

ANNUAL REPORT 2020-21

ARCHITTEAM

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AGENDA

BUSINESS

1. CHAIR'S WELCOME (INCL. ATTENDANCE & APOLOGIES)
APOLOGIES –
2. CONFIRM THE MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING -
WEDNESDAY 26 NOVEMBER 2020
3. CHAIRS REPORT FOR THE YEAR ENDED 30 JUNE 2021
4. SECRETARY'S REPORT FOR THE YEAR ENDED 30 JUNE 2021
5. TREASURER/ FINANCIAL REPORT - RECEIVE AND CONSIDER THE FINANCIAL
STATEMENT FOR THE YEAR ENDED 30 JUNE 2021
6. APPOINT AN AUDITOR FOR 2021-22
7. DIRECTOR'S PORTFOLIO REPORTS:
 - A. INSURANCE REPORT
 - B. PARTNERSHIP REPORT
 - C. MEMBERS SERVICES REPORT
 - D. CPD EVENTS & 2021 CONFERENCE REPORT
 - E. ADVOCACY REPORT
 - F. RESEARCH REPORT
 - G. AWARDS REPORT
8. QUESTIONS ON NOTICE
9. GENERAL BUSINESS
10. ELECTION OF DIRECTORS
THERE WERE 3 POSITIONS AVAILABLE TO JOIN THE BOARD. – 3 NOMINATIONS WERE
RECEIVED
 - JAMIE SORMANN
 - SONIA SARANGI
 - JOHN LIU

THE FOLLOWING NOMINEES ARE TO BE ELECTED

- JAMIE SORMANN
- SONIA SARANGI
- JOHN LIU

NOTICES

QUESTIONS ON NOTICE

THE BOARD REQUEST THAT ANY QUESTIONS BE SUBMITTED PRIOR TO THE AGM TO ALLOW THE
BOARD TO PREPARE A CONSIDERED RESPONSE.

QUESTIONS ON NOTICE ARE REQUESTED BY 4.PM THURSDAY 18 OCTOBER 2021 AND ARE TO BE
EMAILED TO CEO@ARCHITEAM.NET.AU



Intro duction

Founded in 1991 ArchiTeam Cooperative is a membership association for Australian architects working in small, medium and emerging practices.

co-operation to our members, by utilising our combined voices, we are able to support our members in their work and professional learning and raise the profile of our industry.

We've been around for 29 years but we're undergoing a growth spurt as the unique role and importance of small practice is recognised in the design industry. ArchiTeam is democratically run by members, for members. Every member is encouraged to play an active part in shaping our organisation. With over 880+ members, we are the leading dedicated voice of Australia's small architectural practices.

ArchiTeam members enjoy access to our free awards program, great-value professional indemnity and public liability insurance, discounts on CPD and events, CPD Online, access to our online member forum, networking and peer support, affordable business documents, and much more.

Our Vision

To empower and support small practice architects to thrive

The Board

WARWICK MIHALY, Chair and Treasurer. Finance and Research Portfolios

Our Mission

ArchiTeam exists to provide benefits of co-operation to our members. By utilising our combined voices, we are able to support our members in their work and professional learning and raise the profile of our industry.

Warwick is principal of Mihaly Slocombe Architects and leader in the architecture profession. He is instrumental in championing positive change within the industry through mentoring the next generation of architects, as a Director of ArchiTeam, Committee member at the Australian Institute of Architects, and founder of Australia's most widely read business blog for architects, Panfilo.

To achieve this mission, we will:

- Promote and protect ArchiTeam and our members through education and activities
- Advocate for the importance of small, medium and emerging architects in Australia
- Assist the architecture community to connect and improve

JAMIE SORMANN, Secretary. Awards and Partnership Portfolio

Jamie is a director of Foomann Architects, which he and Jo Foong established in 2008. Foomann is devoted to realising beautifully simple, sensitive spaces that are underpinned

ArchiTeam is a not for profit cooperative representing over 880 small, medium, and emerging Australian architectural practices. We are run by the members, for the members. Our mission is to provide benefits of

by utility, context and sustainability. Jamie is committed to collaboration and to sharing ideas with students, clients, colleagues and the architecture community.

Jamie graduated from University of Melbourne where he is a regular guest critic. He has been a jury member for the

Victorian Chapter of the Australian Institute of Architects and a committee member for the AIA Emerging Architecture Graduates Network. Jamie has been involved with Advocacy as a committee member, co-hosted the ArchiTeam 2018 Awards and featured with Foomann in The Naked Architect series.

Jamie joined the ArchiTeam Board in 2019 as Director of Awards, Advocacy & Research to support and celebrate architectural practitioners for the betterment of the built environment. He is focused on launching new initiatives to advocate for the use of architects and to improving work conditions of ArchiTeam members so they can do their best work. Jamie likes to impose his musical taste on others and maintains an active interest in pretentious films.

SONIA SARANGI, CPD Events & Conference Portfolio
Sonia is a director of Atelier Red+Black, a tenacious thinker and problem solver. A highly capable project lead, her collaborative approach and strong negotiation skills bring a fresh perspective to the table.

Sonia is a strong advocate for diversity in the profession and has been involved in a number of mentoring programs, a guest critic and tutor at University of Melbourne - Melbourne School of Design and is a frequent contributor to Parlour.

DELIA TESCHENDORFF Insurance and Member Services Portfolio

Delia founded Delia Teschendorff Architecture in 2009. A registered architect in Victoria, she received her

architecture degree from RMIT University. Her architecture studies included 12 months in the Masters Program at Sci-Arc, the Southern California Institute of Architecture in Los Angeles, USA.

Delia joined the Board in 2020 and is the Director in charge of the Insurance Portfolio and will co-direct the Member Services Portfolio with Kalliopi Vakras. These portfolios aim to provide members with affordable PI & PL Insurance, and a series of additional services that support members.

KALLIOPI VAKRAS Advocacy and Member Services Portfolios

Kalliopi Vakras is the director of Kalliopi Vakras Architects, a small architecture practice established in 2009. She is a registered architect with over 20 years experience both locally and internationally, have worked in Vienna. Her background lies in residential, low scale multi residential, commercial and early learning architecture. She has also taught various design studios for 8+ years.

Kalliopi joined the Board in 2020 and is the Director in charge of Advocacy and will co-direct the Member Services Portfolio with Delia Teschendorff. She is currently building an off-grid tiny home with her husband their rescue greyhound Dennis who plays an important role in the office.

The Office

PHOEBE LA GERCHE-WIJSMAN, CEO

Phoebe is a qualified landscape architect (RMIT University), has studied architecture (RMIT University), and has a keen interest in design. She has worked in the not-for-profit sector for around 20 years specifically within member-based organisations for architects, landscape architects and other professionals in the built environment and is highly skilled in governance and policy, social media and marketing, event and conference management.

Phoebe has run two successful small businesses which have provided her with additional small business management skills. Phoebe completed a Diploma in Business (Governance) through the Institute of Community Directors Australia in 2019.

OPHELIA HO, Membership & Events Administration

Ophelia is an experienced administrator with a passion for improving organisational efficiency, streamlining processes and procedures, and providing excellent client service and support. With diverse experience in a variety of environments - corporate, government and not-for-profit, she excels at building client relationships. Ophelia most recently worked in a graphic design studio, which inspired her creativity and interest in supporting ArchiTeam.

REGGIE LYSAUGHT, Partnerships & Major Events

Reggie has worked in Marketing, Sponsorship and Events for over 10 years, across a variety of fields. She has a great appreciation and respect for design and the industry and

has a passion for bringing people and businesses together and gets excited by orchestrating large events.

MARGARET MAGALOTTI, Bookkeeper

Margaret is the ArchiTeam bookkeeper and has been with ArchiTeam for over 10 years. She is a talented musician who loves Jazz.

Director Reports

CHAIR REPORT

Wow, what a year it has been. What. A. Year.

Covid. Lockdown. Working from home. Jobkeeper. Home schooling. Zoom. More lockdown. Recession. Post-recession recovery. Covid vaccines. Covid memes. Zoom fatigue. Post-recession boom. Zoom phobia. Yet more lockdown. Yet more Zoom.

And throughout it all, I'm proud to report that ArchiTeam has been here supporting our members as only we know how. Here are some highlights that you might have noticed over the past year:

- We farewelled Fooki-Ling Khoo and Rebecca Naughtin from their tenures on the board.
- We welcomed Kalliopi Vakras and Delia Teschendorff onto the board as their replacements, who have so far been doing a superb job at filling the big shoes vacated by Fooki and Rebecca.
- I replaced Fooki as chairperson of the board.
- We refreshed and relaunched the ArchiTeam client architect agreement, now free for members.
- We updated the ArchiTeam employment agreement and are currently reviewing the ArchiTeam OH&S kit, soon to be re-released.
- Our committees generously donated their time across our advocacy, events and conference programmes.
- Our online forum retained its essential role at the centre of our professional lives.
- We continued our virtual events programme, with a big uptick in attendance between our Zoom and CPD Online platforms (more on this in Sonia Sarangi's events report).
- We conducted a successful virtual awards programme with 129 top notch entries (more on this in Jamie Sormann's Awards Report).
- We weathered the storm of escalating insurance costs at renewal time (more on this in Delia's Insurance Report).
- We ran our third, fantastic and also virtual conference that enjoyed a big surge in attendance up to 271 delegates (more on this in Sonia Conference Report).
- We ended the year with a healthy surplus, providing a reliable buffer for our daily operations, programmes and projects.

And a few things that you might not have noticed unfolding behind the scenes:

- We continued to grow our membership, up to 881 compared to 736 the same time last year.
- We conducted an audit of our financial services obligations, receiving confirmation from the ASIC that our insurance activities remain compliant.
- We initiated a strategic risk assessment for ArchiTeam, with the aim to complete this in the coming year.
- We initiated the replaced our underperforming customer relationship management software with a new, Australian-made tool that integrates our website, membership database, insurance database and events portal all in one handy place.
- The results of our RAsP 1.0 research project found their way into mainstream media.
- Negotiations with other professional bodies and research groups continued for RAsP 2.0, which will dive into the economic impact of architectural activity (an extra note on this below).

CHAIR REPORT

None of this would have been possible without the sterling effort of our CEO, Phoebe LaGerche-Wijsman, and her team, who together have kept the ArchiTeam boat afloat in these turbulent times. My heartfelt thanks go to Phoebe, Regina Lysaught and Ophelia Ho for ensuring ArchiTeam remains a vital, purposeful and successful organisation.

For those of you who haven't had the pleasure of encountering the amazing women that underpin ArchiTeam, together they look after:

- Phoebe: governance, policies, procedures, finances and communications.
- Regina: partnerships, awards and conference.
- Ophelia: membership and events.

Onto some other things:

INCREASED MEMBERSHIP AND THE GROUP INSURANCE POLICY

Our group professional indemnity insurance policy, and its continued value and reliability, is the backbone that underpins the cooperative and helps us deliver all of our services. As we grow, we always remain conscious of the need to protect the group policy by ensuring our risk profile remains low. Member services such as the biennial conference, events program, DATUM,

online forum, MOFL, RAsP and insurance nights are all geared to reducing our collective risk by encouraging education, peer support and dialogue. The 2021 Actuary Report included in the Appendix provides further information on how robust our professional indemnity insurance policy is for the group.

RAsP

ArchiTeam's first foray into the research world explored the capital gains implications of architect-designed renovations. As I'm sure you've heard, the results of this research were good: when an architect gets involved with a property, it appreciates in value 1.2% per annum faster than equivalent properties renovated without an architect.

So what next?

Well, we think it would be incredibly beneficial to understand the broader economic impact of the architecture profession. When we dive into RAsP 2.0, our goal will be to provide a clear and

coherent picture of the economic output of architects in Victoria and across Australia. It will provide a vital evidence base for architecture practices, professional bodies and local and State government as we strategise for the future of the built environment. Such an evidence base is currently lacking but is fundamental to effective future planning. Stay tuned.

Our group professional indemnity insurance policy, and its continued value and reliability, is the backbone that underpins the cooperative and helps us deliver all of our services.

CHAIR REPORT

THE FUTURE

These continue to be uncertain times. While there are plenty of positive signs that the economy is recovering and architects are once again busy, the past year has nevertheless been a challenge for many of you. And we expect the year ahead to offer more of the same.

ArchiTeam was founded 29 years ago for architects to support each other in both the good times and the bad. I'm eternally pleased to see this spirit alive in our cooperative today. Despite the difficulties you might be individually facing, it's gratifying to witness so many of you be relentlessly generous in your support of each other. Some of you are dedicated committee members, others contribute to our conference and CPD events, and many play an active role in our online forum and MOFL, providing advice, support and encouragement whenever it counts.

Thank you, members. With your continued support, ArchiTeam will go as far in the next 29 years as it has come in the past 29.

WARWICK MIHALY

Chairperson

Treasurer

Director of Finances

SECRETARY REPORT

OFFICE STAFF

Phoebe La Gerche-Wijsman continued to steer the helm as CEO. We are delighted with Phoebe's dedication, passion and sound leadership for ArchiTeam over the last year and look forward to achieving new milestones in the year ahead.

Ophelia Ho, who joined ArchiTeam in February 2020 as Membership and Events Administration, has become an incredible asset during this tumultuous year, having only had 1 month of hand-over prior to the office having to close and all staff relocating to working from home. Reggie Lysaught, in charge of Partnerships and Major Projects and has continued to work tirelessly in building new relationships for ArchiTeam, as well as coordinating our Major Events (Awards and Conference) during these difficult times. Thanks also to Margaret Magalotti who maintains our books and Doone Clifton who continues to be our primary bookkeeper, from Gecko Services.

BOARD ELECTIONS

The board would like to thank the members who put themselves forward this year for a position on the ArchiTeam board. This is a period of ongoing growth and change for ArchiTeam where the co-operative will move in forthcoming years to be more active within the profession and general community, a wonderful time to be involved.

THE FUTURE OF ARCHITEAM

During the annual Planning Day in February 2021, again facilitated by Robine Stephenson of Ume Co (previously Ahoyhoy), helped us in analyzing the Board and how our Portfolios are changing with our member's needs.

This session was designed to address the first ever Future of ArchiTeam discussion session, where members were encouraged to discuss the coop and their ideas, hopes and aspirations for the future of ArchiTeam. It was a terrific session with lots of ideas, some of which are already being actioned. Thank you to the members who participated, we hope to do this again as it is an incredibly useful session that reiterates that ArchiTeam is a member cooperative, and you have a voice!

EVENTS

All ArchiTeam CPD continued to be broadcast via Zoom this year and continued to be free to all members until December. Attendance was up and it allowed our regional and interstate members to be more a part of the ArchiTeam Community. As we head (slowly) to becoming vaccinated and restrictions ease, we look forward to having face-to-face events again, but we will continue to live stream all CPD around the country.

The ArchiTeam National Conference – Trajectories 'went live' at the end of May, and although there was some pushback regarding a virtual conference, the day was a great success. The office was inundated with amazing feedback from lots of participants who loved the format and the speakers, and who voiced how much the topics of the day had really resonated with them. The Board thanks the Creative Directors – Sonia Sarangi, Redmond Hamlett, Sally Holbrook, Robert Davidov, Ajith Kuruvilla and Michael Smith for their mighty efforts in making the day so enjoyable. A big shout out to Reggie Lysaught too for her tireless efforts in making the virtual conference such a successful event.

SECRETARY REPORT

We have had a great response from members and nonmembers that have attended our CPD events throughout 2020-21, with all events transferred to online from April 2020. It was agreed to make all live online CPD EVENTS free to members to assist in reducing expenses during this recession.

The ArchiTeam Awards, continues to be a strength. The event in 2020 was digital only and the opportunities this creates are being explored and although it's hoped that 2021 can be held in a real-life venue, but we anticipate that this will need to be digital only as well. We expect many of the ideas being developed in response to the pandemic will be adopted in future years.

DIRECTORS HONORARIUMS

As per the 2011 Notice of Resolution the Directors Honorarium was increased as per CPI in February 2021.

ARCHITEAM POLICY DOCUMENTS

ArchiTeam has a number of policy documents that have been updated by the CEO and Directors. This periodic revision is part of ensuring that the documents are relevant and functional.

It has been another incredibly busy year at ArchiTeam which is growing from strength to strength, and I congratulate the Board and the staff for a great effort in continuing to grow the organisation with such enthusiasm and dynamism during these times.

I have appreciated this opportunity to be engaged in so many aspects of our great cooperative and encourage every member to get involved. This is a collective that thrives on member input and it's very rewarding to be part of something beyond professional practice. I am looking forward to another year.

JAMIE SORMANN
Secretary

FINANCE REPORT

This year has been a difficult one for many of you financially, challenges that ArchiTeam has faced as well. Our investment in virtual technologies have been expensive, and the ever-increasing difficulties facing the insurance world have impacted us also. Through these changes, we have managed our financial position with caution and an eye towards long term financial stability. As treasurer and finance director, I have worked on this goal closely with the board and CEO. We have been helped in our efforts by the work of:

- Our tax accountant, Nick Streets and Lola Titkov of Wilson Pateras
- Our auditors, Matthew Crouch and Zhi-Hui Lee of Saward Dawson.
- Our bookkeeper Margaret Magalotti and BAS Agent Doone Clifton of Gecko Services.

Due to Covid, the audited accounts were delayed and an extension was granted by Consumer Affairs. These were finalised and sent to all members in February this year.

GENERAL FINANCIAL POSITION

ArchiTeam finished 2021 with a healthy surplus of 21%, indicating that we remain in adequate financial health. This surplus was achieved thanks to the growth in membership we have experienced this year, as well as increases to insurance premiums paid by our members.

Our operating expenses increased by 19% compared to last financial year, in largely part due to an increase in the cost of our group professional indemnity insurance policy. This has led to the board initiating a strategic risk assessment for ArchiTeam, which will involve scenario planning to address possible further instability in the insurance market in the future. Our aim is to complete this assessment in the coming year.

INCOME

As I'm sure you'll be aware, a very large portion of ArchiTeam's income is derived through or group policy, which in turn supports our operating expenses. To accommodate the increased cost of this policy, and ensure we can continue delivering our portfolio of activities, the board agreed in May to increase the cost of insurance premiums across all bandings. Our goal is still to leverage our collective buying power and low risk profile to deliver the best value for money to all members.

OPERATING EXPENSES

Changes to major operating expenses for ArchiTeam this year have been as follows:

- The cost of ArchiTeam's group policy increased 11% this year.
- There have been no new staff appointments this year, though with modest pay rises and some increased hours, employment expenses have increased 24%.
- As a biennial event, the conference has distorted expenses compared to the 2020 financial year, though the event itself delivered a modest surplus.
- Director honorariums were increased in January by CPI.
- Remaining operating expenses increased by 37%, mostly due to this year being a conference year.

FINANCE REPORT

GROWTH

All of these increases are indicative of an organisation in growth mode. To put the above into context, we have increased our membership this year by 17%, while the combined earnings of our members have increased by an exciting 29%. We expect expenses to continue to expand as we inch closer to the magical milestone of 1,000 members.

FINANCIAL MANAGEMENT STRATEGY

ArchiTeam financial investments are managed in accordance with our Risk Management Policy, in term deposits across a spread of banking institutions. Our focus with these investments is to secure our funds in ethical institutions including Bank Australia. Annual budgets and director responsibilities include the goal to break even on our portfolio of programmes.

This year introduced difficulties in securing partnerships with sponsors, however our major awards and conference events continued to draw partners with a deep interest in supporting ArchiTeam and our members. As Australia's economy returns to a healthy position and our events transition back to in-person experiences, we anticipate that sponsorship will return to its previously healthy position.

Earlier this year I requested a streamlining of our financial reporting strategies, with the aim of focussing the board's fiduciary responsibilities on large and important income and expense categories. Many thanks to Phoebe and Margaret for instituting these changes, and for their support throughout the year.

WARWICK MIHALY

Chairperson

Treasure

Director of finances

INSURANCE REPORT

I joined the ArchiTeam board of directors in November 2020, taking over the reins of the insurance portfolio from director Warwick Mihaly. Thanks Warwick! As I write this report, Melbourne is in its 5th lockdown and with many other cities across the nation also in lockdown, there is no denying that 2021 has been a challenging year for everyone so far! More than ever, I believe that ArchiTeam Cooperative has continued to play an important role in providing support to members and keeping our wonderful small practice community connected.

A critical service that ArchiTeam provides for members is a \$5million professional indemnity group insurance policy and a \$20million public liability policy, which continues to be managed by AustBrokers Countrywide, who have been ArchiTeams brokers for just over 10 years. Every year our brokers seek the best quotes from potential insurers on ArchiTeams behalf. This year AustBrokers Countrywide sought quotes from eight potential insurers and of the eight sought, three came back with quotes. All the quotes were significantly higher than last year's quotes. The broker's explanation for this significant increase in insurance quotes was due to a range of factors including market conditions, the membership group growing and member's incomes increasing.

AustBrokers recommended that we continue our long-standing relationship with Allianz for our \$5 million professional indemnity group insurance. Despite the 60% policy cost increase on last year, they were still the lowest quote, and they were the only quote that included defence costs for cladding, which was an important deciding factor. AustBrokers recommended that we continue with our current Public Liability Insurer, Pacific Indemnity, as their quote only minimally increased. The Board reviewed the insurance proposals and agreed, following budget advice, that the bandings should be increased by 10%. Additionally, a minimal annual increase was made to the ArchiTeam membership fee (\$300 + GST).

Insurance renewals went smoothly again this year, with the amazing ArchiTeam staff managing renewals whilst working from home for a second year running, allowing us to provide our local registration boards with the required documentation to keep practising. There were 745 insurance members with 131 new members for 2021.

The mandatory insurance night is scheduled for later in 2021, it will be a virtual event hosted by our Brokers, is scheduled for 23 September 2021.

WCPGW, 'What could possibly go wrong?' on DATUM has continued, and I contributed a couple of handy articles about 'How to prepare a good set of existing conditions documents' and 'When to notify your insurer'

Thank you to Phoebe and the ArchiTeam staff for their excellent guidance, and Greg and Vincent at AustBrokers Countrywide for their ongoing support. Let's hope for brighter days ahead!

DELIA TESCHENDORFF

ArchiTeam Director

Insurance portfolio

PARTNERSHIPS REPORT

There have been exciting developments throughout the last year despite the challenges. I took on the Partnerships Portfolio from Rebecca Naughtin after the AGM in November. We were excited to continue the relationship with the University of Melbourne – Melbourne School of Design as our Education Partner, which included as Education Partner for the 2021 ArchiTeam Conference in May. Our relationship also continued with Brickworks who we were excited to have access to their beautiful showrooms for the live panel discussion at the conference. The cooperative is also grateful for the generous support of AWS. We'd also like to acknowledge the generous support from Vectorworks, Navi, Big Plans, Bowerbird, Make United, Eventbrite, Niche Media and Architecture & Design.

Early in 2021 ArchiTeam and the ACA entered into a partnership with the ACA becoming an Industry Partner. This signifies the supportive environment that we work in as Australian Architects. It has provided shared benefits to members with ACA members able to participate in the 2021 Conference for member priced tickets and ArchiTeam members able to access ACA CPD tickets. We continue to work closely with Open House Melbourne (OHM) which includes member participation in Open Weekend in July and we have commenced planning for the Naked Architects Season 4. We continue to build relationships with Architects Accreditation Council of Australia (AACA), Architects Registration Board of Victoria (ARBV) the Australian Institute of Architects, New Architects Melbourne and Parlour.

ArchiTeam has strong relationships within Melbourne, though we see an opportunity to build on these connections across Australia. We commenced the review of the organisation at the Strategic Planning Day in March and since CPD was transferred to online in April we have seen considerable interstate and regional membership increases in the 20-21 membership renewals. This is also in part to the valuable member referrals and the staff at the ArchiTeam office.

Reggie Lysaght and the ArchiTeam staff continue to work towards building more relationships with partners, sponsors and friends, and creating further relationships with industry peers and I thank them for their creativity in approaching sponsors and their persistence during a difficult year.

JAMIE SORMANN

Director, Sponsorship & Partnerships

MEMBER SERVICES REPORT

Delia Teschendorff and I took over the Members Services Portfolios from Warwick in November. The Member Services Portfolio consists of a mix of preparing documents for members to use such as the OH&S Kit and Client Architect Agreement, as well as member activities. CEO Phoebe LaGerche-Wijsman provided invaluable assistance and guided many aspects of this portfolio as well.

BUSINESS DOCUMENTS - OH&S KIT

The ArchiTeam OH&S kit underwent a review in an attempt to tailor the kit to our members and make it user friendly. The pack was compiled as a tool for members to use within their practices and to provide the supplementary information needed to submit for preferred suppliers lists and tender/RFI submissions to councils and government. The WHS Pack can also be used to express a practices' health and safety expectations and assists the practice to achieve better health & safety results.

The updated kit and user guide is to be released later in 2021.

MOFL & NEW MEMBER NIGHTS

In 2020-21 MOFL was paused for a period due to the impact of COVID on us all. In early 2021 the focus was on preparation of the Conference and CPD events.

New member nights are indefinitely on hold and Covid dependant. Zoom member events were discussed but not acted upon partially due to most people having Zoom fatigue.

BUSINESS DOCUMENTS

The Client Architect Agreement was released in November 2019 and made free to all members with a User Guide for the agreement underway. Additionally, a template Cad Disclaimer was also made available to members. It is recommended that this be personalised for the individual situation of each member.

KALLIOPI VAKRAS & DELIA TESCHENDORFF

ArchiTeam Directors

Member services

CPD & CONFERENCE REPORT

Hello there, thanks for thinking “yeah, I might read this one” because this year I’ve decided to speak from the heart. So, strap yourselves in.

At the start of this financial year, many of us felt a loss of control on many levels (particularly during longer lockdowns). Can’t leave home? Projects going on hold or cancelled? Juggling Work-from-Home and family? Well, if life was handing all of us lemons at a rapid rate then we were going to try our best to make some lemonade! Our mission as a committee became to support you through the pandemic by presenting topics relevant to the largest cohort of members possible. At every event we sought original insights, whilst keeping in mind the daily struggles each of you were facing during this pandemic.

CPD 2021

Having tackled top-of-mind concerns earlier (Mar-Jun 2020) in the pandemic - such as Work-from-Home hacks, Business Strategy and Marketing – the committee turned its minds to deeper and broader topics. In many ways the pandemic (remember the lemons?) gave us an opportunity to put forward topics that lose the spotlight when the construction cycle is frantic but which we felt would aid and support you beyond COVID times.

We attempted a fine balance between immediate, everyday concerns - Fee Proposals, Software and Condensation – with the big-picture issues our industry faces - Designing for Bushfires, Going Carbon Neutral and Mental Health. I hope you feel we got the balance right (How did that lemonade taste?).

As a result of COVID-19, CPD events continued to be available virtually which saw a consistent uptick in attendees including from regionally based and interstate members. Making CPD free for all members until December certainly helped attendance but also meant you - the members - knew that we had your back through this most difficult of times. You said consistently in feedback that “flexibility matters” and we listened. As a result, all future CPD will continue to be streamed online (even when face-to-face CPD resumes) which will incidentally allow ArchiTeam to further broaden our community and work towards a greater national presence. Win, win!

Over the course of the year, the CPD program planned 7 events and was attended by a total of 583 people. Attendees collectively earned 2533 formal CPD points. Our program of events included:

- 5 CPD events
- 1 workshop
- 1 Biennial Conference – Trajectories 2021

I would like to thank all the members of the CPD committee – John Liu, Laura Litcanu and Sally Holbrook for their excellent ideas and speaker suggestion. A big welcome also to Paola Provinciali (QLD) and Sam Perversi-Brooks (TAS) for joining the committee in early 2021 and who have both hit the ground running. A fond farewell and thank you also to outgoing members Rob Davidov and Lucinda Owen - for their support, ideas, and nimble embrace of virtual CPD.

CPD & CONFERENCE REPORT

CONFERENCE 2021 – TRAJECTORIES

On Friday 21 May 2021 ArchiTeam held its third biennial conference titled Trajectories.

Due to the huge uncertainty around lockdowns and the constantly shifting landscape of COVID restrictions regarding face-to-face indoor events, it was agreed that we had to take the 2021 conference online. Whilst it was a decision forced by circumstance, we knew we had to set the bar high and deliver the best possible online experience possible to our members – including the involvement of professional film directors and a live-TV set-up and crew as part of the mix! Thanks to Reggie Lysaught and her tireless research efforts we all logged in to Events Air and sat down for the day and overall had a very enjoyable conference experience.

A massive thank to my fellow 2021 Creative Directors - Redmond Hamlett (Co-Chair), Rob Davidov, Sally Holbrook, Ajith Kuruvilla and Michael Smith. It was certainly a herculean task planning a conference during a pandemic (and our very long lockdown 2.0!) whilst everything seemed to constantly shift all around us. The pandemic often forced tweaks upon us, but we regrouped and shaped a strong, curated speaker list and program through a collaborative approach where consensus was prioritized over a singular vision. Many of you noted the diversity of speakers from around the country and the world and it is something the committee worked very hard to put together. Speaker presentations focused beyond built outcome, looking more towards process and practice itself. We sold a record 271 tickets for the conference (despite being our first virtual-format attempt) and hope to see even more of you at the next conference.

To quote Michelle Obama, “I am desperate for change - now - not in 8 years or 12 years, but right now.” And this urgency is what we think we left many of our attendees with – how to find ways, both big and small, to affect that change even within the domain of small practice.

We are heartened that the team’s hard work paid off as the feedback was overwhelmingly positive. 90% of survey respondents rated the conference good/very good/excellent. 76% of respondents thought the conference speakers were either Very Engaging or Extremely Engaging. Yet we do realize that connections and supporting each other are what makes ArchiTeam special. We hope that at our 2023 Conference we will all be able to reconvene, network and embrace the spark that comes from being together again.

Planning of the 2022 CPD calendar of events is underway. As it is non-conference year, it will offer a fuller calendar of events. If you have any ideas please send them to me, members of the CPD committee or the ArchiTeam office. As a cooperative, ArchiTeam thrives as the result of involvement from all our members. Presenting at a CPD event, joining a working committee, or writing an article for Datum are all worth CPD points. Come and talk to us if you would like to contribute.

And finally, none of this would be possible without the incredibly dedicated and hard-working ArchiTeam office staff - Phoebe La Gerche-Wijsman, Reggie Lysaught and Ophelia Ho - who coordinated the logistics brilliantly for every single AT event. Throughout an exceptionally challenging year they have truly been “the Team behind the team.”

SONIA SARANGI

Co-convenor, Conference Creative Director
ArchiTeam Director, CPD Events & Conference

ADVOCACY REPORT

The Advocacy Working Group has provided a vital arm to ArchiTeam in advocating for our members and the importance of small practice architects and architecture more broadly. The Group met 5 times in the 12 month period, actively submitting, reviewing, selecting and helping to develop a number of projects. 10 formal CPD points were allocated for the members; all of whom demonstrated committed involvement.

Carbon Neutral Initiative

Many of our members, including ArchiTeam Cooperative are signatories of Architect's Declare, which involves a commitment to run their practices as Carbon Neutral. This can be a confusing and complex undertaking, particularly with the most authoritative approach, Climate Active, only geared to large organisations. The partnership was initiated with Pangolin in 2020 to create a pathway to measure and offset carbon emissions in a manner that is affordable and accountable. As more of our offices become carbon neutral, it will help demonstrate to the broader community that Architects can lead and act on the climate and biodiversity emergencies. The partnership with Pangolin is contingent on a collective approach and we will put the message out to encourage other organisations to follow our lead.

HomeBuilder Program response

In early June 2020 the Federal Government released the Home Builder Program, along with most Australian Architects, ArchiTeam was disappointed with the lack of involvement and benefits for Australian Architects in the program. In response, the Advocacy Working Group drafted a proposed revision to HomeBuilder. The proposal was then developed in consultation with, and co-signed by, the Association of Consulting Architects (ACA) and Australian Institute of Architects. Shortly after the letter was received it was announced that the program would be expanded.

Passive House Scholarship

A conversation on our members forum illustrated that interest in Passivhaus design has been growing amongst our members. This prompted the Working Group to initiate a partnership with the Australian Passive House Association to provide access to a scholarship for awards entrants. The Scholarship was worth \$2,000 and was awarded to Qutaibah Al-Atafi (Wolveridge Architects) in collaboration with local textile artist Inneka Moorhouse.

Post Occupancy Evaluation Survey

The survey was ready for a soft launch by the committee in June.

Submission - Framework for Reform Building Review

As part of the recently signed agreement between ArchiTeam and the ACA, ArchiTeam provided support to the ACA in the preparation of the Framework for Reform Building Review Submission. This important submission outlined support for the establishment of a Design and Construction Practitioners Coordination Board, maintaining the Architects Act (1991), maintaining and strengthening the ARBV, incentivizing more registrations, and regulation of unregulated disciplines to name but a few.

It is important that all membership bodies in Architecture support one another and represent Australian Architects.

ADVOCACY REPORT

We would like to acknowledge and thank the current members of the group for their commitment and vision: Tom Bulic, Talina Edwards, Jo Foong (chair), Zoe Geyer, Imogen Pullar, Leah Reynolds, Claire Scorpo, and Jamie Sormann.

Since its inception in 2016, the Advocacy Working Group has initiated a range of projects and strengthened the collaborative nature of our co-op. Approaching the group is an excellent first step for any member wanting to have greater involvement in ArchiTeam or initiate a project that assists our profession.

We are proud to be raising our collective voices and contributing to the future of Architecture in Australia with a considered and collaborative approach. We look forward to the next steps in our ongoing advocacy and research at ArchiTeam as part of the mission to empower and support small practice architects to thrive.

KALLIOPI VAKRAS
ArchiTeam Director
Advocacy

AWARDS REPORT

Entries

Members were encouraged to enter with the ongoing waiving of fees for the first submission, with all entries displayed in the Awards exhibition. In 2020/21 the ArchiTeam Awards program involved 129 entries from 85 members, a slight reduction from the previous year due to COVID and lockdowns impacting photographers access to projects.

Budget

In 2020 the Awards Budget was increased to \$65,000 primarily to allow for additional AV and graphics for the Awards to be announced online. The program was delivered for \$52,667 including sponsorship.

Exhibition

Due to COVID19 there was no face-to-face exhibition, instead we put a call out to members to assist in the generation of an online virtual exhibition. Seven members designed some conceptual and surprising spaces where all entries were exhibited. On top of the fantastic graphic design work produced by Sonia Post and her team at Design Democracy, Isobel Knowles brought them to life with her animations alongside music produced by Ariel Blum. In 2021 plans are underway to hold the exhibition and associated events in a COVID safe location if allowable by the regulations at the time; otherwise we have a digital only contingency to implement.

Design

Sonia Post and her team at Design Democracy produced the graphic design work for the 2020 Awards program, which featured the branding of the online entry program, exhibition signage, social media, the Awards booklet and other collateral. We thank Sonia for her enthusiasm and particularly her talent with colour. Thank you to United Make for producing beautiful Awards trophies that reflected Sonia's design work.

Jury

Importantly the Awards program would like to extend gratitude to the 2020 jury members:

Kate Fitzgerald Whispering Smith
 Rachel Neeson Neeson Murcutt + Nellie
 Andy Fergus
 John Ellway John Ellway Architect
 Norman Day Norman Day + Associates
 Kate Fitzpatrick Auhaus
 Tamsin O'Neil Editor, Green Magazine

AWARDS REPORT

We acknowledge the generous involvement of the judges and the donation of their time to the process.

Thanks also to our 2020 Awards sponsors: Brickworks, AWS, The University of Melbourne, Bowerbird.io, and Make United. Their generous support has allowed us to create this Awards program and provide additional exposure to our members and ArchiTeam.

We congratulate and thank the ArchiTeam personnel who made the program and all associated events such an integral and happy part of the Architectural calendar; CEO Phoebe La Gerche-Wijsman, Reggie Lysaught and Ophelia Ho. Thank you to all the ArchiTeamers who have made the Awards run so successfully.

JAMIE SORMANN
 ArchiTeam Director
 Awards



Appendix

ArchiTeam Members in attendance at the 2020 Annual General Meeting

	FIRST NAME	SURNAME
1	Zoe	Geyer
2	Andrew	Thomas
3	Dean	McCredden
4	Rebecca	Naughtin
5	Sonia	Sarangi
6	Darragh	O'Brien
7	Kalliopi	Vakras
8	Fred	Buono
9	Ajith	Kuruvilla
10	Harriet	Elliott
11	Sohil	Ronagh
12	David	Turnbull
13	Peter	Hogg
14	Mick	Moloney
15	Kathy	Ismail
16	Tania	Provan
17	Fooi-Ling	Khoo
18	Gray	Smith
19	Britta	Klingspohn
20	Sheilin	Teo
21	Robert	Sheng
22	Kirsten	Johnstone
23	Michael	Kemp
24	Redmond	Hamlett
25	Laura	Osborne
26	Jamie	Sormann
27	Warwick	Mihaly
28	Andrew	Le
29	Renuka	Rodrigo
30	Semu	Ntulume
31	Erica	Slocombe
32	Delia	Teschendorff
33	John	Liu
34	Michael	Smith
35	Douglas	Wan

ATTENDANCE

Directors: Fooi-Ling Khoo – FLK (Chair/ Communications & PR – Incl. DATUM), Rebecca Naughtin - RN (Treasurer/Finance, Partnership & Sponsorship), Warwick Mihaly – WM (Insurance / Members Services), Jamie Sormann – JS (Secretary/ Awards & Advocacy) and Sonia Sarangi – (CPD Events & Conference)
Members: 39 attendees
Invitees & Guests: Phoebe LaGerche-Wijsman, Reggie Lysaught and Ophelia Ho
Apologies: Barbara Moje
Meeting Commenced: 12.16pm

Date: 26 November 2020
Venue: Zoom
Time: 12 pm

1.0	Chair's welcome FLK – Welcomed ALL in attendance. Acknowledged the Wurundjeri people. Confirmed over 32 (quorum) members present (36 attended)
2.0	Confirm the Minutes of the previous Annual General Meeting held in Melbourne, VIC, Wednesday 13 November 2019 FLK moved that the minutes of the previous AGM be accepted. Seconded: Peter Hogg
3.0	Chairs Report FLK provided an overview of the Chair's report for the year ended 30 June 2020, asked if there were any questions – none were received and moved that it be accepted. Seconded: Fred Buono
4.0	Secretary Report JS asked if anyone had any questions about the report – none were received and moved that the Secretary's report be accepted Seconded: Joohn Liu
5.0	Treasurer/ Financial Report RN asked if anyone had any questions about the report – none were received and moved that the financial report (including the financial accounts) be accepted. Seconded: Kirsten Johnston
6.0	Appoint an Auditor for 2020-21 RN proposed retaining Auditors Saward Dawson. RN asked for any questions – none were received. RN moved that the recommendation be accepted. Seconded: Michael Smith
7.0	Director's Portfolio Reports a. Insurance Report WM asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Peter Hogg b. Sponsorship and Partnership Report RN asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Erica Slocombe c. Member Services Report. WM asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Michael Smith d. CPD & Events Report SS asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Andrew Thomas e. Communications & PR (Incl. DATUM) Report. FLK asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Zoe Geyer f. Advocacy & Research Report JS asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Seconded: Semu Ntulume g. Awards Report JS asked if anyone had any questions about the report – none were received, and moved that the Report be accepted Peter Hogg asked why an unbuilt project won the Community category in the 2020 Awards program. Peter Hogg said it shouldn't have been awarded in that category. JS replied that he had not been on the jury but was of the understanding that, whilst not yet built, it was a strong entrant in that category. JS said that the Awards program categories are to be reevaluated for the 2021 Awards program. Seconded: Semu Ntulume
8.0	Questions on Notice A request for any questions was distributed 5 weeks prior the AGM as per the Cooperative Rules, to be submitted prior to the meeting. No questions were received.
9.0	General Business FLK asked for any further questions. No questions were received. FLK provided an overview of the results of the Future of ArchiTeam members discussion and how the data received would inform discussions at the Director's Planning Day in early 2021.
	Election of Directors JS as Secretary, reported that there were 2 positions available on the Board. Voting opened Tuesday 16 September and closed on Thursday 22 October. 2 nomination were received, they were as follows. - Delia Teschendorff - Kalliopi Varkas as such no election was called and Delia Teschendorff and Kalliopi Varkas filled the 2 vacancies. JS congratulated Delia and Kalliopi on behalf of all present and thanked FLK & RN for their commitment to ArchiTeam. FLK introduced the incoming Chair – Warwick Mihaly. WM thanked FLK and RN for their years of commitment to the Board AGM closed @1.10pm



7 October 2021

Phoebe La Gerche-Wijsman
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Dear Pheobe,

Actuarial Certificate for Architeam PI Insurance Cover

1 Introduction

Taylor Fry Pty Ltd (“Taylor Fry”) has been requested by ArchiTeam Co-Operative Limited (“Architeam”) to undertake an assessment of the adequacy of their professional indemnity (“PI”) insurance cover as required under paragraph 8.4.2 of the Architects Insurance Ministerial Order (“Order”) contained in *Victorian Government Gazette*, No. S19, Friday 17 January 2020.

This letter sets out the outcome of our assessment. We have been undertaking actuarial certifications for Architeam since 2005, with the previous assessment conducted in 2020 and documented in our letter dated 12 October 2020.

2 Background and Scope

Founded in 1991, Architeam is an approved co-operative membership association for Australian architects working in small, medium and emerging practices. As part of their services, Architeam holds a PI insurance policy to cover their architects, with around 86% of their membership base from Victoria¹.

¹ This has reduced from around 88% since the previous assessment, due to increases in membership from New South Wales, Queensland and Tasmania.

For the policy to meet the mandatory requirements of PI insurance under Victorian law, the Order stipulates (among other requirements) that an Actuary has certified in writing the adequacy of the policy². Specifically, paragraph 8.4.2 of the Order requires that the policy for each annual policy period **provides cover for members that is no less comprehensive** than that required under paragraph 6 of the Order, which effectively requires an architect to have a minimum cover of \$1.2 million with one automatic reinstatement.

In making the assessment, the Actuary must have regard to:

- a) The limit of indemnity in the policy
- b) The excess (if any) in the policy
- c) The impact of the aggregation of risks
- d) The number of persons covered by the policy
- e) The claims history of those persons
- f) The practice areas of those persons
- g) The turnover of those persons
- h) The risk management education and assistance provided to those persons by the Approved Co-operative
- i) Any other matters the Actuary considers relevant.

For the purposes of the assessment, our certification relates to all of Architeam’s PI insurance policies covering the annual policy periods to 31 May 2022.

3 Data

We have relied on the following data files provided for this assessment:

- Architeam’s PI insurance claims experience extract as at 20 September 2021
- PI insurance renewal quote for the policy year 31 May 2021 to 31 May 2022
- Architeam’s PI insurance policy disclosure statement including endorsement
- CPD events relating to the 2021 financial year
- Architeam’s membership details as at 23 August 2021
- Architeam’s members professional services breakdown as at 23 August 2021
- Details of practice area for members with turnover from \$210,000 to \$300,000.

We have also relied on data available from our previous assessments.

² Only the state of Victoria requires an actuarial certification.

4 PI Insurance Policy Details

The Order requires each annual policy period to be examined. However, as Architeam’s PI insurance policies are written on a “claims made” basis³ and claims are rarely reopened⁴ after being finalised, our analysis can be simplified to only consider those policies which are currently in force (i.e. for the 21/22 policy year) or those with open claims.

To this end, Table 1 summarises the policy details for all annual policy periods since 31 May 2016.

Table 1 – Architeam’s PI insurance policy details

Policy Year	Limit of Liability	
	Indemnity ^a	Defence Cost ^b
31 May 2016 – 31 May 2018	<ul style="list-style-type: none"> \$5 million per claim Four reinstatements 	<ul style="list-style-type: none"> \$5 million per claim Four reinstatements
31 May 2018 – 31 May 2019	<ul style="list-style-type: none"> \$5 million per claim \$25 million in aggregate 	<ul style="list-style-type: none"> \$5 million per claim \$25 million in aggregate
31 May 2019 – 31 May 2022	<ul style="list-style-type: none"> \$5 million per claim \$25 million in aggregate 	<ul style="list-style-type: none"> Cladding claims: \$1 million in aggregate Others: \$5 million per claim and \$25 million in aggregate

Notes

- (a) Refer to Policy Schedule or Renewal Quote
- (b) Refer to Policy Document (POL796BA 06/15) section 3.2 and endorsement

These policies have been underwritten by Allianz Australia Insurance Limited through Austbrokers. We note that:

- The policy wording change from “four reinstatements” to “\$25 million in aggregate” provides the same coverage, and only represents a different way of saying the same thing⁵
- From 31 May 2019, a non-compliant cladding exclusion clause was inserted, and defence costs associated with cladding issues were limited to \$1 million.

Of importance to the assessment, Table 1 shows defence costs are payable in addition to the limit of indemnity. This means the standard of establishing the policies are no less comprehensive as required under paragraph 6 of the Order is to demonstrate coverage of

- No less than \$1 million in indemnity cover for any one claim
- No less than \$0.2 million in defence costs for any one claim
- No less than one automatic reinstatement.

³ This means that the policy covers for claims made against Architeam and notified during the period of cover.

⁴ Based on comparing the 2021 claims report with the 2020, 2018 and 2016 reports, only 1 claim has been reopened following finalisation with this claim having no payments as at 20 September 2021. Note that the reopening of an old claim in a new policy year does not constitute a new claim according to the policy disclosure statement (page i, third bullet point under Claims Made).

⁵ Contacted Architeam’s broker, Austbrokers, on 5 October 2020 to confirm policy wording.

5 Assessment of Adequacy

As shown in Table 1, Architeam’s limit of liability for indemnity and defence costs are each \$5 million per claim. This is higher than the \$1 million and \$0.2 million required for indemnity and defence costs (respectively) under paragraph 6 of the Order. The limit is also highly adequate, with only 1 claim exceeding \$0.2 million in incurred cost over the past 10 years for a cost of \$345,368. Furthermore, as each claim is subject to an excess of \$2,000, there is no real erosion of coverage provided to Architeam’s architects from the excess.

To assess whether the one automatic reinstatement condition has been met, we have analysed the number of non-nil claims reported each policy year. Figure 1 shows the reported claims by policy year with a split between nil claims, non-nil claims with incurred cost less than or equal to \$1,000 and non-nil claims with incurred cost over \$1,000. The 2022 policy year is incomplete with 8 months remaining and currently has 6 active claims with no finalised claims.

Figure 1 – Reported claims by policy year as at 20 September 2021

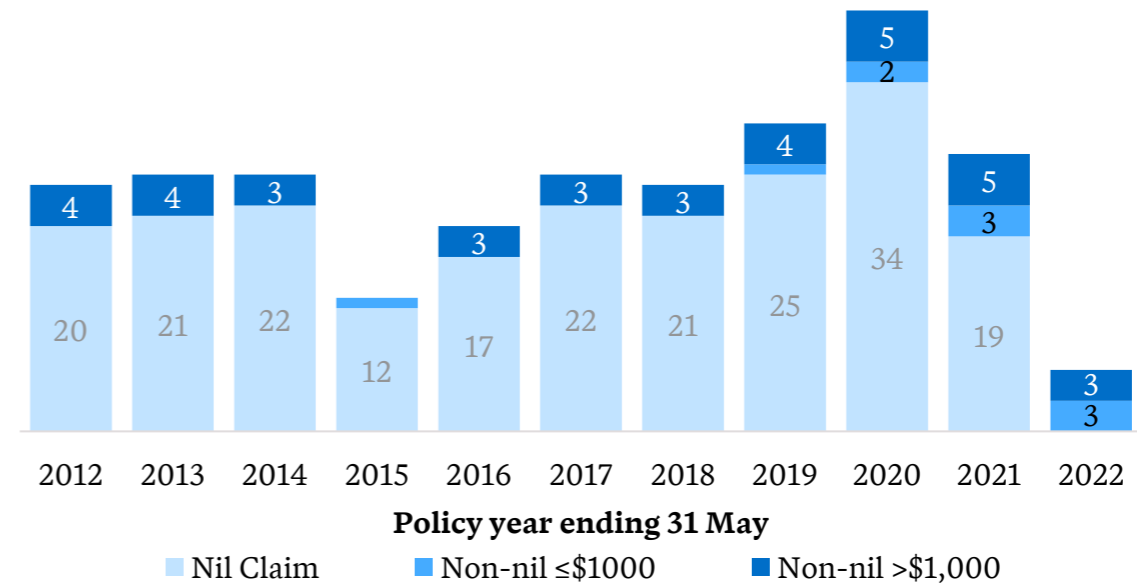


Figure 1 shows from 2012 to 2018, there are typically three to four non-nil claims per policy year (or 12% to 17% of all reported claims are non-nil claims). The 2019 and, in particular, the 2020 and 2021 policy years show higher non-nil claims. This is in part due to claims with an incurred cost less than or equal to \$1,000 which have yet to be finalised. The increase in non-nil claims has coincided with an increase in the number of PI insurance members; there are 748 members as at 23 August 2021 compared to 671 members as at 3 August 2020. It would also appear the volume or size of services provided have increased with the average turnover for each member increasing by 12% over this period, compared to wage inflation for the construction industry of 1.4%⁶ for the 12 months to June 2021. We note that the practice areas for the larger accounts remain reasonably consistent.

At this stage, all but 1 of the non-nil claims with incurred cost less than or equal to \$1,000 comprise solely of case estimates and historical experience has indicated these claims typically settle for nil in subsequent years. Therefore, the findings suggest:

⁶ Using Australian hourly rates for the private and public construction industry available from the Australian Bureau of Statistics.

- The increase in claim numbers over the 2019 to 2021 period compared to policy years up to 2018 has been largely driven by an increase in members rather than from a deterioration in claims experience. We note that claim frequency has been fluctuating between 3% to 8% with no discernible increase over the 2019 to 2021 period.
- Many of these new non-nil claims currently \$1,000 or less are expected to become nil claims.

These observations are further supported by the following findings:

- Granular analysis on the claims data has not identified the presence of aggregation risks. No architect has had more than one claim with greater than \$3,000 paid over the past 10 years and there are also no obvious signs of accumulation risks from assessing the claims description. We note the Order allows liability arising from non-compliant cladding to be excluded from the contract (paragraph 5.3).
- Architeam continues to maintain a proactive approach to risk management, with an extensive continuing professional development program that has included covering compulsory insurance, building contracts and mental health.

In light of the analysis, historical experience suggests that on average, we should expect around three to four non-nil claims per policy year. If the increase in non-nil claims reported over policy years 2019 to 2021 also result in a higher number of non-nil settlements, we expect this would increase the number of finalised non-nil claims to around ten. This has been estimated by multiplying the number of PI members (748) by the claim frequency (we assume 8%) and non-nil proportion (we assume 17%):

Estimated Number of non-nil claims: $748 \times 8\% \times 17\% = 10$ non-nil claims.

Assuming ten non-nil claims each with an automatic reinstatement and limit of liability of \$1 million for indemnity and \$0.2 million for defence costs (as required by paragraph 6), this produces a total cost of \$20 million and \$4 million respectively:

Indemnity: $10 \text{ non-nil claims} \times \$1 \text{ million} + 10 \text{ reinstatements} \times \$1 \text{ million} = \$20 \text{ million}$

Defence Costs: $10 \text{ non-nil claims} \times \$0.2 \text{ million} + 10 \text{ reinstatements} \times \$0.2 \text{ million} = \$4 \text{ million.}$

As Architeam's policies allows for \$25 million in aggregate coverage for both indemnity and defence costs, the coverage provided is more comprehensive than the reinstatement requirements contained in paragraph 6.

6 Actuarial Certification

Based on our analysis, **we certify that Architeam's PI insurance policies covering the annual policy periods to 31 May 2022 provide cover that is no less comprehensive than that required under paragraph 6 of the Order.**

For the certification to be effective, paragraph 8.4.2 of the Order also requires a copy of this letter to be provided to the Board of Architeam.

7 Reliances and Limitations

Although high level reasonableness checks were performed, we have relied on the accuracy and completeness of the information provided to us by Architeam. We have not conducted a formal audit of the data and should any material errors in the data surface, we should be advised immediately so that the potential impact of those errors on our results can be assessed.

The scope of this review has been limited to providing an actuarial certificate as stated under paragraph 8.4.2 of the Order. The advice contained herein are not to be used for any other purposes without prior written approval from Taylor Fry. Any copies of this letter provided to third parties must be complete copies.

Judgements about the methodology, assumptions and commentary in this letter should be made only after considering the letter in its entirety. Sections could potentially be misleading if considered in isolation from the remainder of the letter. We have prepared recommendations based on the information provided to us at the date of the assessment. Future experience could vary considerably from projections and deviations from our projections are normal and to be expected.

We trust that this letter covers the issues required. Please do not hesitate to contact me if you have any questions in relation to this letter or if you require any additional information.

Yours sincerely



Daniel Smith

Fellow of the Institute of Actuaries of Australia

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Financial Statements

For the Year Ended 30 June 2021

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Contents

For the Year Ended 30 June 2021

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ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Auditor's Independence Declaration to the Directors of ArchiTeam Co-operative Ltd

I am pleased to provide the following declaration of independence to the directors of ArchiTeam Co-operative Ltd. As the lead audit partner for the audit of the financial report of ArchiTeam Co-operative Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Seward Dawson

Jeffrey Tulk
Partner
Blackburn

Dated:

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contact@sawarddawson.com.au
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Liability limited by a scheme approved under Professional Standards Legislation

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Statement of Income and Expenditure and Other Comprehensive Income For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	3	1,171,324	914,337
Insurance expense		(409,374)	(369,729)
Employee benefits expense		(229,165)	(185,358)
Directors' honorarium		(72,108)	(64,133)
Member service expense		(50,916)	(646)
Awards expense		(24,156)	(58,177)
Professional fees		(83,550)	(51,672)
Depreciation and amortisation expense		(22,048)	(17,070)
Office expense		(9,650)	(14,852)
Computer and Internet Expenses		(4,612)	(4,751)
Other expenses		(16,011)	(6,745)
Current year surplus/(deficit) before income tax		249,734	141,204
Income tax expense		-	-
Net current year surplus/(deficit)		249,734	141,204
Other comprehensive income			
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		249,734	141,204

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Statement of Financial Position As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,105,926	982,115
Trade and other receivables	6	18,838	35,594
Other financial assets	7	467,510	462,154
Other assets	8	590,845	356,125
TOTAL CURRENT ASSETS		2,183,119	1,835,988
NON-CURRENT ASSETS			
Property, plant and equipment	9	274,206	287,031
Intangible assets	10	3,629	8,893
TOTAL NON-CURRENT ASSETS		277,835	295,924
TOTAL ASSETS		2,460,954	2,131,912
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	64,411	75,886
Other liabilities	12	832,567	744,994
Employee benefits	13	20,607	17,511
TOTAL CURRENT LIABILITIES		917,585	838,391
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		917,585	838,391
NET ASSETS		1,543,369	1,293,521
EQUITY			
Share capital		1,493	1,379
Retained earnings		1,541,876	1,292,142
TOTAL EQUITY		1,543,369	1,293,521

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2020	1,379	1,292,142	1,293,521
Shares issued	114	-	114
Surplus/(deficit) for the year	-	249,734	249,734
Balance at 30 June 2021	1,493	1,541,876	1,543,369

2020

	Share Capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2019	1,251	1,150,938	1,152,189
Shares issued	128	-	128
Surplus/(deficit) for the year	-	141,204	141,204
Balance at 30 June 2020	1,379	1,292,142	1,293,521

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,391,947	1,068,954
Payments to suppliers and employees		(1,263,236)	(900,997)
Interest received		4,301	11,476
Net cash provided by/(used in) operating activities	14	<u>133,012</u>	<u>179,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Redemption/(placement) of term deposits		(5,356)	110,646
Purchase of other non current assets		(3,959)	-
Net cash provided by/(used in) investing activities		<u>(9,315)</u>	<u>110,646</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issue of shares		114	128
Net cash provided by/(used in) financing activities		<u>114</u>	<u>128</u>
Net increase/(decrease) in cash and cash equivalents held		123,811	290,207
Cash and cash equivalents at beginning of year		<u>982,115</u>	<u>691,908</u>
Cash and cash equivalents at end of financial year	5	<u><u>1,105,926</u></u>	<u><u>982,115</u></u>

The accompanying notes form part of these financial statements.

The accompanying notes form part of these financial statements.

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements cover ArchiTeam Co-operative Ltd as an individual entity, incorporated and domiciled in Australia.

ArchiTeam Co-operative Ltd is a cooperative entity under the Co-operatives National Law Application Act 2013.

The directors have prepared the financial statements on the basis that the Co-operative 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 Co-operatives National Law Application Act 2013. The Co-operative is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Co-operatives National Law Application Act 2013 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The Co-operative has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures.

The recognition and measurement requirements that have not been complied with are those specified in AASB 119 Employee Benefits and deferral of upfront fees under AASB 15 Revenue from Contracts with Customers. These material accounting policies adopted in the special purpose financial statements are set out in Note (b) and (j) and indicate how the recognition and measurement requirements of Australian Accounting Standards have not been complied with.

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. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Co-operative expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer,
2. Identify the performance obligations,
3. Determine the transaction price,
4. Allocate the transaction price to the performance obligations,

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(b) Revenue and other income

Revenue from contracts with customers

5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Co-operative have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Co-operative are:

Professional indemnity subscriptions

Revenue from professional indemnity subscription income is recognised over the period of insurance.

Membership fees

One-off member joining fee is recognised on receipt. On-going fees are recognised over the period of the membership year.

Membership services income

Revenue recognition relating to the provision of services is recognised on the basis that the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Each agreement is analysed to determine the revenue recognition in accordance with the five step model. Some of the contracts are multi-year agreements. Where performance obligations have not been met, it will result in unearned income at year end.

Interest income

Interest income is recognised using the effective interest method.

Other income

Other income is recognised on the basis that reflects the transfer of promised goods and services to customers at an amount that reflects the consideration the Co-operative expects to receive in exchange for those goods or services.

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

ArchiTeam Co-operative Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(c) Income Tax

The Co-operative prepares its income tax returns by reference to the application of the principle of mutuality to the revenue and expenses of the Co-operative. The principle of mutuality is a principle arising from the premise that individuals cannot profit from themselves. Accordingly, receipts from members are deemed to be mutual income and not subject to income tax, and expenses in connection with mutual activities are therefore not deductible for taxation purposes. All other receipts and payments are classified in accordance with taxation legislation.

(d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other 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 and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Co-operative, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Computer Software	10% - 33%
Improvements	4%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

ArchiTeam Co-operative Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(f) Financial instruments

Financial instruments are recognised initially on the date that the Co-operative becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Co-operative commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Co-operative classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Co-operative changes its business model for managing financial assets.

(g) Impairment of non-financial assets

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

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

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.

ArchiTeam Co-operative Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(h) Intangibles

Website development

Software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. The estimated useful life is three years. It is assessed annually for impairment.

(i) 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.

(j) Employee benefits

Provision is made for the Co-operative's liability for employee benefits arising from services rendered by employees (including wages, annual leave, personal leave) to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Provision for annual leave is adjusted and calculated on an annual basis and includes on-costs.

A provision for long service leave is recognised after the completion of seven years employment. This accounting policy does not comply with the recognition and measurement requirements for long service leave included in AASB 119: Employee Benefits which requires long term employee benefits to be measured at the present value of the expected future payments to be made to employees.

Contributions are made by the Co-operative to employee superannuation funds and are charged as expenses when incurred.

(k) Comparative figures

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

ArchiTeam Co-operative Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Key estimates - impairment

The Co-operative assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Co-operative that may be indicative of impairment triggers.

Key judgements - performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, value, quantity and the period of transfer related to the goods or services promised.

3 Revenue and Other Income

	2021	2020
	\$	\$
Professional indemnity subscriptions	737,808	583,395
Membership fees	248,247	215,024
Member Services Income	86,551	27,888
Government incentives	56,402	41,410
Interest income	4,301	11,476
Other income	38,015	35,143
	1,171,324	914,338

4 Insurance

Professional indemnity subscriptions	737,808	583,395
Insurance expense	(409,374)	(369,729)
	328,434	213,666

5 Cash and Cash Equivalents

Cash at bank and in hand	1,105,926	982,115
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ArchiTeam Co-operative Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	18,320	24,688
Government subsidies receivable	-	9,000
Accrued income	518	1,906
	<u>18,838</u>	<u>35,594</u>

7 Other Financial Assets

(a) Term Deposits

CURRENT

Term deposits

467,510	462,154
<u>467,510</u>	<u>462,154</u>

Term deposits are held for 6 months terms and varying interest rates.

8 Other assets

CURRENT

Prepayments

590,845	356,125
<u>590,845</u>	<u>356,125</u>

9 Property, plant and equipment

Buildings

At cost

286,571	286,571
---------	---------

Accumulated depreciation

(69,137)	(61,973)
----------	----------

Total buildings

217,434	224,598
<u>217,434</u>	<u>224,598</u>

PLANT AND EQUIPMENT

Office equipment and fitout

At cost

106,517	106,518
---------	---------

Accumulated depreciation

(49,745)	(44,085)
----------	----------

Total office equipment

56,772	62,433
<u>56,772</u>	<u>62,433</u>

274,206	287,031
<u>274,206</u>	<u>287,031</u>

ArchiTeam Co-operative Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Intangible Assets

	2021	2020
	\$	\$
Website Development		
Cost	43,792	43,792
Accumulated amortisation	(43,792)	(34,899)
	<u>-</u>	<u>8,893</u>
Computer software		
Cost	3,959	-
Accumulated amortisation and impairment	(330)	-
	<u>3,629</u>	<u>-</u>

11 Trade and Other Payables

CURRENT

GST payable

45,312	40,448
--------	--------

Other Payables

19,099	35,438
--------	--------

64,411	75,886
<u>64,411</u>	<u>75,886</u>

12 Other Financial Liabilities

CURRENT

Amounts received in advance

832,567	744,994
<u>832,567</u>	<u>744,994</u>

13 Employee Benefits

CURRENT

Provision for employee benefits

20,607	17,511
<u>20,607</u>	<u>17,511</u>

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Notes to the Financial Statements

For the Year Ended 30 June 2021

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2021	2020
	\$	\$
Surplus/(deficit) for the year	249,734	141,204
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in surplus/(deficit):		
- depreciation and amortisation	22,048	17,070
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	16,756	(20,078)
- (increase)/decrease in other assets	(234,720)	(39,473)
- increase/(decrease) in fees received in advance	87,573	90,175
- increase/(decrease) in trade and other payables	(11,475)	(9,790)
- increase/(decrease) in employee benefits	3,096	325
Cashflows from operations	<u>133,012</u>	<u>179,433</u>

15 Related Parties

Related parties include board members, key management personnel, close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

The Co-operative entered into sponsorship/partnership agreements with member organisations. These are all arms-length transactions.

The directors were paid a total of \$70,317 in the 2021 financial year (2020: \$64,133) in honorariums for their role on the board.

Other related parties of the Co-operative include entities which are members of the Co-operative and the directors are involved with. The total membership, insurance and donation receipts from these related parties during the financial year were \$6,655 (2020: \$8,533).

16 Events after the end of the Reporting Period

The Coronavirus disease (COVID-19) pandemic is continuing to impact Australian and global markets in 2021. Although the Co-operative is unable to determine the financial impact of this crisis on the entity at the time of signing, the directors do not expect a material decline in income during the year ending 30 June 2022. On this basis, the directors are currently satisfied that the short term implications will not materially or adversely affect the Co-operative's ability to continue to operate as a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Co-operative, the results of those operations or the state of affairs of the Co-operative in future financial years.

ArchiTeam Co-operative Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2021

17 Statutory Information

The registered office and principal place of business of the Co-operative is:

ArchiTeam Co-operative Ltd
Suite 16/204-218 Dryburgh St
North Melbourne
VIC 3051

ArchiTeam Co-operative Ltd

ABN: 65 894 162 886

Directors' Declaration


The directors have determined that the Co-operative is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Co-operative declare that:

1. The financial statements and notes, as set out on pages 2 to 15, are in accordance with the Co-operatives National Law Application Act 2013 and:
 - (a) comply with Accounting Standards as stated in Note 1; and
 - (b) give a true and fair view of the Co-operative's financial position as at 30 June 2021 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Co-operative 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 

Director 

Dated 12/10/21



ArchiTeam Co-operative Ltd

Independent Audit Report to the members of ArchiTeam Co-operative Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of ArchiTeam Co-operative Ltd (the Co-operative), which comprises the statement of financial position as at 30 June 2021, the statement of income and expenditure and other comprehensive income, 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 directors' declaration.

In our opinion, the accompanying financial report of the Co-operative is in accordance with the Co-operatives National Law Application Act 2013, including:

- (i) giving a true and fair view of the Co-operative's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Co-operatives National Law Application Act 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 Co-operative in accordance with the auditor independence requirements of the Co-operatives National Law Application Act 2013 and 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 confirm that the independence declaration, which has been given to the directors of the Co-operative, would be in the same terms if given to the directors as at the time of this auditor's report.

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 for the purpose of fulfilling the directors' financial reporting responsibilities under the Co-operatives National Law Application Act 2013. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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ArchiTeam Co-operative Ltd

Independent Audit Report to the members of ArchiTeam Co-operative Ltd

Responsibilities of Directors for the Financial Report

The directors of the Co-operative are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Co-operatives National Law Application Act 2013 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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 Co-operative'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 Co-operative 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 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 the 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 Co-operative'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 Co-operative'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 Co-operative to cease to continue as a going concern.
- 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.



ArchiTeam Co-operative Ltd

Independent Audit Report to the members of ArchiTeam Co-operative Ltd

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.

Saward Dawson

Jeffrey Tulk
 Partner

Blackburn, VIC

Dated this12..... day of **October**.....2021

ANNUAL REPORT 2020-21

ARCHITTEAM