

**GUILDHOUSE INC.
ABN 75 442 934 320**

**FINANCIAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2019**

**GUILDHOUSE INC.
ABN 75 442 934 320**

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**GUILDHOUSE INC.
ABN 75 442 934 320**

COMMITTEE'S REPORT

Your committee members submit the financial report of the Guildhouse Inc. for the financial year ended 31 December 2019.

Committee Members

The names of the committee members in office at any time during, or since the end of the period are:

Jane Jeffreys
Clare Belfrage
Deanne Loan
Jess Dare
John Hood
Robyn McBride
Rod Linqvist
Andrew Cohen

Committee members have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the association during the financial year were developing a sustainable community of creative professionals by providing support services and creating industry pathways through a program of presentations, events and opportunities for practitioners; raising awareness of visual art and craft practice through public forums and events; developing new markets for members' work and maintaining and developing links with the government and corporate sectors.

Significant Changes

No significant changes in the company's state of affairs occurred during the financial period.

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

Likely Developments in the Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Operating Result

The profit of the company for the financial period amounted to \$17,593.26 (2018: loss \$2,591.02).

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**GUILDHOUSE INC.
ABN 75 442 934 320**

COMMITTEE'S REPORT

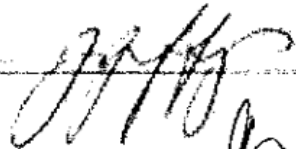
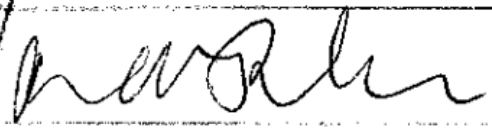
Events After the Reporting Date

COVID-19 was declared a Pandemic by the World Health Organisation on 11 March 2020. The situation has been and continues to evolve very quickly. Significant economic damage has been seen globally and locally in Australia and South Australia. The final financial impact of this Pandemic is unknown but may be significant to the operations of the Association.

Indemnification and Insurance of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the company.

Signed in accordance with a resolution of the Committee Members:

Member: 
Member: 

Dated this day 30th of April 2020

GUILDHOUSE INC.
ABN 75 442 934 320

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Income			
Revenue	3	759,503.17	615,754.26
Expenditure			
Accountancy expenses		(12,000.00)	(16,097.40)
Auditor's remuneration	4	(5,950.00)	(5,971.00)
Computer and IT expenses		(840.22)	(907.22)
Depreciation and amortisation expenses		(2,625.60)	(2,884.40)
Employee benefits expenses		(348,184.14)	(331,354.82)
Other expenses		(372,309.95)	(261,130.44)
		(741,909.91)	(618,345.28)
Profit/(Loss) for the year	5	17,593.26	(2,591.02)

The accompanying notes form part of these financial statements.

GUILDHOUSE INC.
ABN 75 442 934 320

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	249,856.34	183,366.66
Trade and other receivables	7	91,946.00	73,550.00
Other current assets	8	29,116.03	26,323.00
TOTAL CURRENT ASSETS		<u>370,918.37</u>	<u>283,239.66</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,336.46	6,282.97
TOTAL NON-CURRENT ASSETS		<u>4,336.46</u>	<u>6,282.97</u>
TOTAL ASSETS		<u>375,254.83</u>	<u>289,522.63</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	55,366.90	29,519.63
Other current liabilities	11	132,190.00	91,653.33
TOTAL CURRENT LIABILITIES		<u>187,556.90</u>	<u>121,172.96</u>
NON-CURRENT LIABILITIES			
Provisions	12	10,943.00	9,188.00
TOTAL NON-CURRENT LIABILITIES		<u>10,943.00</u>	<u>9,188.00</u>
TOTAL LIABILITIES		<u>198,499.90</u>	<u>130,360.96</u>
NET ASSETS		<u>176,754.93</u>	<u>159,161.67</u>
EQUITY			
Retained earnings	13	176,754.93	159,161.67
TOTAL EQUITY		<u>176,754.93</u>	<u>159,161.67</u>

The accompanying notes form part of these financial statements.

GUILDHOUSE INC.
ABN 75 442 934 320

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2019

Notes

		Retained earnings	Total
		\$	\$
Balance at 1 January 2018		161,752.69	161,752.69
Loss attributable to the members	13	<u>(2,591.02)</u>	<u>(2,591.02)</u>
Balance at 31 December 2018		<u>159,161.67</u>	<u>159,161.67</u>
Profit attributable to the members	13	<u>17,593.26</u>	<u>17,593.26</u>
Balance at 31 December 2019		<u><u>176,754.93</u></u>	<u><u>176,754.93</u></u>

The accompanying notes form part of these financial statements.

GUILDHOUSE INC.
ABN 75 442 934 320

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and activities		332,663.00	177,771.87
Employment expenses		(344,755.18)	(337,081.07)
Receipts from donors and sponsors		64,486.67	23,430.00
Interest received		1,075.84	2,198.94
Receipts from government and other grants		383,418.33	320,757.00
General administration expenses and direct expenses		<u>(369,719.89)</u>	<u>(293,478.13)</u>
Net cash provided by (used in) operating activities	14	<u>67,168.77</u>	<u>(106,401.39)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		<u>(679.09)</u>	<u>(549.82)</u>
Net cash used in investing activities		<u>(679.09)</u>	<u>(549.82)</u>
Net increase (decrease) in cash held		66,489.68	(106,951.21)
Cash at beginning of financial year		<u>183,366.66</u>	<u>290,317.76</u>
Cash at end of financial year	6	<u><u>249,856.34</u></u>	<u><u>183,366.55</u></u>

The accompanying notes form part of these financial statements.

**GUILDHOUSE INC.
ABN 75 442 934 320**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The financial statements cover Guildhouse Inc. as an individual entity. Guildhouse Inc. is an association incorporated in SA under the Associations Incorporation Act 1985 ('the Act').

1 Basis of Preparation

The committee members have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the Committee have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

2 Statement of Significant Accounting Policies

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and Equipment

Plant and equipment are measured using the cost model.

**GUILDHOUSE INC.
ABN 75 442 934 320**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 Statement of Significant Accounting Policies (Continued)

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over the asset's useful life commencing from the time the asset is held ready for use.

Financial Instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The association's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**GUILDHOUSE INC.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 Statement of Significant Accounting Policies (Continued)

Loans and receivables (Continued)

In some circumstances, the association renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the association does not necessarily consider the balance to be impaired as assessment is made on a case-by-case basis.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The association's available-for-sale financial assets comprise listed securities.

Purchases and sales of available-for-sale investments are recognised on settlement date.

Available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in prior period statement of comprehensive income resulting from the impairment of debt securities are reversed through the statement of comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists the recoverable amount of the asset is estimated.

**GUILDHOUSE INC.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 Statement of Significant Accounting Policies (Continued)

Impairment of Non-Financial Assets (Continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash-flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash-flows. Changes in the measurement of the liability are recognised in profit or loss. Employee benefits are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

GUILDHOUSE INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2 Statement of Significant Accounting Policies (Continued)

Provisions (Continued)

The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

Revenue and Other Income

Revenue, other than grant revenue is recognised when the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company. Revenue other than grant revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant. If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case, then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

Interest revenue

Interest revenue is recognised using the effective rate per the bank statements.

**GUILDHOUSE INC.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 Statement of Significant Accounting Policies (Continued)

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

GUILDHOUSE INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
3	Revenue and Other Income		
	Revenue		
	Sales revenue:		
	Rendering of services	371,398.93	208,269.15
	Other revenue		
	Interest received	1,075.84	2,198.94
	Other revenue	387,028.40	405,286.17
		388,104.24	407,485.11
	Total revenue	759,503.17	615,754.26
4	Auditors' Remuneration		
	Audit and Preparation of Financial Statements	5,950.00	5,971.00
5	Profit/Loss for the year		
	The result for the year was derived after charging / (crediting) the following items:		
	Profit/Loss from continuing operations includes the following specific expenses:		
	Expenses		
	Depreciation of property, plant and equipment	2,625.60	2,884.40
6	Cash and Cash Equivalents		
	Cash on Hand	300.00	300.00
	Cash, Credit Card	-	59.50
	Deposits with ING	110,296.23	59,470.37
	Cash at Bank, BankSA	45,982.01	49,315.98
	Cash at Bank, Gift Fund	53,138.73	34,187.23
	Cash at Bank, Bank SA Deposit Account	40,139.37	40,033.58
		249,856.34	183,366.66
		249,856.34	183,366.66

GUILDHOUSE INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
<hr/>		
6 Cash and Cash Equivalents (Continued)		
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>249,856.34</u>	<u>183,366.66</u>
7 Trade and Other Receivables		
Current		
Loan Funds Held, Foresters Finance	70,000.00	60,000.00
Trade Debtors	<u>21,946.00</u>	<u>13,550.00</u>
	<u>91,946.00</u>	<u>73,550.00</u>
The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.		
8 Other Current Assets		
Current		
Prepayments	<u>29,116.03</u>	<u>26,323.00</u>
9 Property, Plant and Equipment		
Office Furniture & Equipment:		
At cost	50,590.37	49,911.28
Accumulated depreciation	<u>(46,253.91)</u>	<u>(43,628.31)</u>
Total Property, Plant and Equipment	<u>4,336.46</u>	<u>6,282.97</u>

GUILDHOUSE INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
<hr/>		
9 Property, Plant and Equipment (Continued)		
Movements in Carrying Amounts of Property, Plant and Equipment		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
	Office Furniture and Equipment	Total
	\$	\$
Balance at 1 January 2018	8,617.55	8,617.55
Additions	549.82	549.82
Depreciation expense	<u>(2,884.40)</u>	<u>(2,884.40)</u>
Balance at 31 December 2018	<u>6,282.97</u>	<u>6,282.97</u>
Additions	679.09	679.09
Depreciation expense	<u>(2,625.60)</u>	<u>(2,625.60)</u>
Carrying amount at 31 December 2019	<u><u>4,336.46</u></u>	<u><u>4,336.46</u></u>

10 Trade and Other Payables

Current

Employee Liabilities	7,070.44	7,923.79
Trade Creditors	3,534.16	3,857.48
GST Payable	5,127.99	6,712.01
Amounts Withheld	4,494.49	0.49
Provision for Holiday Pay	10,699.82	9,025.86
Other Payables	<u>24,440.00</u>	<u>2,000.00</u>
	<u><u>55,366.90</u></u>	<u><u>29,519.63</u></u>

The carrying amounts are considered to be a reasonable approximation of fair value.

GUILDHOUSE INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
11 Other Liabilities		
Current		
Funds Held	-	1,230.00
Unexpended Grants		
Ian Potter Foundation	40,950.00	35,000.00
ArtsSA General	23,000.00	-
James and Diana Ramsay Foundation	21,000.00	-
Copyright Agency Ltd, Collections Project	-	12,200.00
Art Gallery of SA - Mentorship Program Fees	-	11,500.00
City of Adelaide (ARTWORKS) In Advance	40,000.00	10,000.00
Adelaide City Council, West End	7,240.00	7,240.00
Arts SA - Capacity Enhancement Funding - Well Made digital platform	-	6,233.33
University of SA, Collections Project	-	4,000.00
Excellence in Business Fund	-	3,000.00
Art Gallery of SA - Materials	-	1,250.00
	<u>132,190.00</u>	<u>90,423.33</u>
	<u>132,190.00</u>	<u>91,653.33</u>
12 Provisions		
Non-current		
Provision for Long Service Leave	<u>10,943.00</u>	<u>9,188.00</u>
13 Retained Earnings		
Retained earnings at the beginning of the financial year	159,161.67	161,752.69
Net profit/ (loss) attributable to members of the company	<u>17,593.26</u>	<u>(2,591.02)</u>
Retained earnings at the end of the financial year	<u>176,754.93</u>	<u>159,161.67</u>

GUILDHOUSE INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
<hr/>		
14 Cash Flow Information		
Reconciliation of cash flows from operating activities with net income for the year		
Profit/ (loss) for the year	17,593.26	(2,591.02)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	2,625.60	2,884.40
Changes in assets and liabilities		
(Increase) Decrease in current receivables	(18,396.00)	(9,007.01)
(Increase) Decrease in prepayments	(2,793.03)	(7,795.00)
Increase (Decrease) in trade creditors	(7,035.32)	(16,491.32)
Increase (Decrease) in other creditors	31,208.63	-
Increase (Decrease) in current provisions	1,673.96	9,188.00
Increase (Decrease) in noncurrent provisions	1,755.00	-
Increase (Decrease) in unexpended grants	40,536.67	(82,589.44)
	<u>67,168.77</u>	<u>(106,401.39)</u>

**GUILDHOUSE INC.
ABN 75 442 934 320**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15 Risk Management

The association is exposed to a variety of risks associated with its activities.

This note discloses the association's objectives, policies and processes for managing and measuring these risks.

The association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of income and expenses.

The association does not speculate in financial assets.

The association does not have any derivative instruments at 31 December 2019.

The association does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

16 Events after the reporting date

COVID-19 was declared a Pandemic by the World Health Organisation on 11 March 2020. The situation has been and continues to evolve very quickly. Significant economic damage has been seen globally and locally in Australia and South Australia. The final financial impact of this Pandemic is unknown but may be significant to the operations of the Association.

17 Statutory Information

The registered office of the association is:

Guildhouse Inc.
Lion Arts Centre, Corner North Terrace and
Morphett Street, Adelaide SA 5000

**GUILDHOUSE INC.
ABN 75 442 934 320**

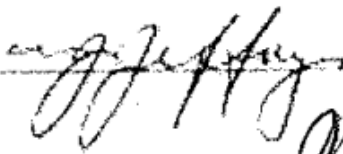
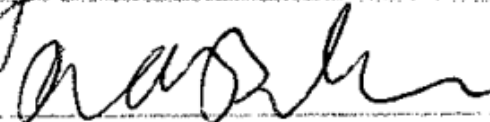
STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is a reporting entity and that this special purpose financial statement should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 18:

1. Present fairly the financial position of Guildhouse Inc. as at 31 December 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Guildhouse Inc. will be able to pay its debts as and when they fall due.

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

Member: 
Member: 

Dated this 30th day of April 2020

**Independent Auditor's Report
To the Committee Members of Guildhouse Inc.**

Opinion

We have audited the financial report of Guildhouse Inc. ("the Entity") which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 31 December 2018, and its financial performance and its cash flow for the year then ended in accordance with the accounting policies described in Note 2 of the financial statements.

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 Entity in accordance with the auditor independence 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity meet the requirements of Note 1. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Going Concern

We draw attention to Note 16 of the financial report, which describes the effects of the declaration of COVID-19 as a Pandemic by the World Health Organisation to the entity's future grant funding and operations. Our opinion is not modified in respect of this matter.

Other information

The Committee of the company are responsible for the other information. The other information comprises the information in the company's annual report for the year ended 31 December 2019, but does not include the financial report and the auditor's report thereon.

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



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee for the Financial Report

The Committee of the company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and Australian Charities and Not-for-profits *Commission Act 2012 (ACNC Act)* and for such internal control as the Committee determines 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 special purpose financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial report.





We conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern. We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with the Management regarding, amongst 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Brian Tucker Audit

BRIAN TUCKER AUDIT

Chartered Accountants

BILLY-JOE THOMAS

Director & Registered Company Auditor

Dated day 30th of April 2020



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE COMMITTEE MEMBERS OF GUILDHOUSE INC.**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been:

1. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Brian Tucker Audit

BRIAN TUCKER AUDIT
Chartered Accountants



BILLY-JOE THOMAS
Director & Registered Company Auditor
Dated 30th day of April 2020

GUILDHOUSE INC.
ABN 75 442 934 320

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Sales		
Sales	2,210.91	-
Members' Subscriptions	147,136.37	135,378.65
Well Made	(140.00)	3,873.05
Commissions on Sales	57,980.00	10,253.45
Project Management Fees	134,087.50	25,754.00
Donations & Sponsorship	23,950.00	23,430.00
Professional Services	3,244.54	-
Workshops & Seminars	2,929.61	9,580.00
	<u>371,398.93</u>	<u>208,269.15</u>
Other Income		
Interest Received	1,075.84	2,198.94
Other Revenue	3,610.07	1,939.73
Grants Expended		
ArtsSA, Operational Funding	217,000.00	204,000.00
ArtsSA, New Initiatives	-	101,500.04
Arts SA Department of Premier and Cabinet Additional Funding	27,000.00	-
Copyright Agency Ltd, Collections Project	12,700.00	5,000.00
Santos Museum of Economic BOTA	-	2,272.27
University of SA, Collections Project	4,000.00	3,000.00
Arts SA - Capacity Enhancement Funding - Well Made digital platform	2,500.00	43,767.13
Ian Potter Foundation	42,000.00	22,500.00
James & Diana Ramsay Foundation	29,000.00	-
Art Gallery of SA - The Collections Project by Invitation: Honor Freeman	-	2,000.00
Government of South Australia - Excellence in Business Fund	4,805.00	13,242.00
Flinders Uni Art Museum - The Collections Project	7,500.00	2,500.00
Art Gallery of SA	9,700.00	-
ArtsSA CEF Well made digital platform	2,733.33	-
Art Gallery of SA - Mentorship Program Fees	11,500.00	-
Art Gallery of SA - Materials	1,250.00	-
Botanic Gardens of South Australia	2,500.00	-

GUILDHOUSE INC.
ABN 75 442 934 320

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Grants Expended (continued)		
ArtsSA - Guildhouse Lion Arts Rent Expenses Relief	8,000.00	-
Other Grants	1,230.00	3,565.00
	383,418.33	403,346.44
	388,104.24	407,485.11
	759,503.17	615,754.26
 EXPENSES		
Accountancy & Bookkeeping Fees	12,000.00	16,097.40
Auditor's Remuneration	5,950.00	5,971.00
Bank Charges	4,479.36	4,064.60
Catering & Amenities	5,316.43	2,962.95
Cleaning & Water Disposal	3,070.79	3,172.77
Committee & Meeting Expenses	386.93	422.00
Computer & IT Expenses	2,301.12	907.22
Consultancy Fees	13,358.77	29,568.63
Conferences & Workshops	22.73	-
Curators', Writers', Speakers' & Artists' Fees	215,285.96	70,186.76
Depreciation	2,625.60	2,884.40
Electricity	6,426.39	9,939.31
Email, Internet & Website	653.38	31,925.09
Fees & Permits	9,664.14	5,667.88
Hire of Equipment, Facilities & Venues	463.64	527.27
Holiday Pay, Movement in Provision	1,673.96	(14,898.76)
Insurance	2,131.98	1,553.60
Long Service Leave	1,755.00	9,188.00
Materials	327.26	773.22
Marketing, Promotion & Advertising	20,393.13	28,063.14
Member Services	59,190.97	46,405.82
Parking, Taxis & Local Travel	1,779.81	1,105.55
Postage & Couriers	1,630.68	768.29
Printing, Stationery & Office Consumables	2,479.78	1,601.93
Photocopier	-	804.98
Photography	7,930.00	2,900.00

GUILDHOUSE INC.
ABN 75 442 934 320

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
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EXPENSES (Continued)		
Purchase of Expensed Assets	873.80	723.91
Rent & Outgoings	7,569.99	11,866.89
Security	510.38	447.15
Staff Recruitment	285.00	829.54
Staff Amenities	330.97	1,109.63
Staff Training & Professional Development	2,525.41	2,547.31
Subscriptions	300.00	-
Sundry Expenses	1,086.75	19.99
Superannuation Contributions	29,268.71	27,729.61
Telephone	1,522.04	1,823.74
Travelling Expenses	2,627.99	788.41
Wages	312,743.86	306,788.66
Workers' Compensation Insurance	967.20	1,107.39
	<u>741,909.91</u>	<u>618,345.28</u>
Profit/(Loss) for the year	<u>17,593.26</u>	<u>(2,591.02)</u>