

Canberra Glassworks Ltd

An ACNC registered company limited by guarantee

Annual Report

11 Wentworth Avenue

Kingston ACT 2604

An ACT Government owned arts facility

ABN 22 120 881 898



FROM THE CHAIR

CHAIR REPORT 2021

I am proud to commence this report by celebrating the resilience shown in our community as we navigated a second year of pandemic challenges. Across our city and our nation, many people dug deeply to pull themselves through – and we have seen that in the glass art community.

I also acknowledge, with sadness, that within our community some have lost family and friends, some have lost incomes, and many have lost valuable creative time. To everyone who experienced loss during this second year of interruption, I extend thoughts of care and best wishes from the Canberra Glassworks community.

For our own work at the Canberra Glassworks, the public health measures that were necessary for our human health, presented both financial and creative challenges. We are, again, extremely grateful for the patience and forbearance of our employee team and the financial certainty offered by our principal funding partners the ACT Government through artsACT and the Australia Council for the Arts.

Despite the challenges and interruptions, Canberra Glassworks still achieved a lot during 2021:

- We completed a refit of our retail shop – enabling us to display more works, in a customer-friendly environment and resulting in an immediate increase in sales (for the benefit of artists and the Glassworks).
- Our skilled team completed a commission for NSW Government House – creating an opportunity for our artists to produce new light fittings to match originals in the heritage-listed domain.
- Despite the interruptions, we also presented three exhibitions, completed 14 special commissions, supported seven artist residencies, maintained ten studios for hiring artists, held 35 Workshops, and still delivered 151 Make your Own sessions!

I thank my Board colleagues for their commitment, strength, and wisdom. This was a year where we needed to focus on bring our best and

I acknowledge and thank Jeremy Lepisto, who stepped down as a Board Advisor in the middle of the year. Jeremy always brought skilled and productive perspectives to our discussions. I also thank Spike Deane for her continued service as a Board Advisor. Our work as a Board is strengthened by her presence.

In 2021, we said goodbye to Julie Skate - our Chief Executive Officer since 2017. In her time as CEO, Julie oversaw development of a new strategic plan, initiated new partnerships and collaborations in the broader arts sector and successfully steered the Canberra Glassworks through the first 18 months of the pandemic. There is much to celebrate from the past four years, and we wish Julie the very best in her next pursuits.

In October we welcomed Elizabeth Rogers as our new CEO. Elizabeth has a long career working within the arts sector- locally and across NSW. We look forward to all stakeholders having the opportunity to meet Elizabeth.

It is important that I reiterate our gratitude for the ACT Government for their ongoing financial support to the Canberra Glassworks as a Key Arts Organisation. We recognise the important responsibility this places on us and we are committed to delivering benefits for the Canberra community and supporting glass artists through our work.

I also thank the Australia Council for the Arts for the project funding that enables key parts of our residency program. We hope to continue offering residencies into the future – as a way to bring new artists and perspective to glass and to support existing glass artists extend their practice and creativity.

I would like to close this report with another thank you to the employee team at the Canberra Glassworks. Your continued brilliance makes all the great stuff happen!



Gary Rake
Chair

Canberra
Dated this 7th day of March 2022

DIRECTORS' REPORT

The Directors of Canberra Glassworks Limited present their report together with the financial statements of the entity for the year ended 31 December 2021 and the Independent Audit Report thereon.

DIRECTORS' DETAILS

The following persons were Directors of Canberra Glassworks during the financial year.

Gary Rake

BEcon, MAcc, GAIDC

Chair since 30 April 2020

Treasurer since 25 January 2018

Director since 25 January 2018

Economist and accountant, Gary 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.

Liz Nield OAM

BArts, LLB

Deputy Chair since 30 April 2020

Director since 3 April 2019

Liz is currently the Director, External Relations, National Portrait Gallery and has a long history 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.

Rebecca Edwards

BArts (Hons), PhD

Company Secretary since 30 April 2021

Director since 3 April 2019

Rebecca 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 Arts collection.

Peter Baker

BArts, LLB

Director since 26 September 2019

Peter is a Senior Associate at the law firm King & Wood Mallesons. He has previously worked with Westpac, JB Were, Bank of America and BT Financial Group.



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Kellie Cole

BArts

Director since 26 March 2020

Warumungu/Luritja peoples

Kelli Cole is a Warumungu and Luritja woman from central Australia and curator of Special Projects for the Aboriginal and Torres Strait Islander Art Department at the National Gallery of Australia, Canberra. She has worked on major projects at the Gallery since 2007, including the National Indigenous Art Triennial in 2007 and 2012, 2018, 2021 and assisted in the development of the Aboriginal and Torres Strait Islander galleries in 2010.

Katherine Nguyen

BArts, MArtH, MCur

Director since 3 April 2019

Katherine is a curator who has been involved in art and exhibition practice in Canberra at the National Library of Australia, Australian War Memorial and now Australian Parliament House where she is employed by the Dept of Parliamentary Services as Assistant Director, Projects, and Programs. She is responsible for managing a range of projects and programs for the Art Collection and Exhibitions section including the delivery of services to parliamentarians, temporary exhibitions and displays on site, travelling exhibitions and large-scale collection movement projects including election changeovers and refurbishments.

Anne-Marie Perret

GDipInv-Sec, LLB, GAIDC

Director since 25 January 2018

Chair of Audit and Risk Committee since 30 April 2020

Anne-Marie has had a varied career applying her skills and capabilities with both private and public sector organisations. She has worked with HSBC in Hong Kong, Ernst & Young and PwC in Canberra and now works independently assisting high growth technology clients with funding, governance, and growth.

She is actively involved in high growth innovative and entrepreneurial companies through her roles in Griffin Accelerator as an Angel Investor and a director of Griffin Accelerator Holdings Pty Ltd and a member of the ACT Government's Renewable Energy Innovation Fund Business Advisory. She is also President of the Australian Institute of Company Directors ACT Divisional Council, board member of Brumbies Rugby and past board member of Capital Artists Patrons Organisation.

Brendan Smyth

Director since 26 November 2016

Former 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.

PURPOSE

Canberra Glassworks is Australia's national centre for artists who work with glass, a core cultural asset at the heart of the Kingston Arts Precinct, and a place where we embrace experimentation, education, and engagement.

PRINCIPAL ACTIVITIES

During the year the principal activities of the company were to:

- Provide state of the art facilities in which glass artists were able to undertake their artistic practice
- Support a residency program for visiting artists to utilise the facilities in order to grow their expertise and practice
- Develop a program of curated exhibitions open to the public featuring exemplary work of glass artists
- Provide a retail outlet for sale of art glass objects
- Enable learning and engagement with glass making processes through offering a range of workshops to the general public
- Undertake commissions for bespoke objects
- Make studio spaces available for hire to glass artists

During the year due to the Covid 19 pandemic, the Canberra Glassworks was closed from 12 August until 18 October under ACT Government Public Health orders. All staff worked from home during this period. From 18 October, the facility had a gradual reopening with limited numbers permitted in the building. The shop reopened 29 October and workshops recommenced 4 December.

GOALS & STRATEGIES 2020 – 2024

There are seven key goals across our business identified as critical to achieving our purpose and vision over the next five years:

1. **Practice** – Perform at the highest level in all that we do – from education to exhibitions, facilities to retail – improving all aspects of industry, stakeholder, and public engagement with Canberra Glassworks.
2. **Pathways** – Recognise artists are at the heart of what we do and create the pathways and potential for them to develop sustainable careers and markets for their work nationally and internationally.

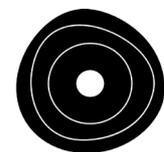


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3. **Place** – Acknowledge and celebrate the history of the Kingston Powerhouse, the Ngunnawal and Ngambri Peoples, traditional custodians of the land on which it stands, and the leading role Canberra Glassworks will play in the Kingston Arts Precinct.
4. **Provision** – Ensure our business model improves sustainability, organisational growth and resilience and demonstrates the considerable cultural, social, and economic value we generate.
5. **Profile** – Canberra Glassworks is recognised as a national and international centre for contemporary glass and centre of choice for artists, curators, collectors, and purchasers of glass art.
6. **Participation** – Increase levels of engagement with the unique experience of Glassworks across all audiences and communities.
7. **People** – Develop a staffing and governance structure that is appropriate to the business and its resources, supporting development opportunities for staff and artists alike and work towards becoming an employer of choice.

Strategies to achieve these goals are:

1. **Practice** - Raise the bar in all that we do from education to exhibitions, facilities to retail improving all aspects of industry, stakeholder, and public engagement with the Glassworks.
2. **Pathways** - Recognise artists are at the heart of what we do and create the pathways and potential for them to develop sustainable careers and markets for their work nationally and internationally.
3. **Place** - Acknowledge and celebrate the history of the Kingston Powerhouse, the Ngunnawal and Ngambri Peoples, traditional custodians of the land on which it stands, and the role Glassworks will play in the Kingston Arts Precinct.
4. **Provision** - Build a better business model for Glassworks to improve sustainability, organisational growth and resilience and demonstrate the considerable cultural, social, and economic value we generate.
5. **Profile** - Make Canberra Glassworks the recognised national and international centre for contemporary glass and centre of choice for artists, curators, collectors, and purchasers of glass art.
6. **Participation** - Increase levels of engagement with the unique experience of Glassworks across all audiences and communities.
7. **People** - Develop a staffing and governance structure that is appropriate to the business and its resources, provide support and training opportunities to staff and artists alike and work towards becoming an employer of choice.



DIRECTORS MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director is as follows:

	A	B
Gary Rake	12	12
Liz Nield OAM	12	8
Rebecca Edwards	12	11
Peter Baker	12	12
Kellie Cole	12	8
Katherine Nguyen	12	8
Anne-Marie Perret	12	11
Brendan Smyth	12	10

Where:

column A is the number of meetings the Director was entitled to attend

column B is the number of meetings the Director attended

CONTRIBUTIONS IN WINDING UP

The Company is incorporated under the *Corporations Act 2001* and is a company 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 entity. At 31 December 2021, the total amount that members of the Company are liable to contribute if the Company wound up is \$160.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's 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 2021.

Signed in accordance with a resolution of the Directors.

Gary Rake
Chair

Canberra
Dated this 7th day of March 2022

Canberra Glassworks Limited

DIRECTORS' DECLARATION

31 December 2021



- (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 2021 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



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Gary Rake

Chair

Canberra

Dated this 7th day of March 2022

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 2021, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 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 7th day of March 2022

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 2021, 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 2021 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 7th day of March 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021	2020
		\$	\$
Revenue			
Operating income	3	1,927,970	2,180,733
Other income	3	1,481	5,062
		1,929,451	2,185,795
Expenses			
Cost of sales		(463,457)	(476,451)
Administrative		(172,336)	(139,684)
Employee benefits	4	(949,911)	(895,145)
Building		(262,744)	(253,904)
Insurance		(23,672)	(20,428)
Marketing and sponsorship		(42,678)	(62,078)
Workshop and equipment maintenance		(13,464)	(17,083)
		(1,928,262)	(1,864,773)
		1,189	321,022
Other comprehensive income		-	-
Net surplus for the year		1,189	321,022
Less: transfer from/(to) reserves	18	32,947	2,636
Total comprehensive income for the year		34,136	323,658

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

Statement of Financial Position

As at 31 December 2021

	Notes	2021	2020
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,125,690	1,203,674
Trade and other receivables	6	99,108	49,392
Inventories	7	69,905	73,732
Other current assets	8	6,764	10,419
Total current assets		1,301,467	1,337,217
Non-current assets			
Plant and equipment	9	104,268	57,547
Intangibles	10	26,081	47,042
Total non-current assets		130,349	104,589
TOTAL ASSETS		1,431,816	1,441,806
LIABILITIES			
Current liabilities			
Trade and other payables	11	196,544	142,274
Provisions	12	53,902	58,379
Unearned income		284,063	378,770
Total current liabilities		534,509	579,423
Non-current liabilities			
Provisions	13	6,421	5,633
Total non-current liabilities		6,421	5,633
TOTAL LIABILITIES		540,930	585,056
NET ASSETS		890,886	856,750
EQUITY			
Accumulated funds		572,508	571,319
Thomas Foundation Reserve	18	318,378	285,431
TOTAL EQUITY		890,886	856,750

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

Statement of Changes in Equity

For the year ended 31 December 2021

Notes	Accumulated funds	Thomas Foundation Reserves	Total Equity
	\$	\$	\$
Balance as at 1 January 2020	250,300	283,157	533,457
Net surplus/deficit for the period	321,022	-	321,022
Adjustment (roundings)	(3)	(362)	(365)
Direct movements in the Thomas Foundation reserve	-	2,636	2,636
Balance as at 31 December 2020	<u>571,319</u>	<u>285,431</u>	<u>856,750</u>
Balance as at 1 January 2021	571,319	285,431	856,750
Net surplus for the year	1,189	-	1,189
Direct movements in the Thomas Foundation reserve	-	32,947	32,947
Balance as at 31 December 2021	<u>572,508</u>	<u>318,378</u>	<u>890,886</u>

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

Statement of Cash Flows

For the year ended 31 December 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts from customers and others	1,218,038	1,367,098
Receipt of grants from artsACT	778,406	765,952
Payments to suppliers and employees	(1,997,642)	(1,868,597)
Interest received	1,481	5,074
Net cash provided by operating activities	283	269,527
Cash flows from investing activities		
Purchase of plant and equipment and intangibles	(78,267)	(26,444)
Net cash used in investing activities	(78,267)	(26,444)
Net increase / (decrease) in cash and cash equivalents	(77,984)	243,083
Cash and cash equivalents at the beginning of the financial year	1,203,674	960,591
Cash and cash equivalents at the end of the financial year	1,125,690	1,203,674

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1: Summary of significant accounting policies

The financial report of Canberra Glassworks Limited for period ended 31 December 2021 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 state of the art facilities in which glass artists were able to undertake their artistic practice
- Support a residency program for visiting artists to utilise the facilities in order to grow their expertise and practice
- Develop a program of curated exhibitions open to the public featuring exemplary work of glass artists
- Provide a retail outlet for sale of art glass objects
- Enable learning and engagement with glass making processes through offering a range of workshops to the general public
- Undertake commissions for bespoke objects
- Make studio spaces available for hire to glass artists

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

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.

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 ended 31 December 2021

Note 1: Summary of significant accounting policies (continued)

(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 ended 31 December 2021

Note 1: Summary of significant accounting policies (continued)

(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 Jordan and Bloomborgs.

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 ended 31 December 2021

Note 1: Summary of significant accounting policies (continued)

(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 of 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 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.

(r) Comparative information

Where necessary, certain comparative information may have been reclassified to conform with the current year's presentation and disclosure.

Notes to the Financial Statements

For the year ended 31 December 2021

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:

	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	1,125,690	1,203,674
Trade and other receivables	99,108	49,392
	1,224,798	1,253,066
Financial liabilities		
Trade and other payables	196,544	521,043
	196,544	521,043

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 2021 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 ended 31 December 2021

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 \$	6 to 12 months \$	≥ 1 year \$	Total \$
31 Dec 2020					
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	142,274	-	-	142,274
Unearned income	13	378,770	-	-	378,770
Total financial liabilities		521,044	-	-	521,044
Net maturity		732,022	-	-	732,022
31 Dec 2021					
Cash and cash equivalents	5	1,125,690	-	-	1,125,690
Trade and other receivables	6	99,108	-	-	99,108
Total financial assets		1,224,798	-	-	1,224,798
Trade and other payables	11	196,544	-	-	196,544
Unearned income	13	284,063	-	-	284,063
Total financial liabilities		480,607	-	-	480,607
Net maturity		744,191	-	-	744,191

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	2021 \$	2020 \$
Note 3: Revenue			
Operating income			
Grant income from artsACT		800,736	777,117
Grant income from Australia Council		238,298	122,984
Other Grant income		40,000	295,000
Donation and sponsorships		32,358	96,185
Public programs		128,004	155,352
Sale of artworks and merchandise		303,177	268,797
Hire income		81,577	100,712
Special Commissions income		176,982	231,892
Café Rent Income		108,844	96,748
Other income		17,994	35,946
		1,927,970	2,180,733
Other income			
Interest income - Other		1,481	5,062
		1,481	5,062
		1,929,451	2,185,795

The capital base of the grant received from the Thomas Foundation is protected under the condition of the grant agreement. Interest earned from monies invested on behalf of the Thomas Foundation have been recognised directly in the Thomas Foundation Reserve (Note 18).

Notes to the Financial Statements

For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Note 4: Expenses			
Net surplus/(deficit) for the year includes the following specific expenses:			
Employee benefits expenses:			
Wages and salaries		827,533	779,376
Superannuation		80,300	73,170
Other employee benefits expense		42,078	42,599
		<u>949,911</u>	<u>895,145</u>
Depreciation expense	9	29,781	24,870
Amortisation expense	10	20,961	14,903
		<u>50,742</u>	<u>39,773</u>
Remuneration of auditors:			
An audit of the financial report		8,000	7,000
Other services		1,500	1,500
		<u>9,500</u>	<u>8,500</u>
Residencies funded - Thomas Foundation	18	-	3,971

Note 5: Cash and cash equivalents

Cash at bank		807,242	917,815
Cash at bank - Funds held in trust (Note 18)		318,378	285,431
Cash on hand		70	428
		<u>1,125,690</u>	<u>1,203,674</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		99,108	67,244
Allowance for doubtful debts		-	(17,852)
		<u>99,108</u>	<u>49,392</u>

(a) Trade and other receivables

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

	Not Considered Impaired	Considered Impaired	Total
	\$	\$	\$
31 Dec 20			
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>67,245</u>
31-Dec-21			
Current	34,851	-	34,851
1-30 days past due	37,001	-	37,001
31+ days past due	32,436	-	32,436
	<u>104,288</u>	<u>-</u>	<u>104,288</u>

Collateral is not normally obtained.

Note 7: Inventories

Raw materials and consumables (at cost)		43,415	56,374
Finished goods (at cost)		26,490	17,358
		<u>69,905</u>	<u>73,732</u>

Notes to the Financial Statements

For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Note 8: Other current assets			
Prepayments		6,764	10,419

Note 9: Plant and equipment

	Notes	Office Refurbishment \$	Furniture & Fittings \$	Plant & Equipment \$	Total \$
At 31 December 2020					
Net book value as at 1 January 2020		6,086	7,553	66,143	79,782
Additions (at cost)		-	-	2,635	2,635
Disposals		-	-	-	-
Depreciation expense	4	(856)	(4,143)	(19,871)	(24,870)
Net book value as at 31 December 2020		<u>5,230</u>	<u>3,410</u>	<u>48,907</u>	<u>57,547</u>
Cost		13,450	44,270	205,653	263,373
Accumulated depreciation		(8,220)	(40,860)	(156,746)	(205,826)
Net carrying amount		<u>5,230</u>	<u>3,410</u>	<u>48,907</u>	<u>57,547</u>

	Notes	Office Refurbishment \$	Furniture & Fittings \$	Plant & Equipment \$	Total \$
At 31 December 2021					
Net book value as at 1 Jan 2021		5,230	3,410	48,907	57,547
Additions (at cost)		71,224	-	7,043	78,267
Disposals		-	(1,692)	(73)	(1,765)
Depreciation expense	4	(6,626)	(855)	(22,300)	(29,781)
Net book value as at 31 December 2021		<u>69,828</u>	<u>863</u>	<u>33,577</u>	<u>104,268</u>
Cost		84,674	33,189	157,768	275,631
Accumulated depreciation		(14,846)	(32,326)	(124,191)	(171,363)
Net carrying amount		<u>69,828</u>	<u>863</u>	<u>33,577</u>	<u>104,268</u>

Note 10: Intangibles

	Notes	Lease Inducement \$	Computer Software \$	Total \$
At 31 Dec 2020				
Net book value as at 1 Jan 2020		29,250	8,887	38,137
Additions (at cost)		-	23,808	23,808
Amortisation expense	4	(13,000)	(1,903)	(14,903)
Net book value as at 31 Dec 2020		<u>16,250</u>	<u>30,792</u>	<u>47,042</u>
Cost		130,000	89,081	219,081
Accumulated amortisation		(113,750)	(58,289)	(172,039)
Net carrying amount		<u>16,250</u>	<u>30,792</u>	<u>47,042</u>
At December 2021				
Net book value as at 1 Jan 2021		16,250	30,792	47,042
Additions (at cost)		-	-	-
Amortisation expense	4	(13,000)	(7,961)	(20,961)
Net book value as at 31 December 2021		<u>3,250</u>	<u>22,831</u>	<u>26,081</u>
Cost		130,000	89,081	219,081
Accumulated amortisation		(126,750)	(66,250)	(193,000)
Net carrying amount		<u>3,250</u>	<u>22,831</u>	<u>26,081</u>

Notes to the Financial Statements

For the year ended 31 December 2021

Notes	2021 \$	2020 \$
Note 11: Trade and other payables		
Trade payables	66,233	54,090
Accrued expenses	34,727	5,480
ATO payables	75,376	76,773
Superannuation payable	20,208	7,072
Credit Card Clearing	-	(1,141)
	<u>196,544</u>	<u>142,274</u>

Note 12: Provisions

Current:		
Recreational leave liability	48,081	54,687
Long service leave liability	5,821	3,693
	<u>53,902</u>	<u>58,379</u>
Non-current:		
Long service leave liability	6,421	5,633

Note 13: Unearned income

Income in advance	284,063	378,770
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Note 14: Related parties and key management personnel disclosures

(a) Details of key management personnel

(i) Directors	
Gary Rake	Chair and Treasurer
Liz Nield OAM	Deputy Chair of the Board
Rebecca Edwards	Company Secretary
Peter Baker	Director
Kelli Cole	Director
Katherine Nguyen	Director
Anne-Marie Perret	Director and Chair of Audit and Risk Committee
Brendan Smyth	Director

(ii) Executive	
Elizabeth Rogers	Chief Executive Officer
Julie Skate	Chief Executive Officer (Replaced by Elizabeth Rogers)

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

	2021 \$	2020 \$
Short-term employee benefits	121,556	118,659
Post employment benefits	10,429	8,302
Other long term employment benefits	439	5,359
	<u>132,424</u>	<u>132,321</u>

Note 15: Contingent liabilities

There were no contingent liabilities at 31 December 2021 or 31 December 2020.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 16: Economic dependency

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 40% of total income received for the year ending 31 December 2021 (35% in 2020).

Note 17: Events occurring after balance sheet date

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 2021 year.

Note 18: Thomas Foundation Reserve

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 based is protected and is therefore restricted cash as disclosed in note 5.

	Notes	2021 \$	2020 \$
Balance as at the beginning of the financial year		285,431	282,795
Opening balance adjustment		-	1,957
Adjusted opening balance		285,431	284,752
MyNorth Investment increase (gross)		32,947	4,650
Residencies funded		-	(3,971)
Balance as at the end of the financial year	5	318,378	285,431
Residencies funded to Artists			
Jessica Murtagh		-	2,000
Robert Schwartz		-	1,971
	4	-	3,971

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.

Note 19: 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 2021, the number of members was 8.

END OF AUDITED FINANCIAL STATEMENTS