

KULTURE BREAK

ABN 31 113 172 651

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021**

**KULTURE BREAK
(A COMPANY LIMITED BY GUARANTEE)
ABN 31 113 172 651**

DIRECTORS REPORT

Your directors present this report on the Company for the financial year ended 31 December 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Francis Owusu (Appointed 2005)

Francis is the Founding Chief Executive Office of Kulture Break, having formed the organisation from humble beginnings with teaching breakdance classes at Lanyon High School. He's now also a culture change communicator, a social entrepreneur and an empowerment and leadership coach. Francis' passion for encouraging the wellbeing and inclusion of young people has driven the organisation to grow to supporting thousands of young people across Australia each year.

Archie Tsirimokos (Appointed July 2018)

Archie is the Chair of Meyer Vandenberg, the largest independent law firm in the ACT and recognised as one of Canberra's most experienced commercial lawyers. Archie has been recognised by various industry organisations for his ability, including as MBA Professional of the Year in 2011; Real Estate Institute Solicitor of the Year in 2014, 2015 and 2016 (and has been inducted into the Hall of Fame for that organisation in 2017) and Property Council of Australia (ACT) Professional of the Year in 2014. He has been listed in the list of Best Lawyers Australia and Doyle's Guide for his expertise in Real Property Law in 2016, 2017 and 2018.

Kieran Sloan (Appointed August 2018)

Kieran is an experienced and trustworthy Financial Manager, having demonstrated his commitment through a long association with IP Australia, working steadily through the ranks to raise himself to his current role as Deputy Chief Financial Officer. His financial acumen originated in Bachelor of Commerce degree at the University of Canberra. Kieran is also gifted in the performing arts with a longstanding career in music, well known in the Canberra as the lead singer of the popular "Big Boss Groove" band.

Michael Hall (Appointed May 2019)

Michael is currently Deputy Chair of the Principal's Australia Institute (PAI) Board. He has been Deputy President and a Director of the Australian Secondary Principal's Association (ASPA); is a past President of the Australian Capital Territory Principal's Association (ACTPA) and was awarded life membership of this organisation. Michael is an experienced School Principal and profession leader with over 20 years' in school leadership positions. Not only has he led teaching and learning within a school environment, he has extensive experience in managing school education, recreation and community facilities. Michael has been a Principal in Canberra in a senior secondary college, a Years 7-10 High School, a Preschool-Year 10 school as well as a Deputy Principal at a Years 7-12 High School and founding Manager of a Distance Education Centre in NSW. Michael has implemented Big Picture Education, Cambridge International Education, established a Trades Training Centre and Registered Training Organisation to enrich the Vocational Education and Training experience for students in senior school – making him a trail blazer in these areas of education.

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Marcia Bowden (Appointed Jan 2020)

A highly experienced property consultant who has very wide experience in all aspects of property with an emphasis on commercial property and Corporate Real Estate. Throughout her long career in property, she has been engaged in leadership roles and during her 20 years on various boards of the Australian Property Institute have led both National Board and the ACT Divisional Board. Marcia has a keen interest in mentoring the newer members of the property profession and have mentored many of the up-and-coming property professionals in Canberra as well as other jurisdictions.

Carrie Leeson (Appointed Nov 2020)

CEO of Lifeline Canberra, Carrie is an experienced Chief Executive Officer, GAICD and eMBA with a demonstrated history of working in the health care industry. Strong business development professional with a Marketing focus in Public and Government Relations, Psychology, and Applied Communication from University of Natal, South Africa. Carrie is also currently a board director for the Canberra Business Chamber and advisory counsel to the Gambling and Racing Committee.

Alberto Florez (Appointed Nov 2020)

Alberto is a partner at CRE8IVE, Canberra's leading integrated communication and creative agency. He has over 15 years of experience in corporate governance, performance management, and business development. A creative at heart, Alberto is an expert in digital communication, taking brands into the online realm and exploring new media opportunities for clients. Alberto has been recognised with an Australian Graphic Design Association (ADGA) Effectiveness award and is a past president of ADGA's ACT chapter. Always eager to share his corporate knowledge with the community, Alberto has previously helped organise The PAGE Awards in Canberra and provided mentorship and talks to students at the University of Canberra and CIT.

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DIRECTORS REPORT

Principal Activities

The principal activity of the Company during the financial year was to improve the health and wellbeing of its participants through dance mentoring, dance classes, workshops and performances.

No significant changes in the nature of the Company's activities occurred during the financial year.

Strategic Goals

Our strategic goals are:

Goal 1: Break New Ground

- Use our narrative to reach likeminded stakeholders in other states and territories
- Establish entry points in other states/territories
- Develop high quality creative arts curriculums and operating guidelines that can be shared across branches
- Establish an alumni association to foster continuing interest in creative arts and community service
- Pursue opportunities to promote a broader awareness of our work as a community organisation.

Goal 2: Blaze Creative Pathways

- Promote the development of Australian Qualification Framework recognized pathways in contemporary arts Academy
- Consolidate and/or establish internship apprenticeship and placement programs which provide vocational opportunities for young people.

Goal 3: Fund Our Growth

- Develop a plan to restructure finances for sustainable growth
- Cultivate corporate sponsorships
- Identify and leverage broader government sponsorship
- Expand income from individual donors
- Explore new scalable revenue streams
- Demonstrate sound financial management.

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Goal 4: Inspire Our Partners

- Network of relationships for community service and outreach
- Mutually beneficial financial relationships
- Relationships for a national presence
- Alignment of our communications strategy.

Goal 5: Build Our People

- Mentor, train and develop our people
- Establish a quality assurance framework
- Attract and retain staff who embody our values
- Identify and develop new leaders.

Goal 6: Protect our integrity

- Drive a culture that promotes youth well-being, empowerment and transformation
- Develop and maintain a body of institutional knowledge
- Build a greater administrative capacity.

Operating Results

The surplus/(deficit) of the Company for the year amounted to \$59,564 (2020: \$83,468).

Significant Changes in State of Affairs

No significant changes in the Company's state of affairs during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year 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 years.

Future Developments

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

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.

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DIRECTORS REPORT

Meetings of Directors

During the financial year, twelve meetings of directors were held. Attendees by each director were as follows:

Name	Meetings Held as Director	Meetings Attended
Francis Owusu	12	12
Archie Tsirimokos	12	12
Michael Hall	12	11
Kieran Sloan	12	10
Marcia Bowden	12	12
Carrie Lesson	12	11
Alberto Florez	12	11

Dividends Paid or Recommended and Options

In accordance with the Company's Constitution, the Company is limited by guarantee and accordingly no shares or options have been issued. No dividends are paid by the Company.

Indemnifying Officers or Auditor

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

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2021 has been received and can be found on page 24 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors:

Director
Dated this

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DIRECTORS DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 23 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the entity;

2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Dated this

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 DECEMBER 2021**

	NOTE	2021 \$	2020 \$
Revenue from services rendered	2	439,565	348,416
Other income	2	366,359	443,000
Employee benefits expense		563,329	547,699
Other employee expenses		13,903	16,546
Depreciation and amortisation	3	3,596	2,871
Administration		47,407	60,115
Advertising/promotion		17,772	36,628
Fundraising		1,524	2,961
Performance expenses		32,915	18,233
Program		65,914	22,895
<hr/>			
Surplus/(deficit) for the year		59,564	83,468
Other comprehensive income		-	-
<hr/>			
Total comprehensive surplus/(deficit) for the year		59,564	83,468

The accompanying notes form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	NOTE	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	355,118	228,129
Trade and other receivables	6	3,374	38,349
Inventories		4,675	-
TOTAL CURRENT ASSETS		363,167	266,477
NON-CURRENT ASSETS			
Property, plant and equipment	7	5,885	7,176
Loans To Directors		-	-
TOTAL NON-CURRENT ASSETS		5,885	7,176
TOTAL ASSETS		369,053	273,654
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	49,353	54,997
Unearned income		50,000	-
Provisions	9	34,711	45,429
TOTAL CURRENT LIABILITIES		134,064	100,426
NON-CURRENT LIABILITIES			
Provisions	9	35,547	33,351
TOTAL NON-CURRENT LIABILITIES		35,547	33,351
TOTAL LIABILITIES		169,611	133,776
NET ASSETS		199,442	139,877
EQUITY			
Accumulated Surplus/(Accumulated deficit)		199,442	139,877
TOTAL EQUITY		199,442	139,877

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Retained Earnings \$	Total \$
Balance at 1 January 2020	56,410	56,410
Total comprehensive income for the period	83,468	83,468
Balance at 1 January 2021	139,877	139,877
Total comprehensive income for the period	59,564	62,956
Balance at 31 December 2021	<u>199,442</u>	<u>202,834</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	NOTE	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and others		1,424,800	998,701
Payments to suppliers and employees		(1,295,506)	(1,009,792)
Interest received		-	21,407
Net cash generated by/(used in) operating activities	10	129,294	10,316
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(2,306)	(2,697)
Net cash generated by/(used in) operating activities		(2,306)	(2,697)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan to directors		-	268
Net cash generated by/(used in) financing activities		-	268
<i>Net increase/(decrease) in cash held</i>		126,988	7,887
Cash at beginning of the financial year		228,129	220,241
Cash at end of the financial year	5	355,118	228,129

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is for Kulture Break as an individual entity, incorporated and domiciled in Australia. Kulture Break is a company limited by guarantee.

New or amended Accounting Standards and Interpretations adopted

Kulture Break ("Kulture Break") has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of Kulture Break.

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

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards-Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Australian Accounting Standards-Reduced Disclosure Requirements set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards-Reduced Disclosure Requirements ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs.

Accounting Policies

a) Revenue Recognition

The company recognizes revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

b) Taxation

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Revenues, 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. In these

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the Statement of financial position are shown inclusive of GST.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(c) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(d) Plant and Equipment

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Class of Fixed Asset	Depreciation Rate
Motor vehicles	13 – 20%
Furniture and fittings	11.5 - 37.5%
Plant and equipment	20 - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the Company estimates the recoverable amount of the cash-generating unit to which the class of asset belongs.

(f) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(g) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated in to the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which

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NOTE1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 2. REVENUE	2021	2020
	\$	\$
Revenue from services rendered		
Dance classes and workshops	191,672	160,564
Schools	99,461	57,640
Programs	232	5,211
Grants*	148,200	125,000
	<hr/> 439,565	<hr/> 348,416
Other revenue		
Fundraising	50,227	4,364
Donations	132,225	78,855
Sponsorship	102,500	62,500
Other income	(8,166)	21,475
Performance	51,773	26,300
ATO Subsidies	37,800	249,506
	<hr/> 366,359	<hr/> 443,000
	<hr/> <hr/> 805,923	<hr/> <hr/> 791,415

*Chief Minister Office – Hands Across Canberra Grant \$27,700

Chief Minister, Treasury and Economic Development Directorate– Social inclusion and equality \$50,000

Chief Minister, Treasury and Economic Development Directorate – COVID Business Support Grants \$48,000

ACT Education Directorate – Universal School Support \$22,500

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 3. SPECIFIC EXPENSES	2021	2020
	\$	\$
Expenses		
Depreciation of non-current assets		
Plant and equipment	2,076	594
Furniture and fittings	10	13
Motor vehicles	1,510	2,265
	<u>3,596</u>	<u>2,871</u>
Auditors remuneration		
Remunerations of the auditor for:		
Auditing the financial report	2,000	2,000

NOTE 4. KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

Aggregate compensation	<u>131,135</u>	<u>125,207</u>
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NOTE 5. CASH AND CASH EQUIVALENTS

CURRENT		
Cash at bank	354,553	226,172
Cash on hand	565	1,957
	<u>355,118</u>	<u>228,129</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	2021 \$	2020 \$
NOTE 6. TRADE AND OTHER RECEIVABLES		
Trade receivable	3,374	15,849
Less: Allowance for expected credit losses	-	-
Accrued ATO Subsidy	-	22,500
	3,374	38,349
 NOTE 7. PLANT AND EQUIPMENT		
EQUIPMENT		
Equipment – at cost	5,882	3,577
Less accumulated depreciation	(3,057)	(981)
Total Equipment	2,825	2,596
FURNITURE AND FITTINGS		
Furniture and Fittings – at cost	116	116
Less accumulated depreciation	(75)	(65)
Total Furniture and Fittings	41	51
MOTOR VEHICLES		
Motor Vehicles – at cost	15,284	15,284
Less accumulated depreciation	(12,264)	(10,755)
Total Motor Vehicles	3,019	4,529
Total Plant and Equipment	5,885	7,176

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8. TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Trade creditors and accruals	2,200	(7,818)
GST payable	19,969	11,190
Employee benefits payable	27,184	51,625
	49,353	54,997
	49,353	54,997

NOTE 9. PROVISIONS

Analysis of total provisions

	Annual Leave	Long Service Leave
Provisions		
Opening balance as at 1/1/2021	45,429	33,351
Net movement in balance	(10,718)	2,196
	34,711	35,547
Balance as at 31/12/2021		
Current	34,711	-
Non-Current	-	35,547
	34,711	35,547
	34,711	35,547

**KULTURE BREAK
(A COMPANY LIMITED BY GUARANTEE)
ABN 31 113 172 651**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 10. CASH FLOW RECONCILIATION

<i>Cash as per:</i>	NOTE	2021	2020
		\$	\$
Statement of financial position	5	355,118	228,129
Statement of cash flows		355,118	228,129
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<i>Reconciliation of surplus/(deficit) for the year to net cash provided by / (used in) operating activities</i>			
Surplus/(deficit) for the year		59,556	83,468
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<i>Adjustments for non-cash items</i>			
Depreciation		3,596	2,871
Non-cash contribution revenue		-	-
<hr/>			
<i>Movements in assets and liabilities</i>			
Decrease/(increase) in receivables		34,982	(26,503)
Decrease/(increase) in stock on hand		(4,675)	-
Increase/(decrease) in creditors and liabilities		44,356	(63,941)
Increase/(decrease) in income in advance		-	-
Increase/(decrease) in employee provisions		(8,522)	14,421
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		129,294	10,316
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**KULTURE BREAK
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 11. EVENTS AFTER THE BALANCE DATE

There have been no events subsequent to the reporting date which require disclosure in the financial statements.

NOTE 12. CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or assets as at 31 December 2021 which require disclosure in the financial statements.

NOTE 13. RELATED PARTY TRANSACTIONS

Francis Owusu was the only director who received any remuneration directly from the Company other than reimbursements of expenses incurred on behalf of the Company.

All transactions during the 2021 year were on normal commercial terms and conditions unless otherwise stated.

NOTE 14. GOING CONCERN

The Board control the capital of the Company to ensure that adequate cash flows are generated to fund operations. The Board is responsible for the overall risk management strategy.

The directors of the Company have implemented the following strategies to improve the Company's financial performance and return the Company to a situation of positive net assets and as a result, will be able to continue operating as a going concern:

- Reduce ongoing expenses, in particular banking, staffing and telecommunication expenses
- Increase fundraising, including establishing a fundraising committee and framework
- Increase program and class revenue
- Improving management structures including a greater oversight of major operational decisions by the Board and also strategies to address the critical needs required to enhance the capabilities of staff.

**KULTURE BREAK
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 15. MEMBERS' GUARANTEE

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* 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 \$1 each towards meeting any outstanding obligations of the Company.

NOTE 16. COMPANY DETAILS

The registered office for the Company is:

11 Bainbridge Close
Chisholm ACT 2905

The principal place of business for the Company is:

115 Grattan Court
Wanniassa ACT 2903

**KULTURE BREAK
(A COMPANY LIMITED BY GUARANTEE)
ABN 31 113 172 651**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KULTURE BREAK LIMITED