Australasian Dance Collective

FINANCIAL STATEMENTS

AUSTRALASIAN DANCE COLLECTIVE LIMITED
(Formerly Expressions – The Queensland Dance Theatre Limited)
ABN 12 010 545 187

FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS

Your Directors present their report on the company for the financial year ended 31 December 2019.

Directors

The names of the directors in office at any time during, or since the end of the year are:

- Marian Gibney (Chairperson)
- Tony Denholder (Deputy Chairperson)
- Rhyll Gardner (Retired 1 May 2019)
- Roxanne Hopkins
- Dare Power
- Alan Scott
- Amy Hollingsworth (Appointed 1 February 2019)
- Bradley Chatfield (Appointed 30 September 2019)

The directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

Dare Power has been appointed company secretary.

Operating results

Australasian Dance Collective Limited reports an operating surplus of $92,663 for the year ended 31 December 2019 (2018: $17,955). The company's turnover of $1.95 million for the year reflected the significant activity undertaken during the year and was an increase on 2018's turnover of $1.87 million.

Principal Activities

The vision and purpose of the company is to inspire, connect, educate and empower through sharing of creative freedom and artistic fire.

Over the last 35 years, Expressions Dance Company has been a significant cultural resource for artists, dancers and audiences throughout Queensland and Australia. Founded by Maggi Sietsma in 1984, nurtured by Natalie Weir from 2009 to 2018, and now under the artistic directorship of Amy Hollingsworth.

With new artistic leadership in 2019, management and the Board prepared and finalised the company's Strategic Plan 2021-2024. As the company enters what we hope will be a transformative new era, in 2020 it has adopted a new name, Australasian Dance Collective.

Australasian Dance Collective's overarching goals are:

- Investment in Art – Cultivate excellence and quality in our artform
- Investment in People – Enable our artists, facilitators and audiences to flourish
- Reimagine our Spaces and Mediums – redefine our boundaries and how we connect with audiences
- Our Creative Civic Mission – Demonstrate how art is for all – empowering and enriching the lives of our community
- Imaginative Partnerships – Use creativity and critical thinking to drive new partnerships and enterprises to support our art

Review of operations

Under the leadership of Artistic Director, Amy Hollingsworth, the company succeeded in achieving its purpose and goals through the delivery of the following major programs:

The Dinner Party. From the 2015 production of *The Host*, *The Dinner Party* made a return season in QPAC's Cremorne Theatre (10 May – 18 May) before embarking on a national tour to regional centres throughout Queensland, New South Wales and Northern Territory from 27 May to 6 July. Natalie Weir returned to the company to restage the choreography with a majority of the ensemble being new to the company. Generous funding from Playing Queensland and Playing Australia enabled this tour.

Review of operations - continued

Matrix. In the fourth year of the company's Chinese Australian Dance Exchange Project, the company collaborated with China's Beijing Dance/LDTX to present the double bill, *Matrix*. The result of a six-week creative development in China, the production featured new works by two leading female choreographers - Chinese choreographer MA Bo, and multi award-winning Australian choreographer Stephanie Lake. Australasian Dance Collective's 6 ensemble members joined 14 dancers of LDTX, filling the stage in a wildly ambitious and dazzling display of contemporary dance: Two companies, two cultures and two creative philosophies collided, creating a spell-binding, thought-provoking, visually-arresting dance virtuosity. Matrix premiered for two nights in Beijing, then Tianjin, before touring to Australia, with performances in Cairns, and Queanbeyan and a 5-performance season in QPAC's Playhouse Theatre.

Echo. *Echo* was a sold-out 3-performance program and consisted of two new works created specifically for the Youth Ensemble. *'Shift'*, choreographed by Jake Mclarnon and *'The Trigger of Being'* choreographed by Riannon Mclean. The students showed incredible dedication and commitment in the development process of these works and true maturity and professionalism in performance.

Youth Ensemble. Following the success of an 8-week pilot program in 2018, the Youth Ensemble program has been adopted to run annually under the direction of Riannon McLean. The Youth Ensemble program for 2019 was extended to operate across two school terms; 20 weeks total duration with 29 students.

Sector Development. The company continued to significantly contribute to the development of Queensland's dance sector through a variety of initiatives and programs including it's well established:

- Brisbane Contemporary Dance Intensive ("BCDI");
- In-schools workshops and high quality resource material to assist curriculum-based assignments;
- Continuing partnership with Queensland University of Technology;
- In studio secondment placements; and
- Professional Development programs for teachers ("Focus").

Significant changes in state of affairs

In line with the new vision and strategic plan, in March 2020 the corporate name was changed to Australasian Dance Collective Limited. The trading name was changed from Expressions Dance Company to Australasian Dance Collective.

In January, Amy Hollingsworth joined the company as Artistic Director and became a member of the Board on 1 February 2019.

In May, Rhyll Gardiner retired as a Director after over 7 years of support and service. The Board expressed their appreciation for Rhyll and her major contribution to the company.

Bradley Chatfield was appointed a director of the company on 30th September 2019.

There were no other significant changes in the state of affairs of the company during the financial year.

Future developments & Post-Reporting Date Events

At the time of writing it is extremely difficult to determine the impact of the Coronavirus CoVid-19 on the operations of the company in 2020. However, Arts Queensland has announced the deferral of the four-year funding application process (for 2021-2024) that was underway in 2020 for another year, and vitally, has confirmed continued funding at the current level for the company in 2021. In addition, Arts Queensland has committed further support by waiving facility rental costs on the company's premises for the remainder of 2020 at the Judith Wright Centre of Contemporary Art. Further financial relief will be sought through the Federal Government's economic response to coronavirus 'boosting cash flows for employers' program and the JobKeeper program.

In the meantime, taking into account the company's current cash reserves and the above mentioned additional government support to be received, management and the board are working on various scenarios for the operation of the company in 2020 to ensure the health and welfare of staff and the sustainability of Australasian Dance Collective.

Future developments & Post-Reporting Date Events - continued

The company remains dependent on the Queensland Government, through Arts Queensland, and the Federal Government, through the Australia Council, for substantial funding for its activities. As noted above, Arts Queensland has confirmed ongoing operational funding at the current level for the company in 2021 and deferred the applications for the next round of four-year funding to 2021. The company applied for, and on 3 April 2020 was advised that it was not successful in obtaining, Australia Council four-year funding for the period 2021-2024. Australia Council advised it will provide the company with transitional funding for 2021 representing 70% of the current level of funding. Management and the board will over coming months review the implications for the company's activities post 2020 of this loss of Australia Council core funding.

New Accounting Standards Implementation

The company has implemented three new Accounting Standards that are applicable for the current reporting period and have come into effect, which are included in the results. The adoption of AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* had no impact on the financial statements. AASB 16: *Leases* has been applied using the cumulative effective method; that is, by recognizing the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 117: *Leases*. Further information is provided in Note 1.

Information on directors

Bradley Chatfield

Bradley celebrates 30 years in the creative and performing arts industry, 21 years as a performing artist and 9 years as a rehearsal director, teacher, educator mentor and arts advisor; most recently in education as Head of Dance at ACPA. Bradley is highly acclaimed in the dance industry being a recipient of numerous awards and in 2009 was named in Sydney Morning Herald's Top 100 Most Influential People in Sydney. Bradley is currently Head of Contemporary Development at Transit Dance in Melbourne. Bradley was appointed to the company Board on 30th September 2019.

Tony Denholder (LLB (QUT), Bachelor of Civil Laws (Oxford))

Tony is a partner with Ashurst Australia, having practiced as a lawyer since 1993. He is a member of the Queensland Law Society and is a Solicitor in the Supreme Court of Queensland, the High Court of Australia and the Supreme Court of Western Australia. Tony is a Board Member of the Queensland Symphony Orchestra and was appointed to the company's Board on 1st March 2005. Tony is currently Deputy Chair , Chair of the Fundraising Committee and a member of the Finance Audit and Risk Committee.

Rhyll Gardner Executive MBA (INSEAD), Master of Arts (Macquarie University), Master of Applied Finance (Macquarie University), Bachelor of Commerce (University of Queensland), Bachelor of Economics (University of Queensland), GAICD, FFin.

Rhyll is a Non-Executive Director and Management Consultant. She has had a successful executive career in financial services over 30 years in strategy, marketing, finance, risk and people at General Management and CEO level including start-ups, turnarounds and challenger brands. Rhyll has also had over 10 years of board and committee experience across finance, arts, retail, social services, and education sectors. She has been a director of Foresters Community Finance, Social Investment Australia Ltd, The Blue Space Pty Ltd, and Innovation & Business Skills Australia, Queensland Symphony Orchestra, St. Margaret's School and YWCA. She is a Graduate of the Australian Institute of Company Directors, was awarded the Finsia prize for excellence in financial services in 2008 and she is a former finalist in the Telstra Businesswomen's Awards. Rhyll joined the board in 2013 and as Chair of the Finance Audit and Risk Committee. After over 7 years of services and a significant contribution to the company, Rhyll retired from the Board in May 2019.

Marian Gibney (Member of Australian Institute of Company Directors. BA/LLB (Hons) University of Queensland)

Marian is an experienced legal executive having worked with companies including ANZ and MIM Holdings Ltd where she dealt with a diverse range of significant transactions and major operational events. In the not for profit sector, she has extensive experience as a board member in setting and reviewing organizational strategy, including fundraising and stakeholder engagement strategies, together with governance and monitoring organisational performance. Past board appointments include the National Museum of Australia, Queensland Art Gallery Foundation Board, University of Queensland Foundation Board and Tarong Energy Corporation. Marian was appointed to the company's Board in February 2015 and commenced her tenure as Chair in March 2015.

Information on directors – continued

Roxanne Hopkins (Bachelor of Business, Management - Queensland University of Technology)

Roxanne is the Executive Director - Visitation (Marketing and Ticketing) at QPAC. Roxanne has extensive experience in marketing, ticketing, customer service, and fundraising. She has held senior management positions with South Bank Corporation, Youngcare, and Macquarie Leisure Operations Limited (Dreamworld and WhiteWater World), and Brisbane Marketing. Roxanne was appointed to the Board in October 2017 and is a member of the Finance Audit and Risk Committee and the Market Development Committee.

Amy Hollingsworth

Amy joined the company as Artistic Director in January 2019 and became a member of the Board in February 2019. With over 20 years' experience as a dancer, choreographer, director and industry advocate, as well as in film and dancer education, Amy is highly regarded for her passion and leadership within the Australian dance industry. Amy joined the company following 3 years as the Creative Associate and Ballet Mistress at Queensland Ballet where her talent as a curator and choreographer was particularly evident through the successful 2017 and 2018 *Bespoke* season.

Dare Power (Graduate Australian Institute of Company Directors; Master of Business Administration, Executive (EMBA), Australian Graduate School of Management; Master of Film and Television, Bond University; Bachelor of Arts (Hons), University of Queensland)

Dare currently holds the post of Group Administration Manager for his family business – urban development and civil construction company BMD – where he has key responsibilities including business systems, information technology and corporate administration. He is also General Manager of PowerArts, a Performing Arts production and investment company with altruistic goals. Dare has several years' experience as a director in the Not-For-Profit Arts sector having served previously on the boards of QPIX and the Queensland Arts Council. Currently, Dare sits on the QPAC board of trustees. Dare was appointed to the Board in November 2016, and chairs the Market Development Committee.

Alan Scott (Bachelor of Business – Accountancy, ICAA Professional Year Graduate)

Alan Scott is Principal of the business advisory firm Asmosys. Alan has over 30 years' experience in business consulting with specialties in business strategy, business models, change management, facilitation and risk management. Alan commenced Asmosys 7 years ago after a 28 year career with Deloitte. As a Deloitte partner for 8 years, Alan managed Queensland's Deloitte Private practice building on over 10 years in the Deloitte Consulting group. Throughout his career Alan has worked with high-profile clients such as Brambles, Woolworths, NSW State Rail and Telstra. Alan has also advised many clients in the arts or creative sectors including QPAC, Brisbane Powerhouse, La Boite and AGDA. Alan currently serves on the Board of Ronald McDonald House Charities SEQ and Chairs the Risk Committee in that board capacity. Alan joined the Board on 22 November 2018 and is a member of the Fundraising Committee.

Meetings of Directors

During the financial year, 12 meetings of Directors were held. Attendances were:

Director	Number eligible to attend	Number Attended
Bradley Chatfield	5	4
Tony Denholder	12	11
Rhyll Gardner	3	1
Marian Gibney	12	12
Amy Hollingsworth	12	12
Roxanne Hopkins	12	11
Dare Power	12	7
Alan Scott	12	9

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the company. At 31 December 2019 the number of members was 19 (2018: 17).

Change of Company Name

With effective from 25th March 2020, the name of the company was changed from Australian Dance Collective Limited to Australasian Dance Collective Limited. The company changed its name from Expressions – The Queensland Dance Theatre Limited to Australian Dance Collective Limited on 7th November 2019.

Auditor's Independence Declaration

The copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out at page 7.

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

Director: ....

MARIAN GIBNEY, CHAIR

Dated this 8 day of April, 2020

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012*
TO THE DIRECTORS OF AUSTRALASIAN DANCE COLLECTIVE LIMITED
(FORMERLY EXPRESSIONS – THE QUEENSLAND DANCE THEATRE LIMITED)

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

(a) no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

DATED THIS 8TH DAY OF APRIL 2020

PKF Brisbane Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

STATEMENT OF COMPREHENSIVE INCOME | FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 $	2018 $
Revenue	2	1,946,024	1,874,525
Expenditure			
Employee benefits expense		(886,687)	(934,823)
Depreciation expense		(12,374)	(9,456)
Lease amortisation	12	(44,034)	-
Marketing and promotion		(94,041)	(84,061)
Occupancy expense		(26,739)	(54,877)
Other expenses	3	(789,486)	(773,353)
Surplus before income tax		**92,663**	**17,955**
Income tax expense	1(a)	-	-
Surplus for the year		**92,663**	**17,955**
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**92,663**	**17,955**
Surplus attributable to members of the entity		**92,663**	**17,955**
Total comprehensive income attributable to members of the entity		**92,663**	**17,955**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION | AS AT 31 DECEMBER 2019

	Notes	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	503,906	541,304
Trade and other receivables	5	10,515	1,872
Other current assets	6	16,592	21,242
		531,013	564,418
NON-CURRENT ASSETS			
Plant and equipment	7	63,266	41,783
Right of Use assets	12	75,449	-
		138,715	41,783
TOTAL ASSETS		669,728	606,201
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	58,028	29,652
Other current liabilities	9	222,459	356,141
Lease Liability	12	59,134	-
Provisions	10	14,450	17,048
		354,071	402,841
NON-CURRENT LIABILITIES			
Lease Liability	12	18,370	-
Provisions	10	1,264	-
		19,634	-
TOTAL LIABILITIES		373,705	402,841
NET ASSETS		**296,023**	**203,360**
EQUITY			
Retained Earnings		296,023	203,360
TOTAL EQUITY		**296,023**	**203,360**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY | FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Retained Earnings	Total
		$	$
Balance at 1 January 2018		185,405	185,405
Comprehensive income			
Surplus for the year		17,955	17,955
Other comprehensive income		-	-
Total comprehensive income		17,955	17,955
Balance at 31 December 2018		**203,360**	**203,360**
Comprehensive income			
Surplus for the year		92,663	92,663
Other comprehensive income		-	-
Total comprehensive income		92,663	92,663
Balance at 31 December 2019		**296,023**	**296,023**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS | FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating grants and subsidies receipts		1,047,899	1,188,911
Receipts from customers		551,070	603,458
Payments to suppliers and employees		(1,558,075)	(1,626,294)
Interest received		1344	1,697
Net cash generated from operating activities	11	**42,238**	**167,772**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(33,857)	(7,350)
Lease payments		(45,779)	-
Net cash used in investing activities		**(79,636)**	**(7,350)**
Net increase (decrease) in cash held		(37,398)	160,422
Cash and cash equivalents at beginning of the financial year		541,304	380,882
Cash and cash equivalents at end of the financial year	4 (a)	**503,906**	**541,304**

NOTE 1: General Information and Basis of Preparation

The financial statements cover Australasian Dance Collective Limited ("the company") as an individual entity. Australasian Dance Collective Limited is an Australian Public Company limited by Guarantee, incorporated and domiciled in Australia.

The financial statements are a special purpose financial report that has been prepared in order to satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The directors have determined that the company is not a reporting entity because there are no users who are dependent on its general purpose financial reports. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of Preparation

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:-

The financial statements were issued on the date of signing the Directors' Declaration by the directors of the company.

Accounting Policies

(a) Income Tax

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

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated, less where applicable, any accumulated depreciation.

Plant and equipment
Plant and equipment is measured on the cost basis less depreciation and impairment losses.

Depreciation
During the year with a detailed review of the company's assets, it was determined to change the company's depreciation method from reducing balance (diminishing value) to straight-line (prime cost). The straight-line method is considered more appropriate for a not-for-profit entity and simplifies the reporting.

From 2019 the depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Straight-line depreciation rate	Previously diminishing value rate
Plant and equipment	10% / 22%	22.5% / 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(b) Plant and Equipment - continued

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

(c) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Contributions are made by the entity to an employee superannuation fund and are recognised as expenses when incurred.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(e) Revenue

Revenue Recognition

The company has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) in the current year. There is no material difference in the result of the company between applying ASSB 15 and AASB 1058 and AASB 18: *Revenue* and AASB 1004: *Contributions*.

The details of accounting policies under AASB 15 and AASB 1058 are as follows:

Operating grants, donations and bequests

When the company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16. AASB 116 and AASB 138);
- recognises related amounts (being contributions from owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the company receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The company recognises income in profit or loss when or as the company satisfies its obligations under terms of the grant.

(e) Revenue - continued

Contra income

The company receives reciprocal contributions of income in the form of contracted services provided to them by other parties in exchange for contracted services rendered to them by the company. Income in respect of the services received is recognised at fair value on the date the services are carried out in the statement of comprehensive income, with a corresponding expense recognised at that date. No cash changes hands in respect of these transactions.

Contributed assets

The company may receive assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 18).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The company recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

Interest income

Interest revenue is recognised using the effective interest rate method.

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

(f) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. 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 are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Leases

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company as lessee

If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. That is, the company recognises lease liabilities to make lease payments and right-of-use assets representing the rights to use the underlying assets.

However, all contracts that are classified as short-term leases (i.e. a lease with a lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

(h) Leases - continued

Lease liabilities

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the company to further its objectives (commonly known as peppercorn/concessionary leases), the company has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

(i) Impairment of Assets

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

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period that remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(l) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(m) Comparative figures

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

Key Estimates

Impairment

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

(n) Economic Dependence

Australasian Dance Collective Limited is dependent on the State Government's Arts Queensland for a significant amount of its revenue used to operate the business. In late 2016 the company successfully secured 4-year operational funding for the company from 2017-2020. In addition, Arts Queensland announced in March 2020 confirmation of operational funding for the company for 2021. As a result, at the date of this report the Board of Directors has no reason to believe Arts Queensland will not continue to support Australasian Dance Collective Limited.

(o) New and Amended Accounting Policies Adopted by the Company

Initial application of AASB 16

The company has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 January 2019. In accordance with AASB 16, the comparatives for the 2018 reporting period have not been restated.

In the transition to lease accounting, the company has focused on reducing the complexity of implementation and has adopted the Modified Retrospective Method and the Asset Approach #1 to measure the right-of-use assets by reference to the lease liability outstanding on the date of initial application – 1 January 2019.

Where the company is a lessee, it has recognised a lease liability and right-of-use asset for all leases with the exception of short-term and low-value leases that are recognised as operating leases under AASB 117: *Leases*.

The lease liabilities are measured at the present value of the remaining lease payments. The company's incremental borrowing rate as at 1 January 2019 was used to discount the lease payments.

The right-of-use assets was measured (under Asset Approach #1) by reference to the lease liability outstanding at the date of initial application – 1 January 2019 – and not since the commencement date of the lease.

The following practical expedients have been used by the company in applying AASB for the first time:

- for a portfolio of leases that have similar characteristics, a single discount rate has been applied
- leases that have remaining lease terms of less than 12 months as at 1 January 2019 have been accounted for in the same way as short-term leases

The company did not hold any 'finance leases' under AASB 17 at 31 December 2019, and therefore there was no reclassification of property, plant and equipment to right-of-use assets on 1 January 2019.

Initial application of AASB 15 and AASB 1058

The company has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* in respect of revenue recognised during the year. There were no significant changes or impact to the company's revenues recorded this year or in the previous financial year.

NOTE 2: REVENUE

Operating activities	2019 $	2018 $
Ticket Sales for self-promoted productions	90,873	195,348
Performance contracts	159,928	103,990
Sponsorship, partnerships & donations - Cash	176,443	156,894
Sponsorship & partnerships - In-Kind	204,963	238,231
Merchandising	2,101	4,278
Membership	103	98
Participation fees	94,056	76,038
Interest	1,344	1,697
General income	37,900	48,037
Public subsidies / grants	1,178,313	1,049,914
	1,946,024	**1,874,525**

NOTE 3: OTHER EXPENSES

Auditor's remuneration		
- auditing the financial statements	7,650	7,500
Production costs		
- fees	233,139	240,724
- travel and accommodation costs	206,994	88,550
- venues	25,604	54,671
- sets and costumes	26,639	35,500
- other production costs	39,151	38,312
In-kind Expenses – Production, marketing & injury management	204,963	238,231
Loss on sale of assets	-	-
Other miscellaneous expenses	45,346	69,865
Total other expenses	**789,486**	**773,353**

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT		
Cash at bank	503,906	541,304
	503,906	**541,304**

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	503,906	541,304
	503,906	**541,304**

	2019 $	2018 $

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	10,515	1,872
	10,515	**1,872**

NOTE 6: OTHER ASSETS

CURRENT		
Prepayments	16,592	21,242
	16,592	**21,242**

NOTE 7: PLANT AND EQUIPMENT

NON-CURRENT		
Plant and equipment		
Plant and equipment		
At cost	108,654	146,575
Less accumulated depreciation	(45,388)	(104,792)
Total plant and equipment	**63,266**	**41,783**

(a) Movements in Carrying Amounts

	Plant and equipment	Total
	$	$
2019		
Balance at the beginning of the year	41,783	41,783
Additions	33,857	33,857
Disposals / Assets written off	(2,690)	(2,690)
Depreciation expense	(9,684)	(9,684)
Carrying amount at end of year	**63,266**	**63,266**

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT		
Trade payables	29,877	787
GST payable	611	8,756
Sundry payables	27,540	20,109
	58,028	**29,652**

	2019 $	2018 $
NOTE 9: OTHER LIABILITIES		
CURRENT		
Grants received in advance	183,788	312,493
Income in advance	38,671	43,648
	222,459	**356,141**

NOTE 10: PROVISIONS

	2019 $	2018 $
CURRENT		
Provision for annual leave	14,450	6,896
Provision for long service leave	-	10,152
	14,450	**17,048**
NON-CURRENT		
Provision for long service leave	**1,264**	**-**

NOTE 11: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Surplus/(Deficit) after Income Tax

	2019 $	2018 $
Surplus/(deficit) after income tax	92,663	17,955
Depreciation	12,374	9,456
Lease amortization and interest	47,834	-
	152,871	**27,411**
Changes in assets and liabilities		
(Increase)/decrease in receivables and other receivables	(13,716)	12,395
(Decrease)/increase in trade and other payables	38,099	(9,252)
(Decrease)/increase in other liabilities	(133,682)	150,296
(Decrease)/increase in provisions	(1,334)	(13,078)
Cash flows provided by/(used in) operating activities	**42,238**	**167,772**

Non-cash transactions

During the financial year, in-kind revenue of $204,963 and in-kind expenses of $204,963 have been included within income and expenditure in respect of 'barter' contractual arrangements, refer to notes 2 and 3. These transactions are not reflected in the statement of cash flows.

NOTE 12: RIGHT-OF-USE ASSETS & LEASE LIABILITY

In accordance with the new lease Accounting Standard AASB 16 – Leases, the company has adopted lease accounting for the year ended 31st December 2019. In the transition to lease accounting, the company has focused on reducing the complexity of implementation and has adopted the:

- Modified Retrospective Method including not restating the previous year's comparatives; and the
- Asset Approach #1 to measure the right-of-use assets by reference to the lease liability outstanding on the date of initial application – 1 January 2019.

NOTE 12: RIGHT-OF-USE ASSETS & LEASE LIABILITY - continued

As a result, on the 1st January 2019, the company recognised its outstanding lease commitments as lease liabilities, and the corresponding right-of-use assets for the same amount, in the statement of financial position.

The company has identified and accounted for leases for the exclusive use of the company's premises (commenced on 1 April 2019 and expires on 31 March 2021) and the office photocopier (commenced on 1 October 2017 and expires on 30 September 2022).

An incremental borrowing rate of 5% has been used to determine the net present value of outstanding lease payments to account for the lease liability and inherent interest expense.

The Right-of-Use Assets are amortised on a straight-line basis over the term of the lease.

With the adoption of the lease standard this year, the impact on the transactions and balances recognised in the financial statements include:

	2019 $
AASB 16 related amounts recognised in the balance sheet:	
Right-of-use Assets	
Right-of-use assets	119,483
Accumulated Amortisation	(44,034)
	75,449
Movement in carrying amounts:	
Opening balance on initial application at 1 January 2019	7,130
Addition to right-of-use asset	112,353
Amortisation	(44,034)
Closing balance at end of year	**75,449**
Lease Liability	
Current	59,134
Non-Current	18,370
	77,504
AASB 16 related amounts recognised in the income statement:	
Amortisation of Right-of-use Assets	44,034
Lease liability interest	3,800
	47,834
Expense without lease accounting (Lease payments)	**45,779**
Additional Expense incurred in 2019 with adoption of AASB 16	**2,055**

NOTE 13: LEASING COMMITMENTS

The company had the following operating lease commitments at 31 December 2018 in respect of the rental of a photocopier that commenced on 1 October 2017 and expires on 30 September 2022. With the adoption of lease accounting from 1 January 2019, the remaining lease commitments at 31 December 2019 are now recorded as a lease liability on the Statement of Financial Position.

	2019	2018
	$	$
Payable not later than 1 year	-	2,298
Payable later than 1 year but not later than 5 years	-	6,320
	-	**8,618**

NOTE 14: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the company. At 31 December 2019 the number of members was 19 (2018: 17).

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the company in relation to 2019 and 2018.

NOTE 16: POST-REPORTING DATE EVENTS

At the time of writing it is extremely difficult to determine the impact of the Coronavirus CoVid-19 on the operations of the company in 2020.

However, Arts Queensland has announced the deferral of the four-year funding application process (for 2021-2024) that was underway in 2020 for another year, and vitally, has confirmed continued funding at the current level for the company in 2021. In addition, Arts Queensland has also waived rental on the company's premises for the remainder of 2020 at the Judith Wright Centre of Contemporary Art. Further financial relief will be sought through the Federal Government's economic response to coronavirus 'boosting cash flows for employers' program and JobKeeper program.

In the meantime, taking into account the company's current cash reserves and the above mentioned additional government support to be received, management and the board are working on various scenarios for the operation of the company in 2020 to ensure the health and welfare of staff and the sustainability of Australasian Dance Collective.

On 3 April 2020 the company was advised by the Australia Council that the company was not successful in obtaining Australia Council four-year funding for the period 2021-2024. The Australia Council advised that it will provide the company with transitional funding for 2021 representing 70% of the current level of funding. Management and the board will over coming months review the implications for the company's activities post 2020 of this loss of Australia Council core funding.

No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

NOTE 17: COMPANY DETAILS

The registered office and principal place of business of the company is:

Australasian Dance Collective Limited

Level 3, Judith Wright Centre of Contemporary Art

420 Brunswick Street FORTITUDE VALLEY QLD 4006

NOTE 18: CHANGE OF COMPANY NAME

With effective from 25th March 2020, the name of the company was changed from Australian Dance Collective Limited to Australasian Dance Collective Limited. The company changed its name from Expressions – The Queensland Dance Theatre Limited to Australian Dance Collective Limited on 7th November 2019.

The directors have determined that the company 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 company declare that:

1. The financial statements and notes, as set out on pages 8 to 21 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* including:

   (a) complying with Australian Accounting Standards as described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

   (b) giving a true and fair view of the financial position of the company as at 31 December 2019 and of its performance for the year ended on that date.

2. Having regard to those matters referred to in Note 1(m), in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: ....

MARIAN GIBNEY, CHAIR

Dated this 8 day of April 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALASIAN DANCE COLLECTIVE LIMITED

(FORMERLY EXPRESSIONS – THE QUEENSLAND DANCE THEATRE LIMITED)

Report on the Financial Report

Opinion

We have audited the financial report of Australasian Dance Collective Limited (formerly Expressions – The Queensland Dance Theatre Limited) ("the Company"), which comprises the statement of financial positions as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and 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 financial report of Australasian Dance Collective Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance for the year ended; and

b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 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

Without modifying our opinion, 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 *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

PKF Brisbane Audit
ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane QLD 4000
GPO Box 1568, Brisbane QLD 4001
p +61 7 3839 9733
f +61 7 3832 1407

8 East Street, PO Box 862
Rockhampton QLD 4700
p +61 7 4927 2744
f +61 7 4927 4317

INDEPENDENT AUDITOR'S REPORT - continued

TO THE MEMBERS OF AUSTRALASIAN DANCE COLLECTIVE LIMITED

(FORMERLY EXPRESSIONS – THE QUEENSLAND DANCE THEATRE LIMITED)

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the member. The directors' responsibilities also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 our 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 risk, 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, to the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company.

INDEPENDENT AUDITOR'S REPORT - continued

TO THE MEMBERS OF AUSTRALASIAN DANCE COLLECTIVE LIMITED

(FORMERLY EXPRESSIONS – THE QUEENSLAND DANCE THEATRE LIMITED)

- Conclude on the appropriateness of the Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

DATED THIS 8TH DAY OF APRIL 2020