

Force Majeure Limited

(A Company Limited by Guarantee)

ABN 13 122 159 595

Annual Report

for the year ended 31 December 2018

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 2018 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		5	5
Este Darin-Cooper	04/06/2016		5	5
Stephen Gottlieb	12/10/2006		5	4
Shauna Jarrett	07/12/2013		5	4
Danielle Micich	21/02/2015		5	5
Loretta Busby	08/05/2017		5	4
Stephen Riethoff	08/10/2010		5	4
Desmond Sweeney	03/10/2011	28/8/2018	3	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 produces critically acclaimed dance theatre to explore and question contemporary culture. Using a unique blend of storytelling and movement, the company creates unforgettable theatrical experiences to reflect Australian life in all its diversity, igniting curiosity in audiences, and inspiration in artists.

A resident company at Carriageworks, Force Majeure's original and boundary-pushing productions are created through a deep sense of collaboration to form lasting and award-winning partnerships with Australia's leading artists, festivals and arts companies. As an industry leader, Force Majeure invests deeply in artist and artform development so that it sets the standard for excellence in Australia. The company does this by training and mentoring both established artists and the next generation through its INCITE program, and producing new works by leading independent artists.

Directors' Report

Operating result

The operating result for the year is a surplus of \$10,985.

Review of operations

2018 was a significant year of presentations and creative developments for Force Majeure. The company had world premieres of two works by Artistic Director, Danielle Micich: *You Animal, You*, a Sydney Festival commission, premiered at Carriageworks during Sydney Festival in January 2018; and *Flock*, the biggest site-specific commission granted by the Gold Coast Commonwealth Games, premiered in April 2018 as part of the Games' Festival 2018. Alongside this, the company produced a new, expanded version of Company Artist Ghenoa Gela's work *Mura Buai* (Everyone, Everyone), also for the Commonwealth Games.

It was the third year of multi-year funding from the NSW government in the current triennium. The company reached or exceeded 80% of its key performance indicators as outlined in its strategic plan. The company was the recipient of project funding support from Australia Council for the Arts, City of Sydney, Creative Partnerships Australia through its Plus1 Funding, and Major Festivals Initiative Seed Funding through Sydney Festival.

There were two creative developments undertaken: the company continued work on *A Far Cry From Home*, a partnership with Belvoir St Theatre, and the first development for the company's newest major work, *Four Seasons*, took place in November with international strategic funding support from Australia Council. Micich also worked as Movement Director on new works with Monkey Baa Theatre Company and Contemporary Asian Australian Performance, and worked with Asia TOPA on their creative developments.

Force Majeure branched out further in the area of artist and artform development: 2018 marked the second year of the INCITE program in November, the company's training intensive in partnership with Carriageworks, in an expanded two-week edition with 18 artists from Australia and overseas. Micich also facilitated two masterclasses as part of the Carriageworks Masterclass Series. In the area of youth workshops, Force Majeure partnered with FORM Dance Projects to deliver their 2018 Choreographic Lab workshops for young people in Western Sydney; alongside Ghenoa Gela, Micich co-facilitated three weeks of regional workshops for young indigenous people in Katherine, NT, with Junk Festival; and Micich also revisited Catapult Dance in Newcastle, NSW, to teach their students.

Force Majeure continued its industry presence and commitment to building national and international touring. Both Micich and Executive Producer Colm O'Callaghan attended the Australia Performing Arts Market in February, and O'Callaghan attended the CINARS Biennale in Montreal and Native Earth's Weesageechak Festival in Toronto in November. O'Callaghan also sat on funding assessment panels for 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 2018

KPI	2018
One significant collaboration with either an individual artist or a like-minded company over a two-year period.	<p>World premiere of <i>You Animal, You</i> in January 2018, commissioned by Sydney Festival and presented at Carriageworks.</p> <p>Presentation of <i>Flock</i> at the 2018 Gold Coast Commonwealth Games by Festival 2018.</p> <p>Presentation of Ghenoa Gela's work <i>Mura Buai</i> at the 2018 Gold Coast Commonwealth Games.</p> <p>Development of new work <i>A Far Cry From Home</i> in partnership with Belvoir St Theatre.</p>
The majority of press reviews and interviews reflect the connection to contemporary Australian culture.	25 articles in total across all projects and activities.
At least one professional development opportunity per annum for Artistic Director.	Danielle Micich participated in Asia TOPA's creative developments for new work.
Produce at least one work for a young or emerging artist every two years.	<p>Force Majeure produced a new version of Ghenoa Gela's work <i>Mura Buai</i> for the 2018 Gold Coast Commonwealth Games.</p> <p>Force Majeure continued to offer producing and auspice support to Kristina Chan's <i>A Faint Existence</i>, now managed by Tandem Works.</p>
Undertake at least one mentoring or workshop project per annum.	<p>Danielle Micich facilitated the second INCITE program with 18 artists.</p> <p>Force Majeure presented a public masterclass in partnership with City of Sydney, led by Micich.</p>

	<p>Micich taught professional masterclasses and workshops at Carriageworks, at Junk Festival (Katherine, NT) and Catapult Dance (Newcastle, NSW).</p> <p>Micich led FORM Dance Project's Choreographic Lab for young people in Western Sydney.</p>
Business and Marketing Manager to be employed on an ongoing permanent part-time basis throughout triennium.	Continued employment for both positions in 2018.
Artistic Director and Producer in full-time employment throughout the triennium.	Artistic Director and Producer continued full-time employment in 2018.
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 28 th August 2018, Desmond Sweeney stepped down as a 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 13% increase in the company's audience database from 2017.
At least three articles on the company per year in arts publications which are non-project specific.	All media articles across 2018 were all project-related.
Audience from Sydney is increased by 10%.	As there was just one presentation (<i>You Animal, You</i>) in Sydney, this increase was not achieved with an audience of 2,000 people. Nationally, however, with the presentation of <i>Flock</i> and <i>Mura Buai</i> , audience figures increased to 12,000.
An increase of 10% per annum across all social media platforms.	There was a 10% increase in 2018 across social media platforms.

Conduct audience research to evaluate branding and communication effectiveness.	Audience research was not conducted in 2018.
One philanthropic supporter of Cultivate/Culminate lab secured by the end of the triennium.	Not applicable in 2018.
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 2018, 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 2018 came to \$34,564, 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.	Sydney Festival on <i>You Animal, You</i> . 2018 Gold Coast Commonwealth Games on <i>Flock</i> . 2018 Gold Coast Commonwealth Games on <i>Mura Buai</i> . Belvoir Theatre on <i>A Far Cry From Home</i> .
Generate at least 1% surplus each year.	Surplus of \$10,985 is 1.78% total revenue.
Increase reserves as a percentage of total expenditure by at least 1% per annum.	Reserves increased by \$10,985 or 5.26% of total expenditure.

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 2018 there were 7 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 \$700 (2017: \$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	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
28 March 2019

Force Majeure Limited

ABN 13 122 159 595

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Responsible Persons of Force Majeure Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 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 FCA
Partner

29 March 2019

Bondi Junction

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Statement of surplus or deficit and other comprehensive income

for the year ended 31 December 2018

		2018	2017
	Note/ Sch	\$	\$
Income			
Fees and services		37,885	20,880
Audience sales	4	210,953	87,524
Resource income		-	2,150
Sponsorship and donations		34,564	17,416
Other income	5	20,028	18,757
Grants income	Sch 2	314,705	221,480
Total Income		618,135	368,207
Expenditure			
Wages, salaries and fees		424,326	283,996
Program costs		107,758	58,194
Marketing costs		16,368	10,009
Infrastructure costs		57,129	50,662
Depreciation expense		1,569	3,496
Total expenditure		607,150	406,357
Net surplus/(deficit) for the year		10,985	(38,150)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		10,985	(38,150)

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 2018

ASSETS	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	6	143,745	265,410
Financial assets	7	208,581	203,777
Trade and other receivables	8	17	2,831
Others asset	9	14,749	150,291
Total current assets		367,092	622,309
Non-current assets			
Intangible assets	10	-	-
Plant and equipment	11	3,322	1,500
Total non-current assets		3,322	1,500
TOTAL ASSETS		370,414	623,809
LIABILITIES			
Current liabilities			
Trade and other payables	12	11,607	63,770
Provisions	13	7,025	1,706
Government grants	14	131,919	258,205
Income in advance	15	-	91,249
Total current liabilities		150,551	414,930
TOTAL LIABILITIES		150,551	414,930
NET ASSETS		219,864	208,879
FUNDS			
Unrestricted funds		219,864	208,879
Unrestricted funds		219,864	208,879

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 2018

	Unrestricted funds \$
<i>General Funds</i>	
Balance as at 1 January 2017	247,029
Total comprehensive income for the year	(38,150)
Balance as at 31 December 2017	<u>208,879</u>
Total comprehensive income for the year	10,985
Balance as at 31 December 2018	<u><u>219,864</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 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		291,312	117,912
Receipts from donors		31,864	17,416
Receipts from appropriations/grants		207,261	438,878
Interest received		6,677	7,593
Payments made to suppliers and employees		(650,585)	(450,901)
Net cash provided/(used) by operating activities		(113,471)	130,898
Cash flows from investing activities			
Payments for plant & equipment	9	(3,391)	(0)
Investment in/ proceeds from term deposits		(4,803)	(37,788)
Net cash used in investing activities		(8,194)	(37,789)
Net change in cash and cash equivalents		(121,665)	93,109
Cash and cash equivalents, beginning of year		265,410	172,302
Cash and cash equivalents, end of year	6	143,745	265,410

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 2018 were approved and authorised for issue in accordance by the Board of Directors of the company on 25 February 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:

	2018 %pa	2017 %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 2019 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)

	2018	2017
	\$	\$
4 Audience sales		
Performance fees	25,000	36,500
Contract & co-Production fees	185,953	51,024
	210,953	87,524
5 Other income		
Bank interest	6,850	7,477
Reimbursements and recoveries	13,178	11,224
Miscellaneous income	(0)	56
	20,028	18,757
6 Cash and cash equivalents		
Cash at bank and on hand	41,674	212,148
Cash on deposit	102,070	53,262
	143,745	265,410
7 Financial assets		
Term deposits	208,581	203,778
	208,581	203,778
8 Trade and other receivables		
Trade receivables	17	1,995
Other receivables	-	836
	17	2,831

Notes to the financial statements (continued)

	2018	2017
	\$	\$

Current

Prepayments and deferred expenditure	14,749	150,291
	14,749	150,291

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	23,150	19,759
Accumulated depreciation	(19,828)	(18,259)
Total plant and equipment	3,322	1,500

Reconciliation

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

Carrying amount at 1 January	1,500	4,996
Additions	3,391	-
Depreciation	(1,569)	(3,496)
Carrying amount at 31 December	3,323	1,500

Notes to the financial statements (continued)

	Sch	2018	2017
12 Trade and other payables		\$	\$
Trade creditors		953	19,424
PAYG payable		4,018	11,391
Superannuation payable		6,199	10,262
Net GST payable		(1,845)	18,342
Sundry creditors and accruals		2,282	4,351
		<u>11,607</u>	<u>63,770</u>

13 Provisions

Current

Provision for annual leave		7,025	1,706
		<u>7,025</u>	<u>1,706</u>

14 Government grants

Grants received in advance	Sch 2	277,419	258,205
		<u>277,419</u>	<u>258,205</u>

15 Other liabilities

Current

Performance fees in advance		-	91,249
		<u>-</u>	<u>91,249</u>

16 Lease commitments

Operating leases

Minimum commitments are payable as follows:

Within 1 year		-	3,900
		<u>-</u>	<u>3,900</u>

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 \$5,950 were made to related parties. 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:

	2018	2017
	\$	\$
Total key management personnel remuneration	184,768	168,435

18 Contingent Liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2018 or 2017.

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 2018, the total amount that members of the Company are liable to contribute if the Company wound up is \$700 (2017: \$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
28 March 2019

Force Majeure Limited

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, which comprises the statement of financial position as at 31 December 2018, the statement of 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 responsible persons' declaration.

In our opinion the financial report of Force Majeure Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 31 December 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

Force Majeure Limited

Independent Audit Report to the members of Force Majeure Limited

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 FCA
Partner, Registered Company Auditor 4019

Location Bondi Junction

Dated this29..... day ofMarch.....2019.

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 2018. 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
29 March 2019

Additional Financial Information

Schedule 1 - Summarised financial results by project

2018	Ref	Admin	You Animal, You	Flock	Mura Baul	Incite Development	Four Season Development	TOTAL
Income								
Earned income		75,777	52,701	111,222	47,030	15,700	-	302,430
Grants and subsidies	Sch 2	160,705	100,000	-	-	14,000	40,000	314,705
Total income		236,482	152,701	111,222	47,030	29,700	40,000	617,135
Expense								
Salaries, wages and fees		240,546	92,988	40,676	17,091	6,406	26,619	424,326
Production expenses		725	44,335	34,605	12,189	887	15,017	107,758
Marketing and promotions		6,161	2,000	2,907	1,000	2,300	2,000	16,368
Infrastructure costs		57,491	-	207	-	-	-	57,698
Total expense		304,923	139,323	78,395	30,280	9,593	43,636	606,150
Net surplus / (deficit)		(68,441)	13,378	32,827	16,750	20,107	(3,636)	10,985

Additional Financial Information

Schedule 2: Subsidies & grants

2018 Subsidies & Grants		Grants in advance	Total grants received	Grants applied	Grants repaid	Grants in advance
<i>Funding Body</i>	<i>Project</i>	2017	2018	2018	2018	2018
Create NSW	2016 <i>Never Did Me Any Harm</i> Touring grant	5,000	-	5,000	-	-
Australia Council	Playing Australia Grant - 2016 <i>Never Tour</i>	7,705	-	7,705	-	-
Create NSW	2018 annual grant	145,500	-	145,500	-	-
Australia Council	<i>You Animal/ You</i> presentation grant	-	100,000	100,000	-	-
Australia Council	Signapore travel grant	-	30,000	-	30,000	-
Australia Council	Four seasons development grant	-	30,000	30,000	-	-
British Council	CINARS travel support	-	2,500	2,500	-	-
City of Sydney	Incite	-	12,000	14,000	-	(2,000)
Major Festivals Initiative	Four seasons seed funding	-	10,000	10,000	-	-
Australia Council	Four seasons development grant	-	84,181	-	-	84,181
Australia Council	Usar development grant	-	49,738	-	-	49,738
Create NSW	2019 annual grant	-	145,500	-	-	145,500
TOTAL Subsidies & grants		158,205	463,919	314,705	30,000	277,419