

# Force Majeure Limited

(A Company Limited by Guarantee)

ABN 13 122 159 595

## Annual Report

for the year ended 31 December 2020

# Corporate Information

ABN 13 122 159 595

## **Directors of the company**

Loretta Busby

Este Darin-Cooper

Jo Dyer (Chair)

Stephen Gottlieb

Rani Haywood

Shauna Jarrett (Deputy Chair)

Danielle Micich

Stephen Riethoff

## **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 2020 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	23/11/2020	4	4
Stephen Gottlieb	12/10/2006		4	3
Rani Haywood	23/11/2020		1	1
Shauna Jarrett	07/12/2013		4	4
Danielle Micich	21/02/2015		4	3
Loretta Busby	08/05/2017		4	2
Stephen Riethoff	08/10/2010	23/11/2020	4	4

### 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 \$63,585.

### Review of operations

2020 – the year when COVID-19 upended reality as we know it. The performing arts sector, which relies so intrinsically on being able to gather in large numbers and in close proximity, felt the devastating financial effects of the pandemic more than many sectors.

There was naturally a loss of expected income and some big changes to our program of activity, but fortunately for Force Majeure, the company made it through the testing lows of 2020 without significant setbacks. This was as a result of our ability to postpone significant projects during the particularly tough months to later in 2020 or to 2021; the stability afforded by our financial reserves; and the relief accrued from the federal government's Jobkeeper subsidy and cashflow boost.

The mid-year news that we were successful in regaining Australia Council four-year funding (2021-24) and securing Create NSW multi-year funding (2021-24) in a competitive environment, enabled us to plan recovery in 2021 with some income certainty. All of these factors meant we gladly continued to make work and we retained our paid staff.

And make work we did, despite the restrictions of physical distancing and working from home for long periods of time. Our major new work and Sydney Festival/Carriageworks commission, *The Last Season*, had a second creative development and then its final rehearsal period in December, ready for world premiere in January 2021. We were able to return to the rehearsal room in August and continue the creative development of Ghenoa Gela's *Lak Malual Paru*, in collaboration with Ilbjerri Theatre Company.

The company continued its exemplary commitment to nurturing dance theatre artists through our INCITE program. We reimagined the annual Intensive, instead hosting an online version which had Artistic Director Danielle Micich mentor and facilitate 42 Australian and international artists from across the Asia-Pacific. Micich also delivered two public masterclasses – one for Carriageworks as part of their Masterclass Series and one for Catapult Choreographic Hub (Newcastle, NSW). In September, Force Majeure's first ever youth company began training together, in preparation for the premiere of *The Last Season*.

Force Majeure continued its industry presence and commitment to building national and international networks. The Artistic Director and Executive Director (Colm O'Callaghan) team presented and pitched at the Australian Performing Arts Market at Asia TOPA. O'Callaghan also continued his role on the Dance & Physical Theatre Board for the NSW Government.

### 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 2020

KPI	2020
One significant collaboration with either an individual artist or a like-minded company over a two-year period.	<p>Second creative development and final rehearsal period of <i>The Last Season</i>, a new work by Danielle Micich, commissioned by Sydney Festival and Carriageworks.</p> <p>Second creative development of <i>Lak Malual Paru</i>, a new work by Ghenoa Gela, in partnership with Ilbjerri Theatre Company.</p>
The majority of press reviews and interviews reflect the connection to contemporary Australian culture.	52 articles in total across all projects and activities.
At least one professional development opportunity per annum for Artistic Director.	Not possible as a result of the COVID-19 pandemic.
Produce at least one work for a young or emerging artist every two years.	Force Majeure is co-producing Ghenoa Gela's new work <i>Lak Malual Paru</i> . The second creative development was held in 2020.
Undertake at least one mentoring or workshop project per annum.	<p>Danielle Micich facilitated INCITE Connect and INCITE 1-on-1, which were COVID-safe versions of our INCITE program, conducted via zoom with 42 local and international artists.</p> <p>Micich taught professional masterclasses and workshops at Carriageworks and Catapult Choreographic Hub in Newcastle, NSW.</p>
Business and Marketing Manager to be employed on an ongoing permanent part-time basis throughout triennium.	Continued employment for both positions in 2020, despite the effects of the COVID-19 pandemic.

Artistic Director and Producer in full-time employment throughout the triennium.	Artistic Director and Executive Producer continued full-time employment in 2020, despite the effects of the COVID-19 pandemic.
All staff to have a professional development plan in place.	Not possible as a result of the COVID-19 pandemic.
Current Board membership retained over the triennium.	All Board members were retained across the triennium in question, with renewal commencing from 2020.
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 2019.	There was no increase in the company's audience database from 2019.
At least three articles on the company per year in arts publications which are non-project specific.	Four articles including the impact of the pandemic, the state government stimulus package, Australia Council 4-year funding/funding cuts, and Carriageworks' voluntary administration.
Audience from Sydney is increased by 10%.	Not possible as a result of the COVID-19 pandemic.
An increase of 10% per annum across all social media platforms.	There was a 25.9% increase in Facebook followers and a 20% increase in Instagram followers in 2020.
Conduct audience research to evaluate branding and communication effectiveness.	Not possible as a result of the COVID-19 pandemic.
One philanthropic supporter of Cultivate/Culminate lab secured by the end of the triennium.	Not applicable in 2020.
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 2020, 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.	Total donations for 2020 came to \$18,008.

<p>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.</p>	<p>Carriageworks and Sydney Festival on <i>The Last Season</i>.  Carriageworks on <i>Lak Malual Paru</i>.</p>
<p>Generate at least 1% surplus each year.</p>	<p>Surplus of \$63,585 is 16% total revenue, as a result of once-off stimulus grant (\$70k) from Create NSW.</p>
<p>Increase reserves as a percentage of total expenditure by at least 1% per annum.</p>	<p>Reserves increased by \$63,585 or 19% of total expenditure, as a result of once-off stimulus grant (\$70k) from Create NSW.</p>

### 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 2020 there were 6 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 \$600 (2019: \$700).

### 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, Festival Director	Chair
Stephen Gottlieb	B Comm, LLB, LLM(Hons)	Accountant	Treasurer
Shauna Jarrett	BA(Hons)/LLB	Legal and governance	Deputy Chair
Loretta Busby	B. Dramatic Arts (NIDA)	Arts producer and Executive Director, Member Seymour Centre Artistic Advisory	
Rani Haywood	BA Comms	Arts & Cultural Marketing, Communications & Audience Development	
Stephen Riethoff	B.Ed	Public Relations and Marketing/Social Media	



Jo Dyer  
Chair  
Sydney  
20 April 2021

**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 2020, 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, Registered Company Auditor 4019  
Rosenfeld Kant and Co  
Located in Bondi Junction  
Dated this 22<sup>nd</sup> April 2021

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## Statement of surplus or deficit and other comprehensive income

for the year ended 31 December 2020

		2020	2019
	Note/ Sch	\$	\$
<b>Income</b>			
Fees and services		22,336	61,160
Audience sales	4	-	113,081
Resource income		-	2,226
Sponsorship and donations		18,008	14,304
Other income	5	3,876	16,736
Grants income	Sch 2	353,138	361,745
<b>Total Income</b>		<b>397,358</b>	<b>569,252</b>
<b>Expenditure</b>			
Wages, salaries and fees		278,266	399,775
Program costs		780	99,908
Marketing costs		19,033	29,569
Infrastructure costs		34,353	34,180
Depreciation expense		1,341	1,116
<b>Total expenditure</b>		<b>333,773</b>	<b>564,548</b>
<b>Net surplus/(deficit) for the year</b>		<b>63,585</b>	<b>4,704</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>63,585</b>	<b>4,704</b>

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 2020

<b>ASSETS</b>	Note	<b>2020</b>	<b>2019</b>
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	6	220,135	147,858
Financial assets	7	-	250,196
Trade and other receivables	8	107	5,998
Others asset	9	198,989	6,100
<b>Total current assets</b>		<b>419,231</b>	<b>410,152</b>
<b>Non-current assets</b>			
Intangible assets	10	-	-
Plant and equipment	11	10,710	3,522
<b>Total non-current assets</b>		<b>10,710</b>	<b>3,522</b>
<b>TOTAL ASSETS</b>		<b>429,941</b>	<b>413,674</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	41,578	33,562
Provisions	13	8,378	9,844
Government grants	14	74,472	145,500
Income in advance	15	17,360	200
<b>Total current liabilities</b>		<b>141,788</b>	<b>189,106</b>
<b>TOTAL LIABILITIES</b>		<b>141,788</b>	<b>189,106</b>
<b>NET ASSETS</b>		<b>288,153</b>	<b>224,568</b>
<b>FUNDS</b>			
Unrestricted funds		288,153	224,568
<b>Unrestricted funds</b>		<b>288,153</b>	<b>224,568</b>

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 2020

	Unrestricted funds \$
<i>General Funds</i>	
<b>Balance as at 1 January 2019</b>	219,864
Total comprehensive income for the year	4,704
<b>Balance as at 31 December 2019</b>	<u>224,568</u>
Total comprehensive income for the year	63,585
<b>Balance as at 31 December 2020</b>	<u><u>288,153</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 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		31,049	198,740
Receipts from donors		18,008	14,304
Receipts from appropriations/grants		413,039	412,858
Interest received		4,086	6,376
Payments made to suppliers and employees		( 635,572)	( 585,234)
Net cash provided/(used) by operating activities		<b>( 169,390)</b>	<b>47,044</b>
<b>Cash flows from investing activities</b>			
Payments for plant & equipment	11	( 8,529)	( 1,316)
Investment in/ proceeds from term deposits		250,196	( 41,615)
Net cash used in investing activities		<b>241,667</b>	<b>( 42,931)</b>
Net change in cash and cash equivalents		72,277	4,113
Cash and cash equivalents, beginning of year		147,858	143,745
<b>Cash and cash equivalents, end of year</b>	6	<b>220,135</b>	<b>147,858</b>

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 2020 were approved and authorised for issue in accordance by the Board of Directors of the company on 15 March 2020.

## 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 16. 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. 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:

	2020 %pa	2019 %pa
Office equipment	20-33	20-33
Improvements	10	10

#### *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 held long term deposits designated into this category in 2019.

#### **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 2021 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)

	2020	2019
	\$	\$
<b>4 Audience sales</b>		
Box office revenue	-	5,000
Performance fees	-	98,081
Contract & co-Production fees	-	10,000
	<u>-</u>	<u>113,081</u>
<b>5 Other income</b>		
Bank interest	3,876	6,549
Reimbursements and recoveries	-	10,187
	<u>3,876</u>	<u>16,736</u>
<b>6 Cash and cash equivalents</b>		
Cash at bank and on hand	34,039	10,561
Cash on deposit	186,096	137,297
	<u>220,135</u>	<u>147,858</u>
<b>7 Financial assets</b>		
Term deposits	-	250,196
	<u>-</u>	<u>250,196</u>
<b>8 Trade and other receivables</b>		
Trade receivables	-	5,500
Other receivables	107	497
	<u>107</u>	<u>5,997</u>

## Notes to the financial statements (continued)

	2020	2019
<b>9 Other assets</b>	<b>\$</b>	<b>\$</b>

*Current*

Prepayments and deferred expenditure	198,989	6,100
	<b>198,989</b>	<b>6,100</b>

### 10 Intangible asset

Website development - at cost	15,649	15,649
Accumulated amortisation	( 15,649)	( 15,649)
<b>Total intangible assets</b>	<b>-</b>	<b>-</b>

#### Reconciliation

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

Carrying amount at 1 January	-	-
Amortisation	-	-
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>-</b>

### 11 Plant and equipment

Plant and equipment - at cost	27,201	24,466
Accumulated depreciation	( 16,491)	( 20,944)
<b>Total plant and equipment</b>	<b>10,710</b>	<b>3,522</b>

#### Reconciliation

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

Carrying amount at 1 January	3,522	3,323
Additions	8,529	1,316
Disposals	( 5,795)	-
Depreciation charge for the year	( 1,341)	( 1,117)
Depreciation - disposals	5,795	-
<b>Carrying amount at 31 December</b>	<b>10,710</b>	<b>3,522</b>



## Notes to the financial statements (continued)

	Sch	2020	2019
12 Trade and other payables		\$	\$
Trade creditors		10,584	8,954
PAYG payable		16,499	8,240
Superannuation payable		12,624	8,655
Net GST payable		( 6,483)	( 1,517)
Sundry creditors and accruals		8,354	9,230
		<b>41,578</b>	<b>33,562</b>

### 13 Provisions

*Current*

Provision for annual leave		8,378	9,844
		<b>8,378</b>	<b>9,844</b>

### 14 Government grants

Grants received in advance	Sch 2	20,000	145,500
Auspiced grants liability	Sch 2	54,472	-
		<b>74,472</b>	<b>145,500</b>

### 15 Other liabilities

*Current*

Workshop fees in advance		17,360	200
		<b>17,360</b>	<b>200</b>

### 16 Lease commitments

#### Operating leases

Minimum commitments are payable as follows:

Within 1 year		-	-
		<b>-</b>	<b>-</b>

## 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 \$7,563 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:

	2020	2019
	\$	\$
Total key management personnel remuneration	190,477	194,385

### 18 Contingent Liabilities

There are no contingent liabilities that have been incurred by the Company in relation to 2020 or 2019.

### 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 2020, the total amount that members of the Company are liable to contribute if the Company wound up is \$600 (2019: \$700).

## 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*.

A handwritten signature in black ink, appearing to read 'Jo Dyer', with a long horizontal stroke extending to the right.

Jo Dyer  
Chair  
Sydney  
20 April 2021

## 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 2020, 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 2020 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**  
**Rosenfeld Kant and Co**  
**Located in Bondi Junction**  
**Dated this 22<sup>nd</sup> April 2021**

## 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 2020. 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.



**Gary Williams FCA**  
Partner, Registered Company Auditor 4019  
Rosenfeld Kant and Co  
Located in Bondi Junction  
Dated this 22<sup>nd</sup> April 2021

## Additional Financial Information

<i>2020</i>	Ref	Admin	Last season	Total Company	Lak Malual Paru	Betty Grumble	Total Auspiced	TOTAL
<b><i>Income</i></b>								
Earned income		42,311	1,909	44,220	381	-	381	44,601
Grants and subsidies	Sch 2	353,138	-	353,138	46,503	57,677	104,180	457,318
Total income		395,449	1,909	397,358	46,884	57,677	104,561	501,919
<b><i>Expense</i></b>								
Salaries, wages and fees		278,266	-	278,266	26,026	29,990	56,016	334,282
Production expenses		780	-	780	8,067	805	8,872	9,652
Marketing and promotions		15,033	4,000	19,033	2,000	250	2,250	21,283
Infrastructure costs		35,694	-	35,694	10,791	26,632	37,423	73,117
Total expense		329,773	4,000	333,773	46,884	57,677	104,561	438,334
<b><i>Net surplus / (deficit)</i></b>		<b>65,676</b>	<b>(2,091)</b>	<b>63,585</b>	-	-	-	<b>63,585</b>



## Additional Financial Information

<b>2020 Subsidies &amp; Grants</b>		Grants in advance	Total grants received	Grants applied	Grants repaid	Grants in advance
<i>Funding Body</i>	<i>Project</i>	<b>2019</b>	<b>2020</b>			<b>2020</b>
Create NSW	2020 annual grant	145,500	-	145,500	-	-
Create NSW	APAM travel grant	-	4,832	4,832	-	-
Create NSW	Rescue restart grant	-	70,000	70,000	-	-
City of Sydney	Incite Covid grant	-	20,000	-	-	20,000
Australian Government	Jobkeeper and Cashflow Boost	-	132,806	132,806	-	-
<b><i>TOTAL Subsidies &amp; grants</i></b>		<b><i>145,500</i></b>	<b><i>227,638</i></b>	<b><i>353,138</i></b>	<b><i>-</i></b>	<b><i>20,000</i></b>
<b>Auspiced grants</b>						
Australia Council	Lak Maluwal Paru development grant	-	50,000	-	-	50,000
Australia Council	Betty Grumble	-	47,677	47,677	-	-
Create NSW	Betty Grumble	-	10,000	10,000	-	-
Create NSW	Lak Maluwal Paru development grant	-	50,975	46,503	-	4,472
<b><i>TOTAL Subsidies &amp; grants</i></b>		<b><i>-</i></b>	<b><i>158,652</i></b>	<b><i>104,180</i></b>	<b><i>-</i></b>	<b><i>54,472</i></b>
<b><i>TOTAL Subsidies &amp; grants</i></b>		<b><i>145,500</i></b>	<b><i>386,290</i></b>	<b><i>457,318</i></b>	<b><i>-</i></b>	<b><i>74,472</i></b>