |
| Additions (at cost)                   |       | -                             | -                             | 2,636                      | 2,636         |
| Disposals                             |       | -                             | -                             | -                          | -             |
| Depreciation expense                  | 4     | (856)                         | (4,143)                       | (19,870)                   | (24,870)      |
| Net book value as at 31 December 2020 |       | <b>5,230</b>                  | <b>3,410</b>                  | <b>48,908</b>              | <b>57,548</b> |
| Cost                                  |       | 13,450                        | 44,270                        | 205,653                    | 263,372       |
| Accumulated depreciation              |       | (8,220)                       | (40,860)                      | (156,745)                  | (205,825)     |
| Net carrying amount                   |       | <b>5,230</b>                  | <b>3,410</b>                  | <b>48,908</b>              | <b>57,548</b> |

**Note 10: Intangibles**

|                                       | Notes | Lease<br>Inducement<br>\$ | Computer<br>Software<br>\$ | Total<br>\$   |
|---------------------------------------|-------|---------------------------|----------------------------|---------------|
| <b>At 31 Dec 2019</b>                 |       |                           |                            |               |
| Net book value as at 1 Jan 2019       |       | 42,250                    | 16,087                     | 58,337        |
| Additions (at cost)                   |       | 0                         | -                          | 0             |
| Amortisation expense                  | 4     | (13,000)                  | (7,200)                    | (20,200)      |
| Net book value as at 31 Dec 2019      |       | <b>29,250</b>             | <b>8,887</b>               | <b>38,137</b> |
| Cost                                  |       | 130,000                   | 65,273                     | 195,273       |
| Accumulated amortisation              |       | (100,750)                 | (56,386)                   | (157,136)     |
| Net carrying amount                   |       | <b>29,250</b>             | <b>8,887</b>               | <b>38,137</b> |
| <b>At December 2020</b>               |       |                           |                            |               |
| Net book value as at 1 Jan 2020       |       | <b>29,250</b>             | <b>8,887</b>               | <b>38,137</b> |
| Additions (at cost)                   |       | 0                         | 23,808                     | 23,808        |
| Amortisation expense                  | 4     | (13,000)                  | (1,903)                    | (14,903)      |
| Net book value as at 31 December 2020 |       | <b>16,250</b>             | <b>30,792</b>              | <b>47,042</b> |
| Cost                                  |       | 130,000                   | 89,081                     | 219,081       |
| Accumulated amortisation              |       | (113,750)                 | (58,289)                   | (172,039)     |
| Net carrying amount                   |       | <b>16,250</b>             | <b>30,792</b>              | <b>47,042</b> |

**Notes to the Financial Statements**

For the year ending 31 December 2020

| Notes                                    | 2020<br>\$     | 2019<br>\$     |
|--|----------------|----------------|
| <b>Note 11: Trade and other payables</b> |                |                |
| Trade payables                           | 54,090         | 78,897         |
| Accrued expenses                         | 5,480          | 8,500          |
| GST payable                              | 41,820         | 116,264        |
| PAYG withholding tax payable             | 34,953         | 88,003         |
| Superannuation payable                   | 7,072          | 34,802         |
| Income in advance                        | 342,712        | 277,682        |
| Other payable                            | 36,058         | 50,505         |
| Credit Card Clearing                     | (1,141)        | (1,349)        |
|  | <u>521,043</u> | <u>653,304</u> |

**Note 12: Current provisions**

|  |               |               |
|--|---------------|---------------|
| Recreational leave liability           | 54,687        | 47,554        |
| Long service leave liability - Current | 3,693         | 2,665         |
|  | <u>58,379</u> | <u>50,220</u> |

**Note 13: Non-current provisions**

|  |              |       |
|--|--------------|-------|
| Long service leave liability - Non Current | <u>5,633</u> | 3,986 |
|--|--------------|-------|

**Note 14: Related parties and key management personnel disclosures****(a) Details of key management personnel**

|                   |   |
|-------------------|---|
| (i) Directors     |   |
| Gary Rake         | Chair (from 30 April 2020) and Treasurer                    |
| Liz Nield OAM     | Deputy Chair of the Board and Chair of Engagement Committee |
| Rebecca Edwards   | Company Secretary   |
| Anne-Marie Perret | Director and Chair of Audit and Risk Committee              |
| Katherine Nguyen  | Director  |
| Kelli Cole        | Director  |
| Peter Baker       | Director  |
| Brendan Smyth     | Director  |
| David Whitney     | Chair (resigned 30 April 2020)                              |
| (ii) Executive    |   |
| Julie Skate       | Chief Executive Officer                                     |

The Directors and board members did not receive any remuneration for their services. The terms and conditions of transactions with Directors and their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non director-related entities on an arm's length basis.

The directors of the Company hold directorship in a number of other organisations. The Company has no dealings with any other related parties.

No loans have been made by the Company to any director or related entity.

A number of directors utilise the facilities at Canberra Glassworks in arms length transactions both at normal market rates and on normal commercial terms.

**(b) Compensation of Key Management Personnel**

|                                     | 2020<br>\$     | 2019<br>\$     |
|-------------------------------------|----------------|----------------|
| Short-term employee benefits        | 118,659        | 104,260        |
| Post employment benefits            | 8,302          | 9,377          |
| Other long term employment benefits | 5,359          | 3,513          |
|                                     | <u>132,321</u> | <u>117,150</u> |

**Note 15: Contingent liabilities**

There are no contingent liabilities at 31 December 2020.

## Notes to the Financial Statements

For the year ending 31 December 2020

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### Note 16: Economic dependency

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The Company is financially dependent on the grant income received from artsACT (ACT Government arts agency) to maintain its day-to-day operations. Income received from artsACT contributed 35% of total income received for the year ending 31st December 2020 (39% in 2019).

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### Note 17: Events occurring after balance sheet date

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Like most Australian businesses, the operations of Canberra Glassworks continues to be affected by periodic government restrictions put in place to reduce the spread of the COVID19 virus.

These restrictions will periodically impact the Canberra Glassworks consumer-generated revenues - such as retail sales, education and classes and facility hire.

However, there is currently no impact on our funding from government sources - which represents approximately 50% of our annual revenue. This revenue, alone, is sufficient to fund the basic operations of Canberra Glassworks and protect the assets we would need to resume full operations after the restrictions are lifted. This leaves Canberra Glassworks in a stronger position than many other organisations.

The Board has considered the financial impacts of these restrictions and stands ready to reapply the measures that saw us safely navigate the 2020 year.

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### Note 18: Thomas Foundation Reserve

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On 13 March 2009, The Company and Thomas Foundation signed a funding agreement for \$250,000 (the Grant), of which \$100,000 was received during in the 2009 financial year and \$150,000 was received during the financial year 2010. The Grant is invested to provide an ongoing capital base with the Fellowships funded from income derived there from. The capital base is protected and is therefore restricted cash as disclosed in note 5.

|   | Notes | 2020<br>\$     | 2019<br>\$ |
|---|-------|----------------|------------|
| Balance as at the beginning of the financial year |       | <b>282,795</b> | 250,565    |
| Opening balance adjustment                        |       | <b>1,957</b>   | -          |
| Adjusted opening balance                          |       | <b>284,752</b> | 250,565    |
| MyNorth Investment increase (gross)               |       | <b>4,650</b>   | 37,236     |
| Residencies funded                                | 18    | <b>(3,971)</b> | (5,006)    |
| Balance as at the end of the financial year       |       | <b>285,431</b> | 282,795    |

#### Residencies funded to Artists

|                     |   |              |       |
|---------------------|---|--------------|-------|
| Marcel Hoogstad Hay |   | -            | 2,000 |
| Lucy Palmer         |   | -            | 2,000 |
| Jessica Murtagh     |   | <b>2,000</b> | -     |
| Robert Schwartz     |   | <b>1,971</b> | -     |
| Hannah Gason        |   | -            | 1,006 |
|                     | 4 | <b>3,971</b> | 5,006 |

#### Purpose of the Reserve

The reserve has been created to record the cumulative balance of funds available. Under the terms of the funding agreement the capital base of \$250,000 is restricted and cannot be drawn upon. Instead, the interest earned on the capital base is to be used to fund fellowships for emerging artists to allow their subsidised use of facilities at Canberra Glassworks.

As a consequence of this reserve policy, except for any additional injections or returns of capital which may or may not occur, the balance of the reserve will increase for any interest earned and decrease for any expenditure incurred on providing fellowships. The interest earned on the capital base will be taken to the statement of comprehensive income, as well as the expenditure to fund fellowships, with an equal and opposite reserve movement to ensure the balance of the reserve at year end equals the capital base plus cumulative funds available to use for funding future fellowships.

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### Note 19: Members' guarantee

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The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 31 December 2020, the number of members was 8.

**END OF AUDITED FINANCIAL STATEMENTS**