

BANGARRA DANCE THEATRE AUSTRALIA LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 96 003 814 006

Annual Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

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DIRECTORS' REPORT



The Directors present their report together with the financial report of Bangarra Dance Theatre Australia Limited (“the Company” or “Bangarra”) for the year ended 31 December 2020 and the Auditors' report thereon.

BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Phillipa McDermott, Chair

Head of Indigenous Employment & Diversity at the Australian Broadcasting Corporation and a Board Director of the Australian Indigenous Leadership Centre.

Appointed Interim Chair in November 2019 and appointed Chair in April 2020.

Chair of the Nominations & Remunerations Committee since September 2020.

Anna Bligh AC

CEO of the Australian Banking Association, a Board Director of the International Banking Federation and a Non-Executive Director of Medibank Private.

Member of the Bangarra Board from February 2013 to February 2020.

Richard Eccles

Company Director, Consultant and former senior public servant. Director of Copyright Agency Ltd, the Public Interest Journalism Initiative, Epilepsy ACT, and the Federal Golf Club.

Appointed in August 2020.

Chair of the Audit, Finance & Risk Committee since January 2021.

Member of the Nominations & Remunerations Committee since September 2020.

John Harvey

Company Director of Brown Cabs Productions Pty Ltd.

Appointed in November 2019.

Member of the Audit, Finance & Risk Committee since January 2020.

Nadine McDonald-Dowd

Executive Producer at Queensland Performing Arts Centre and a Board Member of the Aboriginal Art Company.

Appointed in December 2019.

Chair of the Audit, Finance & Risk Committee from January 2020 to April 2020.

Stephen Page AO

Artistic Director of Bangarra Dance Theatre Australia Ltd and a Director of Djali House Pty Ltd.

Appointed in June 1998.

Member of the Audit, Finance & Risk Committee.

Lynn Ralph

Has held leadership roles across the public, private and not-for-profit sectors, including Deputy Chairman of the Australian Securities and Investments Commission, CEO of the Financial Services Council, and CEO of Sydney Dance Company.

Appointed in March 2020.

Chair of the Audit, Finance & Risk Committee from April 2020 to January 2021.

Ian Roberts

Executive Chair of the Annamila First Nations Foundation and a Trustee of the Victorian Arts Centre Trust.

Appointed in August 2020.

Member of the Nominations & Remunerations Committee since September 2020.

Lissa Twomey

Executive Director of Bangarra Dance Theatre Australia Ltd, Board Member of the Festivals Board, Create NSW and a Member of the Local Government Authority Round Sub-Committee, Create NSW.

Appointed in January 2021.

DIRECTORS' REPORT



2020 OPERATING ENVIRONMENT AND RESULT

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak a pandemic. The precautionary and necessary measures implemented in response by both Australian and international governments alike, resulted in unprecedented health, economic and social impacts to the Company's operating environment.

Australia's federal, state and territory governments imposed a series of restrictions designed to slow the spread of COVID-19. On 16 March, the Federal Government issued a ban on outdoor mass gatherings over 500 people and a ban on non-essential indoor events of over 100 people. Bangarra Dance Theatre gave its last public performance for 2020 on 14 March.

As a touring company whose principal activities include production and live presentation, Bangarra's activities were severely impacted due to theatre and border closures. To manage business continuity and to ensure the ongoing sustainability of the Company, an agile operating plan which included extensive risk analysis, scenario planning and responsive decision-making plans allowed the Company to adapt and respond flexibly to changes in the operating environment as they occurred.

This approach enabled the Company to continue to respond to its short and long-term objectives and to manage financial risk. Quick action was taken to cut costs and mitigate liabilities early in the year before the full level of COVID-19 related government support was announced.

The 2020 surplus of \$1.0m (2019: \$0.7m) has placed the Company in a much better financial position with reserves now at 20% of a normalised year's operating expense, a target set by the Australia Council in 2004. This provides a solid financial footing with which to manage the risk presented by ongoing COVID-19 implications in the year ahead. The Company has a significant new liability with its Capital Contribution towards the Wharf Redevelopment and substantially increased rental payments.

Without the significant 2020 non-recurring COVID-19 related federal support, the underlying 2020 operations result is a deficit of \$0.3m (2019: surplus of \$0.7m). This deficit would have been considerably higher without the combination of rapid action to control expenditure, as mentioned above, deferral to 2021 of touring and creative development activity, and the very generous support of donors and sponsors, including a restricted major gift of \$400,000. Non-recurring federal support came in the form of Jobkeeper and an ATO cash boost with a combined positive impact of \$1.3m.

MISSION OF THE COMPANY

In 2020, Bangarra updated its mission, to better reflect the objectives of the Company:

To create inspiring Aboriginal and Torres Strait Islander experiences that promote awareness and understanding of our cultures.

The Board of Bangarra Dance Theatre, acknowledges that:

- The culture of this place we now know as Australia, began before recorded time and continues today
- This culture is the root system of Bangarra Dance Theatre
- It is a culture that is indivisible from the land itself and is and always will be a primary source for contemporary Australian culture that belongs fully to this place
- In pursuit of its constitutional objectives, the Board of Bangarra will always foster and protect Aboriginal and Torres Strait Islander cultures, in order that all people may be culturally sustained and at home in this place

VALUES OF THE COMPANY

- Reciprocity & Mutual Obligation
- Cultural Exchange & Collaboration
- Kinship
- Cultural Protocols
- Cultural Integrity
- Respect
- Connection & Care for Country
- Resilience

SHORT AND LONG-TERM OBJECTIVES

The Company's short and long-term objectives are:

- Create inspiring Aboriginal and Torres Strait Islander experiences for all
- Strengthen and maintain meaningful relationships with Communities
- Develop and nurture the Aboriginal and Torres Strait Islander Cultural Leaders of the future
- Realise the opportunities afforded through the redevelopment of the Walsh Bay studios
- Enhance financial sustainability and organisational strength

DIRECTORS' REPORT



The Company's strategy for achieving these objectives in 2020 included:

- Presenting dance theatre productions in capital cities, regional towns and remote locations across Australia during Q1.
- Committing resources to cultural exchange and on Country experiences with Traditional Owners and Aboriginal and Torres Strait Islander communities.
- Engaged with eight Cultural Consultants and Cultural Reference Group members to guide the cultural development of new works and to ensure the cultural integrity of the Traditional Knowledge shared.
- Developing Aboriginal and Torres Strait Islander artists and arts practitioners through employment and professional development opportunities.
- Supporting mid-career and senior Dancers with invaluable career development and training opportunities to transition from on-stage careers to a life beyond the stage.
- Conducting workshops and youth programs for Aboriginal and Torres Strait Islander young people.
- Extending Bangarra's profile, reach and engagement across all digital channels, including documentary films, broadcasts of archival productions, and creation of engaging digital and social media content.
- Producing and delivering new online Education learning experiences and resources, expanding overall reach and engagement with Education sector
- Securing multi-year partnerships with values aligned trusts, foundations, and corporate and government partners.
- Cultivating Bangarra's family of donors to secure support for the future ongoing sustainability of Bangarra as a unique cultural foundation.
- Maintaining governance and operational excellence despite having to implement a number of containment measures to mitigate risk and protect the Company's cash reserves.

ACTIVITIES AND IMPACT

In 2020 Bangarra undertook the following activities:

- Presented a sold-out season of Stephen Page's award-winning 2017 work *Bennelong* at Perth Festival, followed by a tour to five regional and remote venues across Western Australia and New South Wales. The tour's final night was at the Sydney Coliseum Theatre in Rooty Hill, Western Sydney as part of their inaugural program on 14 March 2020. This was Bangarra's last public

performance of 2020 before theatres closed across Australia on 16 March 2020.

- Spent time on Country with Wangkatjungka and Walmajarri Elders, Cultural Knowledge Holders and Community representatives for the cultural creative development of *SandSong: Stories from the Great Sandy Desert*.
- Participated in a cultural exchange program in partnership with Big hART in Roebourne, Western Australia which was attended by Ngarluma, Yindjibarndi and Banjima Elders and Community representatives. This event subsequently seeded the development of a four-year strategy for Bangarra's flagship Youth Program, *Rekindling*, in Western Australia.
- Conducted workshops and masterclasses at Perth Festival and in regional locations across Western Australia and New South Wales. Led by Bangarra dancers, these workshops were designed and programmed to encourage learning and discovery for both Community members and professional artists.
- Offered accessible Community tickets for Aboriginal and Torres Strait Islander peoples throughout Western Australia and New South Wales, through the generous support of The Balnaves Foundation.
- Grew Youth and Education activity by moving delivery of our in-schools and Winhanga'rra teacher professional learning workshops online. With the provision of increased online workshops, overall attendance grew and engagement from non-Metropolitan areas increased with 50% of attendees coming from regional and remote areas.
- Extended the reach and profile of Bangarra to new audiences through participation in two award-winning documentaries: *FREEMAN* and *Firestarter - The Story of Bangarra*.
 - *FREEMAN*, directed by Laurence Billiet and Stephen Page in collaboration with Bangarra Dance Theatre, reached an audience of 1,450,000 people.
 - *Firestarter - The Story of Bangarra*, had its premiere at the Brisbane International Film Festival, followed by screenings at film festivals in Adelaide, Byron Bay and Perth. The film recognises Bangarra's early founders and tells the story of the evolution of Bangarra, whilst also exploring the loss and reclaiming of culture, the burden of intergenerational trauma and the extraordinary power of art as a messenger for social change and healing. The film received acclaim from audiences and critics alike, and has garnered multiple awards.

DIRECTORS' REPORT

- Increased audience engagement during the pandemic through online streaming initiatives, providing opportunities for national and international audiences to watch some of Bangarra's most iconic works online: *Bennelong*, *Terrain*, *Ochres*, and *Warumuk - in the dark night*. These initiatives were presented in collaboration with Sydney Opera House, the Australian Broadcasting Corporation, and the Australian Broadcasting Corporation together with The Australian Ballet respectively.
- Expanded digital engagement with the launch of *Nandhu*, a new digital platform launched in April 2020 in response to the pandemic, increasing engagement with Bangarra's *Knowledge Ground* online archive. *Nandhu* means 'to be close' in Wiradjuri Language and allows viewers to explore some of Bangarra's most iconic productions through interviews, articles, and behind-the-scenes video content. Four editions of *Nandhu* were released: *Terrain*, *I.B.I.S.*, *Nyapanyapa* and *Ochres*. A bespoke Study Guide was produced as a supplementary Education resource for the *Nandhu* collection.
- Increased total followers across all of Bangarra's digital platforms, demonstrating the appetite and need for connection and cultural engagement despite the inability to gather together in person.
- Increased engagement with, and revenue from Education digital streaming platforms, ClickView and Kanopy Steaming - *Bennelong*, *Terrain*, *Patyegarang* and *Mathinna*.
- Developed and nurtured our professional Dancers and future Cultural Leaders by providing:
 - Bangarra Dancer Further Education Fund grants to Bangarra Dancers to support them in their professional development for a career beyond the stage.
 - Teaching Artist professional development training for all Bangarra Dancers through a series of workshops led by the Youth Program team.
 - Access to the Safe Dance Program and an Employee Assistance Program to ensure ongoing care for staff and Dancers particularly during lockdown and whilst working remotely.
- Developed robust COVID-Safe Plans, to provide staff and Dancers with guidelines to safely return to work within a COVID-19 environment. Developed together with a leading epidemiologist, "Guidelines for the Safe Practice of Contact & Partnering for Dance in a COVID-19 Environment", enabled Dancers to manage the physical contact in rehearsal, including partnering, that is necessary in order to be able to return to public performance on stage.

- Evolved our development programs in order to continue to grow earned income and reflect the changing needs of the organisation.
- Returned to Bangarra's world-class refurbished Studios at Walsh Bay. The new facilities at Walsh Bay will continue to deliver ongoing benefit, enabling more opportunities to engage with audiences and to create inspiring Aboriginal and Torres Strait Islander experiences that promote awareness and understanding of our cultures.
- Focused on ensuring operational efficiency and business discipline to effectively manage the impact of the pandemic to preserve Bangarra's future.

MEETINGS OF DIRECTORS HELD DURING THE FINANCIAL YEAR

	Board meetings eligible to attend	Board meetings attended
Phillipa McDermott (Chair)	12	12
Anna Bligh	1	0
Richard Eccles	4	4
John Harvey	12	11
Nadine McDonald-Dowd	12	11
Stephen Page	12	11
Lynn Ralph	10	10
Ian Roberts	4	4

AUDIT & RISK COMMITTEE

Nadine McDonald-Dowd
(Chair from January 2020 - April 2020)
Lynn Ralph (Chair from April 2020 - January 2021)
Richard Eccles (Chair from January 2021)
John Harvey (Member from January 2021)
Stephen Page

NOMINATIONS & REMUNERATIONS COMMITTEE

Phillipa McDermott (Chair)
Richard Eccles
Ian Roberts

COMPANY SECRETARY

Ashwin Rathod (until December 2020)
Rachel Hadfield (from December 2020)

DIRECTORS' REPORT



MEMBERS' GUARANTEE



Bangarra Dance Theatre Australia Limited is a public company limited by guarantee. In accordance with the Company's constitution, each member is liable to contribute \$10 in the event that the Company is wound up.

AUDITOR'S INDEPENDENCE DECLARATION



The Auditor's Independence Declaration under *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 8 and forms part of the Directors' Report for the year ended 31 December 2020.

This report is made in accordance with a resolution of the Board of Directors of the Company on 10 June 2021.



Chair
PHILLIPA MCDERMOTT



Director
RICHARD ECCLES

Sydney
10 June 2021



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Bangarra Dance Theatre Australia Ltd.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Tracey Driver

Partner

Sydney

10 June 2021

DIRECTORS' DECLARATION

for the year ended 31 December 2020

In the opinion of the Directors of Bangarra Dance Theatre Australia Limited ("the Company"):

Declaration in respect of the Financial Report.

- a) the financial statements and notes that are set out on pages 10 to 24, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. giving a true and fair view in all material respects of the Company's financial position as at 31 December 2020 and of its performance, for the financial year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become payable.

Declaration in respect of the Fundraising Appeals.

- a) the financial report gives a true and fair view of all income and expenditure of fundraising appeal activities for the financial year ended 31 December 2020;
- b) the balance sheet gives a true and fair view of the state of affairs with respect of fundraising appeal activities as at 31 December 2020;
- c) the provision of the *Charitable Fundraising Act (NSW) 1991* and Regulations and the conditions attached to the authority have been complied with for the financial year ended 31 December 2020; and
- d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied from fundraising appeals.

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



Director
PHILLIPA MCDERMOTT



Director
RICHARD ECCLES

Sydney
10 June 2021

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue			
Performance income		242,263	2,403,384
Australia Council MPA core grant		2,592,240	2,551,420
Australia Council project funding		196,882	461,469
Create NSW MPA core grant		557,880	557,880
Government funding - other		1,586,666	200,218
Donations		1,665,592	1,511,302
Bequest		217,848	1,600,000
Sponsorships		326,017	686,395
Rent in kind		-	-
Activity and services income		49,303	136,842
Financial income	4	102,046	127,320
Other income	5	11,548	86,880
		7,548,285	10,323,110
Expenditure			
Staff expenses	6	5,036,828	5,462,050
Production and touring expenses		605,509	2,765,513
Marketing expenses		138,208	447,488
Development expenses		27,047	157,798
Depreciation and amortisation		211,910	226,135
Occupancy expenses	7	54,505	151,718
Administration expenses		418,391	398,768
Financial expense		14,440	5,860
		6,506,838	9,615,330
Net surplus for the year		1,041,447	707,780
Other Comprehensive Income		-	-
Total comprehensive income for the year		1,041,447	707,780

The above Statement of Comprehensive Income should be read in conjunction with accompanying notes 1 to 22.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	9	1,733,466	968,954
Short term investment	11	-	150,000
Trade and other receivables	10	248,043	9,442
Prepayments		55,578	157,535
		<u>2,037,087</u>	<u>1,285,931</u>
Non-current assets			
Investments	11	2,548,784	2,331,154
Plant and equipment	13	228,428	237,056
Right-of-use assets	14	3,517,105	123,245
		<u>6,294,317</u>	<u>2,691,455</u>
Total assets		<u>8,331,404</u>	<u>3,977,386</u>
Current liabilities			
Trade and other payables	15	215,375	251,250
Lease liabilities	14	139,139	65,762
Government grants received in advance		533,728	1,174,337
Other income received in advance		506,108	142,299
Employee benefits	16	585,155	365,804
		<u>1,979,505</u>	<u>1,999,452</u>
Non-current liabilities			
Employee benefits	16	83,327	95,796
Lease liabilities	14	3,379,449	34,462
		<u>3,462,776</u>	<u>130,258</u>
Total liabilities		<u>5,442,281</u>	<u>2,129,710</u>
Net assets		<u>2,889,123</u>	<u>1,847,676</u>
Funds			
Accumulated funds	17	1,772,379	1,111,716
Reserves - unrestricted	18	76,698	76,698
Reserves - restricted	18	1,040,046	659,262
		<u>2,889,123</u>	<u>1,847,676</u>
Total funds		<u>2,889,123</u>	<u>1,847,676</u>

The above Statement of Financial Position should be read in conjunction with accompanying notes 1 to 22.

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 December 2020

	Accumulated Funds	General Operating Reserve	Cultural Integrity Maintenance Fund	Russell Page Graduate Program Reserve	Reserves Incentive Funding Scheme	Total Funds
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2019	823,936	76,698	-	-	238,797	1,139,431
Surplus for the year	707,780	-	-	-	-	707,780
Total comprehensive income for the year	707,780	-	-	-	-	707,780
Transferred to reserve	(480,000)	-	-	480,000	465	465
Utilised during the year	60,000	-	-	(60,000)	-	-
Balance at 31 December 2019	1,111,716	76,698	-	420,000	239,262	1,847,676
Balance at 1 January 2020	1,111,716	76,698	-	420,000	239,262	1,847,676
Surplus for the year	1,041,447	-	-	-	-	1,041,447
Total comprehensive income for the year	1,041,447	-	-	-	-	1,041,447
Transferred to reserve	(380,784)	-	400,000	-	(19,216)	-
Utilised	-	-	-	-	-	-
Balance at 31 December 2020	1,772,379	76,698	400,000	420,000	220,046	2,889,123

The above Statement of Change in Funds should be read in conjunction with accompanying notes 1 to 22.

STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	\$	\$
Cash flows from operating activities		
Receipts from customers, government and donors	6,979,822	11,099,409
Payments to suppliers and employees	<u>(5,917,849)</u>	<u>(9,256,945)</u>
19	1,061,973	1,842,464
Cash flows from investing activities		
Interest and investment income received	114,892	4,839
Payment for investments	(230,476)	(1,154,106)
Lease payments	(68,459)	(101,000)
Payments for plant and equipment	(113,418)	(113,724)
Receipt from disposal of plant and equipment	-	2,682
	<u>(297,461)</u>	<u>(1,361,309)</u>
Cash flows from financing activities		
Transferred to reserve	-	1,074
	<u>-</u>	<u>1,074</u>
Net increase in cash and cash equivalents	764,512	482,229
Cash and cash equivalents at the beginning of financial year	968,954	486,725
Cash and cash equivalents at the end of financial year	<u>9</u> 1,733,466	<u>968,954</u>

The above statement of cash flows should be read in conjunction with accompanying notes 1 to 22.

The above Statement of Cash Flows should be read in conjunction with accompanying notes 1 to 22.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

1. REPORTING ENTITY

Bangarra Dance Theatre Australia Limited ("the Company") is a public company limited by guarantee incorporated and domiciled in Australia. The registered office address of the Company is Wharf 4/5, 15 Hickson Road, Walsh Bay, NSW 2000. The Company is a not-for-profit entity for the purposes of applicable Australian Accounting Standards.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements were authorised for issue by the Company's Board of Directors on 22 April 2021.

b. Basis of measurement

The financial statements have been prepared on an accruals basis and are based on historical cost, except for investments in financial assets which are measured at fair value.

c. Functional and presentation currency

The financial statements are presented in Australian Dollars, which is the Company's functional currency.

d. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results

of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

e. Going Concern

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to pay its debts as and when they become payable for a period of at least 12 months from the date of the financial report.

The Company generated a surplus for the year of \$1,041,447 (2019: \$707,780) and at year end had a surplus of net assets of \$2,889,123 (2019: \$1,847,676) and net current assets of \$57,582 (2019: (\$713,521)). The Company generated net cash inflows from operating activities of \$1,061,973 (2019: \$1,842,464). The Company does not have any bank or other external debt.

The Company's Directors have undertaken a thorough assessment of going concern: this review considered the operating budgets and detailed cashflow for the Company for the period 12 months from the date of these financial statements. This assessment includes the ongoing impact of the COVID-19 pandemic which still presents risk to the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Income tax

The Company has been granted charity status by the Australian Taxation Office (ATO) as per subsection 50-5 of the Income Tax Assessment Act 1997. Therefore, the entity is exempt from income tax and accordingly no provision has been made for income tax expenses.

b. Plant, equipment and leasehold improvements

i. Owned Assets

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and any impairment losses.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised in the Statement of Comprehensive Income.

ii. Subsequent Costs

The Company recognises in the carrying amount of an item of plant and equipment, the costs of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

iii. Depreciation

Depreciation is charged to the Statement of Comprehensive Income using the straight-line method over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives for each class of depreciable assets are as follows:

NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2020

- Leasehold improvements – 6 to 8 years
- Plant and equipment – 4 to 5 years
- Software – 4 to 5 years

c. Trade and other receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts (impairment losses). Repayment terms vary and are generally between 14 and 30 days with collectability of trade receivables assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance is made for impairment losses where there is objective evidence that all amounts owing will not be able to be collected.

Loans to employees are measured at fair value estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The difference between the fair value of the loans at inception and nominal value is recognised as prepaid employee benefits and amortised to surplus or deficit over the period of the loan. The fair value of the loan is accreted to nominal value over the period of the loan by recognising interest income in the surplus or deficit using the effective interest method.

d. Impairment of Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows.

The carrying amounts of non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any

such indication exists, the asset's recoverable amount is estimated in accordance with the following.

The recoverable amount of non-current assets is the greater of their fair value less costs to sell and value in use. As the future economic benefits of the Company's assets are not primarily dependent upon their ability to generate net cash inflows and if deprived of the asset, the Company would replace the assets remaining future economic benefits 'value in use' is determined as the depreciated replacement cost of the asset.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through surplus or deficit.

An impairment loss is reversed, with the amount of the reversal recognised in surplus or deficit, if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e. Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the ATO to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

i. Box office

Box office revenue is recognised in the year in which the performance is given.

ii. Sponsorships and government grants in cash

Sponsorships and grants received in cash are brought to account over the year to which the sponsorship agreement or grant relates. If the sponsorship or grant is for a specific project, then it is brought to account at the time the project occurs.

Any funding not spent on the planned activities agreed by both parties is carried forward to the subsequent year as an advance.

iii. Sponsorship in kind

Sponsorships in kind are brought to account as revenue in the year to which the equal and corresponding expense relates. Consequently, the revenue and expenses are recognised in the same accounting year.

iv. Interest income

Revenue is recognised as interest accrues using the effective interest rate method.

v. Donations and bequests

The Company has been granted Deductible Gift Recipient (DGR) under Subdivision 30-BA of Income Tax Assessment Act 1997 effective from July 2000. Donations and bequests are recognised as revenue when received. A separate bank account is maintained for all the donations received.

f. Goods and services tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

g. Trade and other payables

These amounts represent unpaid liabilities for goods received and services provided prior to the end of the financial year. The amounts are unsecured and are normally settled within 30-60 days. Trade and other payables are recognised initially at the invoiced amount. Subsequent to initial recognition they are measured at amortised cost.

h. Employee benefits

Employee benefit expenses arising from services rendered by contracted employees including artists are recognised in accordance with the terms of the underlying contracts. Amounts payable in respect of bonuses and incentives are expensed when the obligation arises.

Contributions made to employee superannuation funds are charged as expenses when incurred.

Provision is made for liabilities arising from services rendered by employees up to balance date. Employee benefits expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled within one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

i. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at the bank, deposits held at call with financial institutions, other short term highly liquid investments with maturities of three months or less, that are readily convertible to known

amounts of cash and which are subject to an insignificant risk of change of value.

j. Financial instruments

i. Non-derivative financial assets

The Company has the following non-derivative financial assets: trade and other receivables and cash and cash equivalents, held to maturity deposits and investments.

The Company initially recognises trade and other receivables, cash and cash equivalents, held to maturity deposits and investments on the date that they originate.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

ii. Non-derivative financial liabilities

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following non-derivative financial liabilities: trade and other payables.

iii. Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

k. Fundraising appeals

The Company holds an authority to fundraise for charitable purposes under the provisions of Section 13A of the NSW Charitable Fundraising Act 1991. The details of fundraising appeals conducted are disclosed in Note 19.

l. Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset, if the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare case where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date

NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2020

to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company adopted the relief under AASB 2019-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities in measuring the right-of-use asset at cost, rather than, fair value with the impact on revenue recognised under AASB 1058.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined the Company incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amount expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payment in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in

an index or rate, if there is a change in the Company's estimate or the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is record in statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Financial Income

Interest and investment income
Movement in fair value of investments

	2020 \$	2019 \$
	114,892	4,839
	(12,846)	122,481
	<u>102,046</u>	<u>127,320</u>

5. Other Income

Expenses reimbursement received
Sundry Income

	11,398	86,655
	150	225
	<u>11,548</u>	<u>86,880</u>

6. Staff Expenses

Performers wages
Creative artists wages
Production and technical wages
Marketing and development wages
Management and admin wages
Allowances and on costs

	1,105,674	1,272,149
	797,180	1,030,698
	602,671	842,020
	809,865	870,284
	871,182	751,381
	850,256	695,518
	<u>5,036,828</u>	<u>5,462,050</u>

NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2020

7. Occupancy Expenses

	2020	2019
	\$	\$
Rent in cash	54,505	151,718
Rent in kind	-	-
	<u>54,505</u>	<u>151,718</u>

Bangarra occupies storage space on Level 2, 91 Canal Road, Lilyfield. The tenancy agreement ended at 31 December 2019 and a new tenancy agreement was not entered into. Bangarra has occupied the property free of charge since 1 April 2020 under a licence ending on 31 March 2021 and has elected to recognise the lease at nil value in its financial statements.

8. Net Surplus from Ordinary Activities

Surplus from ordinary activities has been determined after:

(a) Expenses

Depreciation and Amortisation	211,910	226,135
Remuneration of Auditor - Audit fee (in kind)	43,109	43,100
Employee expenses	5,036,828	5,462,050
Occupancy expenses	54,505	151,718

(b) Significant Revenue

The following significant revenue items are relevant to explaining the financial performance:

Grant - Australia Council MPA Core	2,592,240	2,551,420
Grant - Australia Council (Playing Australia)	196,882	324,269
Grant - Australia Council (Catalyst)	-	137,200
Grant - Create NSW MPA Core	557,880	557,880
Grant - Create NSW (Performing Arts Touring)	104,669	-
Grant - Create NSW (Wharf Redevelopment)	91,208	123,750
Grant - Creative Victoria (Rekindling)	75,038	50,000
Jobkeeper	1,215,750	-
ATO cash boost	100,000	-
Sponsorship - in cash	225,000	410,000
Sponsorship - in kind	101,017	276,395
Donation - Individual	1,202,352	734,232
Donation - Bequest	217,848	1,600,000
Donation - Foundation	463,240	777,070

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

9. Cash and Cash Equivalents

	2020	2019
	\$	\$
General cheque account	279,973	46,081
Deductible gift receipt (DGR) account	112,215	94
At call account	142,055	754,990
Investment cash account	184,682	17,789
Term deposits	1,014,541	150,000
	<u>1,733,466</u>	<u>968,954</u>

Interest on cash at bank is earned at prevailing market rates.

10. Trade and Other Receivables

Trade debtors	7,700	9,322
Advance to staff	871	120
Sponsorship receivable	75,000	-
Jobkeeper receivable	146,250	-
GST receivable	18,222	-
	<u>248,043</u>	<u>9,442</u>

11. Investments

The investment is managed by Macquarie Wealth Management (Macquarie). Management monitors the performance of the investment portfolio based on market indices. Material investment decisions are approved by the Board via the Audit, Finance and Risk Committee.

Medium term investments will generally be for a term of 1 to 3 years and Long term (Capital Reserve) for 4 to 7 years duration.

The primary goal of the investment strategy is to preserve capital while earning a reasonable return. Management is assisted by Macquarie in this regard. Investment performance is actively monitored as it is measured on a fair value basis.

Total investment with Macquarie is \$2,733,466 as at 31 December 2020, of which \$184,682 is reported in Cash and cash equivalents (refer note 9) and \$2,548,784 invested as Managed Funds and Bonds as shown below.

Current investments

Short term deposits	-	150,000
Total current investments	<u>-</u>	<u>150,000</u>

Non-current investments

Managed funds	1,690,802	1,541,544
Managed funds - Reserve incentive funding scheme	220,046	239,262
Bonds	637,936	550,348
Total non-current investments	<u>2,548,784</u>	<u>2,331,154</u>

NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2020

11. Investments (continued)

Fair value measurements recognised in the statement of comprehensive income and amounted to \$15,847 in 2020 (refer to note 4).

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments above are classified as Level 1.

12. Financial Instruments

Exposure to credit, interest rate and liquidity risks arises in the normal course of the Company's business.

Credit risk:

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

There is no significant ageing of trade receivables at reporting date.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company reviews cash flow forecasts formally on a regular basis.

Fair values:

The carrying values of financial assets and liabilities at fair values.

Interest rate risk

The Company's exposure to interest rate risk is set out at Note 9.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

13. Plant and Equipment	2020	2019
	\$	\$
Plant and Equipment - Cost opening balance	1,045,044	938,745
Add: Transfer from leasehold improvement	-	-
Add: Additions during the year	113,418	113,724
Less: Disposal during the year	-	(7,425)
	<u>1,158,462</u>	<u>1,045,044</u>
Less: Accumulated Depreciation opening balance	(807,988)	(656,418)
Less: Depreciation for the year	(122,046)	(154,016)
Less: Disposal for the year	-	2,446
Plant and Equipment - written down value	<u>228,428</u>	<u>237,056</u>

14. Leases**Right-of-use assets**

Balance at 1 January 2020	123,245	66,763
Additions during the year	3,483,724	128,601
Depreciation for the year	(89,864)	(72,119)
Balance at 31 December 2020	<u>3,517,105</u>	<u>123,245</u>

The lease addition in the year relates to Bangarra moving back to the Wharf 4/5, Walsh Bay Arts Precinct, NSW. The lease commenced in December 2020 for an initial period of 10 years with an option to extend for a further ten years. At the commencement date of the lease management is reasonably certain to exercise the ten year extension after the initial period thus the lease term is deemed to be 20 years. A capital contribution has been included in the lease calculation.

Lease liabilities

Maturity analysis - contractual undiscounted cash flows		
Less than one year	219,408	64,920
One to five years	1,024,435	36,392
More than five years	3,131,600	-
Total undiscounted lease liabilities	<u>4,375,443</u>	<u>101,312</u>

Lease liabilities included in the statement of financial position at 31 December

Current	139,139	65,762
Non-Current	3,379,449	34,462
Total lease liabilities	<u>3,518,588</u>	<u>100,224</u>

Amounts recognised in statement of comprehensive income

Amortisation	89,864	72,119
Interest on lease liabilities	3,098	5,860
Expenses relating to short-term leases	15,096	83,988
Total expenditure	<u>108,058</u>	<u>161,967</u>

Amounts recognised in statement of cash flows

Lease payments	68,459	184,988
Total cash outflows	<u>68,459</u>	<u>184,988</u>

NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2020

15. Trade and Other Payables

	2020	2019
	\$	\$
Trade creditors	201,750	200,281
Accruals	13,625	14,337
GST payable	-	36,632
	<u>215,375</u>	<u>251,250</u>

16. Employee Benefits**Current**

Provision for annual leave	150,228	234,035
Provision for long service leave	152,881	131,769
Other employee provisions	282,046	-
	<u>585,155</u>	<u>365,804</u>

Non-current

Provision for long service leave	83,327	95,796
	<u>83,327</u>	<u>95,796</u>

17. Accumulated Funds

Accumulated funds at the beginning of financial year	1,111,716	823,936
Net surplus for the year	1,041,447	707,780
Add: Revaluation of RIS funds	19,216	
Less: Transfer to other reserves	(400,000)	(480,000)
Add: Utilised for Russell Page Graduate Program	-	60,000
Accumulated funds at the end of financial year	<u>1,772,379</u>	<u>1,111,716</u>

18. Reserves

Unrestricted reserve		
General operating reserve	76,698	76,698
	<u>76,698</u>	<u>76,698</u>
Restricted reserves		
Reserve incentive funding scheme	220,046	239,262
Cultural Integrity Maintenance Fund	400,000	-
Russell Page graduate program reserve	420,000	480,000
Less: Utilised for Russell Page graduate program reserve	-	(60,000)
	<u>1,040,046</u>	<u>659,262</u>
	<u>1,116,744</u>	<u>735,960</u>

General operating reserves

The general operating reserve was established in 2010 to provide for revenue shortfalls that may eventuate in later years.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

18. Reserves (continued)**Reserve incentive funding scheme**

The funds received under the Reserve Incentive Funding Scheme Agreement (\$88,000), together with the Company's contribution (\$44,000), are held in escrow for a period of 15 years, which was matured on 2 April 2019. As per the terms and conditions of the Reserve Incentive Funding Scheme Agreement between the Australia Council, Create NSW and the Company, the funds remain restricted until the Company reaches 20% of its annual costs as reserves.

This has now been achieved and the Company will seek agreement from the other parties to transfer the funds to unrestricted reserves in 2021.

The funds are managed by Macquarie Wealth Management and have not been used to secure any liabilities of the Company. (Refer note 11)

Cultural Integrity Maintenance Fund

The Fund provides support to ensure continuation of creative cultural maintenance and preservation of consciousness of Country and land, by supporting return to country and respectful preservation of stories with Elders, song men and women.

This reserve is for restricted use by approval of the Board of Directors.

Russell Page graduate program reserve

The Russell Page graduate program reserve was established with a bequest that was received in 2019. In any ordinary year the Company will utilise \$60,000 towards the provision of a Russell Page graduate placement. In 2020 this was not possible due to the impacts of COVID-19.

19. Reconciliation of Surplus to Net Cash used in Operating Activities

	2020	2019
	\$	\$
Surplus before income tax	1,041,447	707,780
Adjustment for:		
Interest and investment income received	(114,892)	(4,839)
Movement in fair value of investments	12,846	(122,481)
Depreciation and amortisation	211,910	226,135
Interest expenses	3,098	5,860
Loss on disposal of Plant and Equipment	-	2,297
Changes in operating assets and liabilities:		
Decrease/(Increase) in prepayments	101,957	(100,314)
Decrease in trade and other payables	(35,875)	(44,725)
(Decrease)/Increase in income received in advance	(276,799)	1,013,226
(Increase)/Decrease in debtors	(88,601)	166,788
Increase/(Decrease) in employee benefits	206,882	(7,263)
Net Cash used in operating activities	<u>1,061,973</u>	<u>1,842,464</u>

NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2020

20. Results of Fundraising Appeals

	2020	2019
	\$	\$
Fundraising appeals (donation only)		
Gross proceeds	1,665,592	1,511,302
Less: direct cost	(225,954)	(239,302)
Net surplus	<u>1,439,638</u>	<u>1,272,000</u>

21. Related Parties

The names of each person holding the position of Director of the Bangarra Dance Theatre Australia Limited during the financial year are:

- Anna Bligh (until February 2020)
- Richard Eccles (from August 2020)
- John Harvey
- Phillipa McDermott, Chair
- Nadine McDonald-Dowd
- Stephen Page AO
- Lynn Ralph (from March 2020)

No Director received remuneration for their services as Directors of the Company for which no fee is received. Payments made by the Company to key management personnel, including two current Directors, for their contributions as employees of the Company amounted to \$434,581 (2020 \$526,705).

22. Subsequent Events

For the Company's 31 December 2020 financial statements, there is no impact on the recognition and measurement of assets and liabilities as a result of COVID-19. Due to the uncertainty of the ongoing COVID-19 outbreak on travel and performance venue attendance, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, results of operations or cash flows in the future.

There has not been any other matters or circumstances that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of the affairs of the Company.



Independent Auditor's Report

To the members of Bangarra Dance Theatre Australia Ltd.

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of the Bangarra Dance Theatre Australia Ltd. (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2020, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2020;
- ii. Statement of comprehensive income, Statement of changes in funds, and Statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies;
- iv. Directors;' declaration of the Company; and
- v. Declaration by the Directors' in respect of fundraising appeals of the Company.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other information

Other Information is financial and non-financial information in Bangarra Dance Theatre Australia Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC;
- ii. preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations;
- iii. implementing necessary internal control 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; and
- iv. assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.



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

We also:

- i. 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;
- ii. 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 registered Company's internal control;
- iii. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- iv. 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 registered Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Company to cease to continue as a going concern; and
- v. 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 the Directors of the registered Company 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.

In addition, we have:

- i. obtained an understanding of the internal control structure for fundraising appeal activities; and
- ii. examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.



Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 31 December 2020;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2020 to 31 December 2020, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 January 2020 to 31 December 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

KPMG

Tracey Driver

Partner

Sydney

10 June 2021

**BANGARRA DANCE
THEATRE AUSTRALIA**

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