

Force Majeure Limited

(A Company Limited by Guarantee)

ABN 13 122 159 595

Annual Report

for the year ended 31 December 2017

Corporate Information

ABN 13 122 159 595

Directors of the company

Loretta Busby

Este Darin-Cooper

Jo Dyer (Chair)

Stephen Gottlieb

Shauna Jarrett

Danielle Micich

Stephen Riethoff

Desmond Sweeney

Registered office and principal place of business

CarriageWorks

245 Wilson Street

Eveleigh, NSW 2015

Auditors

Rosenfeld Kant & Co

Chartered Accountants

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Directors' Report

The Directors of Force Majeure Limited present their report together with the financial statements for the financial year ended 31 December 2017 and the Independent Audit Report thereon.

Directors

The following persons were Directors of Force Majeure Limited during or since the end of the financial year.

	Date Appointed	Date of Cessation	Board	
			A	B
Jo Dyer (Chair)	12/10/2006		4	4
Este Darin-Cooper	04/06/2016		4	4
Tanja Farman	12/10/2006	08/05/2017	2	1
Stephen Gottlieb	12/10/2006		4	3
Kerry Hogan-Ross	12/10/2006	08/05/2017	2	1
Shauna Jarrett	07/12/2013		4	3
Danielle Micich	21/02/2015		4	4
Loretta Busby	08/05/2017		2	1
Stephen Riethoff	08/10/2010		4	4
Desmond Sweeney	03/10/2011		4	2

Where

Column A is the number of meetings the Director was entitled to attend

Column B is the number of meetings the Director attended

Details of Directors' qualifications, experience and special responsibilities can be found on page 8 of this report.

Principal activities

Force Majeure Ltd is a Sydney based dance-theatre company founded by Kate Champion and led by Danielle Micich as Artistic Director and CEO. Force Majeure Ltd was formed in October 2006 and is based around a collective of artists from varying disciplines who are committed to creating stimulating movement-based theatre. Company artists include actors, dancers, designers, writers, visual artists, composers and filmmakers.

Force Majeure Ltd's creative imperative is to make performances that challenge expectations and opinions and communicate clearly yet inventively on relevant contemporary issues. Force Majeure Ltd breaks down boundaries between art forms using the body and movement as the creative conduit and philosophical meeting point, resulting in innovative and award-winning Australian performance. Whether their work is defined as dance, theatre or performance is secondary to its relevance and impact.

Directors' Report

Operating result

The operating result for the year is a deficit of \$38,150.

Review of operations

2017 was a busy year of creative developments for several new Force Majeure works, with preparations for the delivery of two major productions for 2018, as well as national touring of *Jump First, Ask Later*. It was the second year of multi-year funding from the NSW government in the current triennium, and the company's first year without four-year organisational funding from Australia Council for the Arts. The company reached or exceeded 78% of its key performance indicators as outlined in the strategic plan.

Four new works were developed in 2017: *You Animal, You*, Force Majeure Artistic Director Danielle Micich's first major work for the company, and a commission by Sydney Festival, had public showings as part of Sydney Festival 2017, and went into rehearsals for final presentation in December; *A Far Cry From Home*, a new partnership with Belvoir Street Theatre, had its first creative development; *The Chan Project* was programmed as part of Carriageworks' In Development Series with three weeks of development – one week in Singapore, two weeks in Sydney; and *Flock*, a major new commission for the 2018 Gold Coast Commonwealth Games, went into rehearsals.

Jump First, Ask Later, a co-production with Powerhouse Youth Theatre, toured to the dreamBIG Festival in Adelaide as well as a season at Griffith Regional Theatre, NSW. The production also took home the 2017 Helpmann Award for 'Best Production for Children'.

Force Majeure increased its commitment to and investment in art form development by launching its inaugural INCITE program in November, the company's newly developed training intensive for artists from Australia and overseas. Alongside Company Artist Ghenoa Gela, Danielle Micich led two weeks of regional workshops for the Strong Girls young indigenous dance group, in partnership with Griffith Regional Theatre. Micich also facilitated two sold-out masterclasses as part of the Carriageworks Masterclass Series and led professional development and training workshops with One Point 618 in Adelaide, and with Catapult Dance in Newcastle, NSW. For the second year in a row, Micich was invited to participate in and present at Melbourne Festival's Directors' Lab.

Force Majeure continued its industry presence and commitment to national and international touring, attending and pitching at Dance Massive in March; and Executive Producer Colm O'Callaghan attended ISPA's 2017 Congress in Montreal, Canada in May. Both Micich and O'Callaghan were selected to attend Singapore International Festival of the Arts in August as part of the Australia Council for the Arts' delegation. O'Callaghan sat on funding assessment panels for both Arts NSW and Australia Council for the Arts.

Short and long term objectives and strategy

The objectives of the company as outlined in the Strategic Plan are:

- Force Majeure will be recognised as a leading and vital Australian arts company
- Stable and sustainable management and producing infrastructure
- Long-term financial stability and growth
- Consolidate and develop our audiences, target markets and company brand

Key Performance Indicators for 2017

KPI	2017
One significant collaboration with either an individual artist or a like-minded company over a two year period.	<ul style="list-style-type: none"> • There was a development showing at Sydney Festival 2017, as well as rehearsals of <i>You Animal, You</i>, a Force Majeure production, commissioned by Sydney Festival and presented by Carriageworks. • Co-production with Powerhouse Youth Theatre on <i>Jump First, Ask Later</i>, played to a sold-out season at the dreamBIG Festival in Adelaide and Griffith Regional Theatre, NSW. • Creative development on <i>The Chan Project</i> commenced, a partnership with Carriageworks and former Company Artist, Kristina Chan. • Creative development continued on <i>A Far Cry From Home</i>, a Belvoir Theatre co-production.
The majority of press reviews and interviews reflect the connection to contemporary Australian culture.	20 articles in total across all projects and activities.
At least one professional development opportunity per annum for Artistic Director.	Danielle Micich again participated in Melbourne Festival's Directors' Lab, held a week of professional development with American director and mentor, Ellen Lauren, and travelled to Singapore International Arts Festival as part of the Australia Council delegation.
Produce at least one work for a young or emerging artist every two years.	Force Majeure continued to offer touring and sales support to former Company Artist, Kristina Chan for her work <i>A Faint Existence</i> .
Undertake at least one mentoring or workshop project per annum.	<p>Force Majeure's week-long INCITE training program had its debut in 2017.</p> <p>Danielle Micich taught professional masterclasses and workshops at Carriageworks and Catapult Dance (Newcastle, NSW).</p>

	Danielle Micich along with Company Artist, Ghenoa Gela, taught workshops for two weeks to the Strong Girls young indigenous dancing group in Griffith and Mirramu (Canberra).
Business and Marketing Manager to be employed on an ongoing permanent part-time basis throughout triennium.	Continued employment for both positions in 2017.
Artistic Director and Producer in full-time employment throughout the triennium.	Artistic Director and Producer continued full-time employment in 2017.
All staff to have a professional development plan in place.	Continued skills and professional development for the Artistic Director and Executive Producer. Professional development for Marketing Manager cancelled due to funding cuts.
Current Board membership retained over the triennium.	On May 5 2017, Kerry Hogan-Ross and Tanja Farman stepped down as Board members, with Loretta Busby officially appointed as the newest Board member.
Each new production given comprehensive coverage on presenter web sites and season brochures.	Website updates and season brochures produced for all works.
An annual 5% increase in the company's audience data base from 2014.	There was a 12% increase in the company's audience database from 2016.
At least three articles on the company per year in arts publications which are non-project specific.	This was exceeded for 2017, with articles in Broadway World, Dance Australia and The Australian.
Audience from Sydney is increased by 10%.	As 2017 was a year of creative development without any Sydney presentations, this KPI was not met.
An increase of 10% per annum across all social media platforms.	This was exceeded in 2017 with an increase of 21% across social media platforms.
Conduct audience research to evaluate branding and communication effectiveness.	Audience research was not conducted in 2016.

One philanthropic supporter of Cultivate/Culminate lab secured by the end of the triennium.	Not applicable in 2017.
Ensure that all costs are covered by fees and that a 1% surplus is included (this is via charging management fees on all national and international tours).	Successfully achieved for 2017, with the company ensuring all major projects included a recovery of core costs.
Maintain and expand the donation program with a target of \$12,000 for 2014.	Total donations for 2017 came to \$17,416, the second highest in the company's history.
One co-producer per new production contributing support in cash or in-kind to a value of at least \$10,000 in addition to presentation fees.	<ul style="list-style-type: none"> • Sydney Festival and Carriageworks on <i>You Animal, You</i>. • Carriageworks on <i>The Chan Project</i>. • Powerhouse Youth Theatre on <i>Jump First, Ask Later</i> tour to Adelaide and Griffith, NSW. • Belvoir Theatre on <i>A Far Cry From Home</i>.
Generate at least 1% surplus each year.	The loss of Australia Council funding has made surpluses difficult to achieve in a year with significant development activity.
Increase reserves as a percentage of total expenditure by at least 1% per annum.	Reserves decreased by \$(38,150).

Directors' Report

Contribution in winding up

Force Majeure Limited is incorporated under the Corporations Act 2001 and is a company limited by guarantee. In the event of the company being wound up, each member undertakes to contribute a maximum of \$100 respectively for payment of the company's liabilities. As at 31 December 2016 there were 9 members of Force Majeure Limited and the amount of capital that could be called up in the event of Force Majeure Limited being wound up is \$900 (2015: \$900).

Auditor's independence

A copy of the auditor's independence declaration as required under section 60.40 of the Australian and Charities Commission Act 2012 is included in page 9 of this financial report and forms part of the Directors' Report.

Directors' qualifications, experience and special responsibilities

Name of Director	Qualifications	Experience	Special responsibilities
Danielle Micich	BA Dance/Grad Dip Ed	CEO, Artistic Director, Choreographer	
Este Darin-Cooper	BA/LLB (UM)	Legal, Impact Measurement & Fundraising	
Jo Dyer (Chair)	BA/LLB	Theatre and film producer, Board Member City Recital Hall	Chair
Stephen Gottlieb	B Comm, LLB, LLM(Hons)	Accountant	Treasurer
Shauna Jarrett	BA(Hons)/LLB	Legal and governance	Fundraising
Loretta Busby	B. Dramatic Arts (NIDA)	Arts producer and Executive Director, Member Seymour Centre Artistic Advisory	
Stephen Riethoff	B.Ed	Public Relations and Marketing/Social Media	Deputy Chair
Desmond Sweeney	BSc (UNSW), LLB (UNSW), LLM (UBC)	Lawyer, previously a partner of Freehills for 12 years. Adviser on corporate governance and regulatory issues, Director, Playwriting Australia	



JO DYER

Chair

Sydney

24 April 2018

Auditor's independence declaration

To the Responsible Entities of Force Majeure Limited:

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Force Majeure Limited for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of 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.



Gary Williams
Rosenfeld Kant and Co

24th April 2018

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Statement of surplus or deficit and other comprehensive income

for the year ended 31 December 2017

		2017	2016
	Note/ Sch	\$	\$
Income			
Fees and services		20,880	21,873
Audience sales	4	87,524	262,370
Resource income		2,150	5,056
Sponsorship and donations		22,116	40,557
Other income	5	18,757	34,145
Grants income	Sch 2	221,480	528,763
Total Income		372,907	892,764
Expenditure			
Wages, salaries and fees		283,996	571,273
Program costs		58,194	211,630
Marketing costs		10,009	6,476
Infrastructure costs		55,362	55,205
Depreciation expense		3,496	-
Total expenditure		411,057	844,585
Net surplus/(deficit) for the year		(38,150)	48,179
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(38,150)	48,179

This statement of surplus or deficit and other comprehensive income should be read in conjunction with the attached notes

Statement of financial position

as at 31 December 2017

ASSETS	Note	2017	2016
		\$	\$
Current assets			
Cash and cash equivalents	6	265,410	172,302
Financial assets	7	203,777	165,990
Trade and other receivables	8	2,831	989
Others asset	9	150,291	22,935
Total current assets		622,309	362,216
Non-current assets			
Intangible assets	10	-	-
Plant and equipment	11	1,500	4,996
Total non-current assets		1,500	4,996
TOTAL ASSETS		623,809	367,212
LIABILITIES			
Current liabilities			
Trade and other payables	12	63,770	33,478
Provisions	13	1,706	-
Government grants	14	258,205	80,705
Income in advance	15	91,249	6,000
Total current liabilities		414,930	120,183
TOTAL LIABILITIES		414,930	120,183
NET ASSETS		208,879	247,029
FUNDS			
Unrestricted funds		208,879	247,029
Unrestricted funds		208,879	247,029

This statement of financial position is to be read in conjunction with the attached notes

Statement of changes in funds

for the year ended 31 December 2017

	Unrestricted funds \$
<i>General Funds</i>	
Balance as at 1 January 2016	198,849
Total comprehensive income for the year	48,179
Balance as at 31 December 2016	<u>247,029</u>
Total comprehensive income for the year	(38,150)
Balance as at 31 December 2017	<u><u>208,879</u></u>

This statement of changes in funds should be read in conjunction with the attached notes

Statement of cash flows

for the year ended 31 December 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		332,259	327,171
Receipts from donors		35,857	11,325
Receipts from appropriations/grants		390,196	411,159
Interest received		7,717	9,254
Payments made to suppliers and employees		(914,977)	(751,650)
Net cash provided/(used) by operating activities		(148,947)	7,259
Cash flows from investing activities			
Payments for plant & equipment	9	(2,935)	(4,303)
Investment in/ proceeds from term deposits		(4,857)	(5,251)
Net cash used in investing activities		(7,792)	(9,554)
Net change in cash and cash equivalents		(156,739)	(2,295)
Cash and cash equivalents, beginning of year		329,041	331,336
Cash and cash equivalents, end of year	6	172,302	329,041

The statement of cash flows is to be read in conjunction with the attached notes.

Notes to the financial statements

1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes for Force Majeure Limited (the Company).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. Force Majeure Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 31 December 2017 were approved and authorised for issue in accordance by the Board of Directors of the company on 3 April 2018.

2 CHANGES IN ACCOUNTING POLICIES

Changes in accounting estimates

During the current reporting period, the company changed the discount rate used in measuring its other long term employee benefits (annual leave and long service leave) from the Australian government bond rate to the high quality corporate bond rate. This change was necessitated by developments in the Australian business environment that confirmed there is a sufficiently observable, deep and liquid market in high quality Australian corporate bonds to satisfy the requirements in AASB 119 *Employee Benefits*.

The company made no changes to the carrying amounts of employee benefits during the current reporting period as a result of this change in accounting estimate.

3 SUMMARY OF ACCOUNTING POLICIES

3a) Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

3b) Basis of measurement

The financial statements have been prepared using the measurement bases specified by Australia Accounting Standards for each type of asset, liability, income and expenditure. They have been prepared on accruals basis and are based on the historical cost convention. The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Notes to the financial statements (continued)

Summary of accounting policies (continued)

3c) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. 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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future periods.

Significant accounting judgments

The company has entered into leases of premises as disclosed in Note 13. Management has determined that all of the risks and rewards of ownership of these premises remain with the lessor and has therefore classified the leases as operating leases.

Significant accounting estimates and judgements

The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

Provision for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures, and periods of service, as discussed in Note 2(k). The amount of these provisions would change should any of the employees change in the next 12 months.

3d) Revenue recognition

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Revenue from fundraising

Donations and Sponsorship

Donations are recognised as revenue when received. Sponsorship commitments are brought to account as income in the year in which sponsorship benefits are bestowed.

Interest Income

Interest income is recognised as it accrues, using the effective interest rate method.

Government funding

Grant revenue is recognised in the Statement of surplus or deficit and other comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

Notes to the financial statements (continued)

Summary of accounting policies (continued)

3d) Revenue recognition continued

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are met.

When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction, and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Asset sales

The surplus or deficit on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

3e) Expenditure

Operating expenses are recognised in the statement of surplus or deficit and other comprehensive income upon utilisation of the service or at the date of their origin.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with the use of resources.

3f) Cash and cash equivalent

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3g) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to 90 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful receivables is made when there is objective evidence that the company will not be able to collect the receivables. Bad receivables are written off when identified.

Notes to the financial statements (continued)

Summary of accounting policies (continued)

3h) *Plant and equipment*

Plant and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the company's management.

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any plant and equipment donated to the company or acquired for nominal cost is recognised at fair value at the date the company obtains control of the assets.

Depreciation

Items of plant and equipment are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	2017 %pa	2016 %pa
Office equipment	20-33	20-33

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the Statement of surplus or deficit and other comprehensive income.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

Notes to the financial statements (continued)

Summary of accounting policies (continued)

3j) Intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 3h. The website development costs are amortised over a useful life of 3 years.

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

3j) Trade creditors and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. The notional amount of the payables is deemed to reflect fair value.

3k) Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

3l) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave where it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Notes to the financial statements (continued)

Summary of accounting policies (continued)

3l) Employee entitlements (continued)

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by the employees up to the reporting date.

3m) Financial assets

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the company has the intention and ability to hold them until maturity. The company currently holds long term deposits designated into this category.

3n) Income Tax

No provision for income tax has been raised as the company is exempt.

3o) 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, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

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

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

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

Notes to the financial statements (continued)

Summary of accounting policies (continued)

3p) Economic dependence and going concern

The company is dependent upon the ongoing receipt of Federal and State Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The company's continued existence is ultimately dependent upon the success of future productions and government support.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

At the date of the report, the company has received notification that 2016 grant funding has been approved and it is expected the company will be able to continue in its normal capacity.

Notes to the financial statements (continued)

	2017	2016
	\$	\$
4 Audience sales		
Performance fees	36,500	191,370
Contract & co-Production fees	51,024	71,000
	87,524	262,370
5 Other income		
Bank interest	7,477	7,601
Reimbursements and recoveries	11,224	26,544
Miscellaneous income	56	-
	18,757	34,145
6 Cash and cash equivalents		
Cash at bank and on hand	212,148	166,051
Cash on deposit	53,262	6,251
	265,410	172,302
7 Financial assets		
Term deposits	203,778	165,990
	203,778	165,990
8 Trade and other receivables		
Trade receivables	1,995	989
Other receivables	836	-
	2,831	989

Notes to the financial statements (continued)

	2017	2016
	\$	\$
9 Other assets		
<i>Current</i>		
Prepayments and deferred expenditure	150,291	22,935
	150,291	22,935

10 Intangible asset

Website development - at cost	15,649	15,649
Accumulated amortisation	(15,649)	(15,649)
Total intangible assets	-	-

Reconciliation

Reconciliations of the carrying amount of intangibles at the end of the period:

Carrying amount at 1 January	-	-
Amortisation	-	-
Carrying amount at 31 December	-	-

11 Plant and equipment

Plant and equipment - at cost	19,759	19,759
Accumulated depreciation	(18,259)	(14,763)
Total plant and equipment	1,500	4,996

Reconciliation

Reconciliations of the carrying amount of plant and equipment at the end of the year:

Carrying amount at 1 January	4,996	5,988
Additions	-	2,935
Depreciation	(3,496)	(3,927)
Carrying amount at 31 December	1,500	4,996

Notes to the financial statements (continued)

	Sch	2017	2016
		\$	\$
12 Trade and other payables			
Trade creditors		19,424	12,421
PAYG payable		11,391	3,467
Superannuation payable		10,262	6,069
Net GST payable		18,342	5,636
Sundry creditors and accruals		4,351	5,886
		63,770	33,478

13 Provisions

Current

Provision for annual leave		1,706	-
		1,706	-

14 Government grants

Grants received in advance	Sch 2	258,205	80,705
		258,205	80,705

15 Other liabilities

Current

Performance fees in advance		91,249	6,000
		91,249	6,000

16 Lease commitments

Operating leases

Minimum commitments are payable as follows:

Within 1 year		3,900	3,900
		3,900	3,900

Notes to the financial statements (continued)

17 Related party transactions

The company's related party transactions include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with related entities

The Directors act in an honorary capacity and receive no compensation for their services. Where legal services have been provided by a Director, these services were provided on a pro-bono basis and no remuneration was received.

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year payments of \$1,400 were made to a related party. These services were performed under normal commercial terms and conditions. No amounts are payable or receivable from a Director or Director related entities at the reporting date.

Transactions with key management personnel

Key management of the company is the CEO, Executive Producer and non-executive members of the Board of Directors. Key management personnel remuneration includes is as follows:

	2017	2016
	\$	\$
Total key management personnel remuneration	168,435	160,566

18 Contingent Liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2017 or 2016.

19 Post reporting date events

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

Notes to the financial statements (continued)

20 Member's guarantee

Force Majeure Limited is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. In the event of the company being wound up, each member undertakes to contribute a maximum of \$100 respectively for payment of the company's liabilities. As at 31 December 2017, the total amount that members of the Company are liable to contribute if the Company wound up is \$900 (2016: \$900).

Directors' declaration

The Directors declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



JO DYER

Chair

Sydney

24 April 2018

Independent Audit Report to the members of Force Majeure Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Force Majeure Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

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 Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is 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 management 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.



Gary Williams

Partner

24th April 2017

Additional financial information

DISCLAIMER

The additional financial data presented on pages 31 to 32 are in accordance with the books and records of the company which have been subjected to the auditing procedures applied in my statutory audit of the company for the year ended 31 December 2017. It will be appreciated that my statutory audit did not cover all details of the additional financial information. Accordingly, I do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with my firm's policy, I advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

Rosenfeld Kant

Chartered Accountants



Gary Williams

Registered Company Auditor

No. 4019

Sydney

24 April 2018

Additional Financial Information

Schedule 1 - Summarised financial results by project

2017	Ref	Admin	You Animal, You Development	Jump First Ask Later	Faint Existence	Incite	Strong Girls	TOTAL
Income								
Earned income		53,140	5,200	61,002	11,439	6,975	13,671	151,427
Grants and subsidies	Sch 2	153,480	48,000	-	20,000	-	-	221,480
Total income		206,620	53,200	61,002	31,439	6,975	13,671	372,907
Expense								
Salaries, wages and fees		204,230	26,564	31,306	12,345	4,926	4,625	283,996
Production expenses		2,021	8,944	25,666	10,296	8,481	2,786	58,194
Marketing and promotions		5,722	1,255	-	1,000	2,032	-	10,009
Infrastructure costs		54,823	305	-	1,689	-	2,041	58,858
Total expense		266,796	37,068	56,972	25,330	15,439	9,452	411,057
Net surplus / (deficit)		(60,176)	16,132	4,030	6,109	(8,464)	4,219	(38,150)

Additional Financial Information

Schedule 2: Subsidies & grants

2017 Subsidies & Grants		Grants in advance	Total grants received	Grants applied	Grants repaid	Grants in advance
<i>Funding Body</i>	<i>Project</i>	2016	2017	2017	2017	2017
Create NSW	2016 <i>Never Did Me Any Harm</i> Touring grant	5,000	-	-	-	5,000
Create NSW	2017 annual grant	-	145,500	145,500	-	-
Create NSW	Ghenoa Gela Dance Massive travel grant	-	3,480	3,480	-	-
Create NSW	2017 annual grant	-	145,500	-	-	145,500
Australia Council	<i>Singapore travel grant</i>	-	4,500	4,500	-	-
Australia Council	Playing Australia Grant - 2016 <i>Never Tour</i>	7,705	-	-	-	7,705
Australia Council	<i>Chan Project</i>	20,000	-	20,000	-	-
Australia Council	<i>You Animal You</i> development grant	48,000	-	48,000	-	-
Australia Council	<i>You Animal You</i> presentation grant	-	100,000	-	-	100,000
TOTAL Subsidies & grants		80,705	398,980	221,480	-	258,205