

# Annual Financial Report

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FOR THE YEAR ENDED 31 DECEMBER 2022

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# Directors' Report

The Directors present their report together with the financial report of Bangarra Dance Theatre Australia Limited ("the Company" or "Bangarra") for the year ended 31 December 2022 and the Auditors' report thereon.

## BOARD OF DIRECTORS

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

### **Phillipa McDermott, Chair, a Wakka Wakka and Mununjali woman**

Director First Nations Talent Deloitte, Board member Lloyd McDermott Rugby Development Team and NSW Treasury First Nations Advisory Committee.

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

Chair of the People Committee since September 2020.

### **Joshua Duke, a Dunghutti man**

Senior Manager within Deloitte's Indigenous Services Group and a Board Director of YMCA Canberra and is the Inaugural Chair and founding member of the Aboriginal and Torres Strait Islander Panel for Chartered Accountants Australia and New Zealand.

Appointed in October 2021.

Member of the Audit, Finance & Risk Committee from October 2021.

### **Richard Eccles**

Richard is a company director and consultant, with a background in senior Government positions. Director of Copyright Agency Ltd, the Public Interest Journalism Initiative, Epilepsy ACT, Chair of the Canberra Health Services Governance Committee.

Appointed in August 2020.

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

Member of the People Committee since September 2020.

### **John Harvey, a Torres Strait Island (Saibai Island) and English decedent**

Writer, director and producer in theatre and film. Company Director for Brown Cab Productions Pty Ltd.

Appointed in November 2019.

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

### **Nadine McDonald-Dowd, a Yuwibara woman**

First Nations Creative Development Officer for Sunshine Coast Council and Board Member of the Aboriginal Art Company.

Appointed in December 2019.

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

Member of the People Committee since June 2022.

### **Stephen Page AO, a Nunukul and Munaldjali man**

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

Appointed in June 1998 and resigned December 2022.

Member of the Audit, Finance & Risk Committee to December 2022.

### **Ian Roberts**

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

Appointed in August 2020.

Member of the People Committee since September 2020.

### **Lissa Twomey**

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

Appointed in January 2021 and resigned December 2022.

### **Frances Rings, a Wirangu and Mirning woman**

Artistic Director of Bangarra Dance Theatre Australia Ltd.

Appointed in February 2023.

### **Jemima Myer**

A Primary School Educator and Co-convenor of the Mental Health Committee at The Myer Foundation.

Appointed in February 2023.

# Directors' Report

## PRINCIPAL ACTIVITIES

### OUR VISION

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

### OUR VALUES

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

### GOALS

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

## 2022 REVIEW AND RESULT

We were thrilled to return to a full year of activity in 2022 with a footprint in every State and Territory.

The Company started the year by presenting the premier season of *Wudjang: Not the Past*, a collaboration with the Major Festivals Initiative and Sydney Theatre Company. The dancers shared the stage with actors and musicians in one of Bangarra's most ambitious productions to date. Whilst we were unable to present in Perth, due to continued lockdowns, the Company performed in both Sydney and Adelaide Festivals as well as in Hobart. The season was a great success.

The 2022 annual National Tour saw the company present in Sydney, Canberra, Brisbane, Melbourne and Bendigo. Due to the 2021 premier season of *SandSong: Stories from the Great Sandy Desert* being curtailed due to COVID in 2021, Bangarra split the 2022 seasons into either *Terrain* or *SandSong: Stories from the Great Sandy Desert*

The regional tour of *SandSong: Stories from the Great Sandy Desert* was presented in both Western Australia and the Northern Territory and included an emotional Return to Country in Fitzroy Crossing where the

production was gifted back to the Wangkatjungka and Walmajarri communities who so generously shared their stories, knowledge and memories of the past to create a new narrative for our Indigenous futures.

With such a rich and full year of activity, compared to the COVID impacted 2021, box office increased 393% to almost \$4m.

In addition to box office Bangarra also received \$490k of one off and unbudgeted income from Create NSW under the Performing Arts Relaunch Package. Excluding this income, the normalised surplus for the year is \$228k, a 2% margin on income.

The Company also performed at *DanceX* in Melbourne, delivered workshops in Cairns and prepared for *DanceClan*, presented in 2023, where three of our artists told their own stories and developed original works.

The Youth Team were just as busy travelling the country delivering the enormously successful Rekindling program. In Theodore, Queensland, the program was expanded in 2022 to include a residential camp with a significant focus on language. The team also engaged with the Beyond the Broncos Mentoring Program participants from 8 high schools in and around Brisbane to perform pregame in the stadium for the Indigenous round. The year was closed out with a massed performing arts showcase – the Schools Spectacular where the Youth Programming Team rehearse up to 250 NSW public high school students of Aboriginal and/or Torres Strait Islander descent for the live arena performance and TV broadcast.

*Wuru - Journey of the Small Turtle* saw its premier season in 2022. The work has been created for young children.

Commercial activities included 6 live performances, a digital installation and 2 digital performances as well as a broadcast performance and documentary. In addition to this Bangarra has been continuing to grow its income stream from hiring out function space on the Wharf. In 2022 \$191k was generated compared to \$62k in 2021.

We welcomed two new sponsors in the year and were able to fully utilise in-kind support. As such sponsorship income increased by \$332k whilst income from foundations and donors decreased by the same amount, due to a substantial donation in 2021.

With such an upturn in performance activity post the COVID depressed seasons, expenses have correspondingly increased.

Overall the surplus for the year was \$717k (2021: \$1,206k). As noted above, one off Covid injections continued to have an impact in 2022 and the normalised surplus was \$228k.

# Directors' Report

## KEY PERFORMANCE INDICATORS

The following table sets out performance against KPIs set by the National Performing Arts Partnership Framework.

Mechanism	Measure	2022 Targets	2022 Actuals
<b>Priority 1</b> Address diversity areas with particular reference to audiences and First Nations creatives.			
The Board of Bangarra will always foster and protect Aboriginal and Torres Strait Islander cultures, in order that all people may be culturally sustained	Percentage of Aboriginal and Torres Strait Islander Board members	Minimum 50%	62.5%
Aboriginal and Torres Strait Islander Community members access Bangarra productions through Community access initiatives	Number of Community and <i>Wilay</i> tickets distributed	3400	5301
Accessibility initiatives enable people living with disabilities to experience Bangarra productions	Number of performances and events accompanied by Auslan interpretation and/or audio description	4	4
Aboriginal and/or Torres Strait Islander artistic representation	Number of Aboriginal and/or Torres Strait Islander Artists and Creatives engaged	32	53
Aboriginal and/or Torres Strait Islander workforce representation	Percentage of Aboriginal and/or Torres Strait Islander employees	Minimum 50%	58%
<b>Priority 2</b> Commission, develop and present new Australian work that reflects contemporary Australia.			
Investment in new Aboriginal and/or Torres Strait Islander works	Number of new Aboriginal and/or Torres Strait Islander works presented	1	2
	Number of new Aboriginal and/or Torres Strait Islander works in development	5	4
Number of performances of new Australian works*	Number of performances of new Australian works delivered	111	65
<b>Priority 3</b> Build capacity in the First Nations dance sector. Collaborate with Partnership organisations and those outside the Framework. Demonstrate leadership on specific dance sector concerns.			
Creative collaborations and partnerships with other arts and cultural organisations	Number of partnerships, projects or initiatives in development and/or delivered	2	11
Build sector capacity through development pathways for Aboriginal and/or Torres Strait Islander Artists, Creatives, Production and Arts Workers	Number of new Aboriginal and/or Torres Strait Islander Artists, Creatives and Arts Workers supported by the company through mentoring, graduate, scholarship or fellowship program	5	12
Dancer Further Education Program	Number of mid-senior-level Bangarra dancers funded for professional development	2	2
<b>Priority 4</b> Improve access and participation in the arts through touring and presenting work nationally, to regional and remote communities, and internationally.			
National Programming	Number of Australian states and territories performed in	8	8
Regional, Rural & Remote Programming	Number of regional, rural & remote locations performed in	7	14
Community Engagement	Number of Return to Country / On Country	2	2
	Number of regional and remote communities engaged with through <i>Rekindling</i> program	9	9
	Number of workshops & masterclasses delivered by the touring Ensemble, and Education & Youth Program teams through face-to-face and online engagement	100	123
Digital Engagement	Number of people reached via film and digital initiatives	-	727,782

\*The National Tour in 2022 was not a new work as originally planned. *Sandsong* was remounted, as COVID impacts caused the premature cancellation of the 2021 season.

# Directors' Report

## SIGNIFICANT CHANGES

2022 was an historic year farewelling our beloved Stephen Page, Artistic Director for 32 years and welcoming Frances Rings as our new artistic leader, after such an enormous contribution as Dancer, Choreographer and Artistic Associate of the company. We are excited by Frances' plans continuing the extraordinary legacy of her predecessor.

In 2022, we also said a reluctant goodbye to our Executive Director Lissa Twomey, who demonstrated resilience, persistence and grace steering the company through the pandemic related challenges.

## SUBSEQUENT EVENTS

Lissa's departure created the opportunity for the Board to appoint a First Nations executive in this critical role.

After an extensive search, Ken Markwell has been appointed as our new Executive Director. Ken is a proud Mununjhali man from the Yugambeh Language Region. He also has cultural responsibilities for Wanggerriburra country.

In his most recent role as Director of Markwell and Associates, a successful Aboriginal owned and operated professional services consulting business, he specialised in navigating outcomes in two worlds - First Nations and non-Indigenous. He was previously the Executive General Manager of Indigenous Services at Australian Unity, which was one the largest employers of First Nations people in the aged and disability sector in Australia.

## GOVERNANCE STATEMENT

This statement outlines Bangarra's governance practices and provides a summary of key aspects addressing the Essential Governance Practices for Arts Organisations published by the Australia Council for the Arts (January 2021).

### Vision

Bangarra's vision is understood across the organisation and our values are embedded in every decision making process.

This values driven culture extends to every relationship and partnership. It includes a robust approach to managing community and corporate relationships ethically and responsibly.

### Delivering Performance

The Board is committed to traditional Aboriginal and Torres Strait Islander practices of governance which are circular. Circular governance is one of collaboration, in which each individual's role within the collective is valued for the specific contribution that individual makes to the whole.

Board members and management alike have specific roles to perform within this structure. The Board has a charter and management has clear delegation of authority.

The Board also has two committees:

- Audit, Finance and Risk
- People

Each of these committees assists the Board with specified responsibilities that are set out in the Committee Charters as delegated and approved by the Board.

The Board of Directors has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it, as a collective, to effectively discharge its responsibilities. The Constitution states that a minimum of 50% of all Directors shall be Aboriginal or Torres Strait Islander. Across the year and currently the Chair and another four Board members identify as First Nations, 62.5% of the Board.

The Board skills matrix informs its composition and new members are fully inducted. Details of the current Directors, their qualifications, skills, experience and tenure are set out on page 3 of this report.

Membership of and attendance at 2022 Board and Committee meetings are detailed on page 7 of this report.

In addition to the six meetings per year, the Board set aside a day annually to specifically look both backwards and forwards. The Board acknowledges Bangarra's solid foundations and seeks to develop the way Bangarra leads, inspires and promotes awareness and understanding of our cultures. The strategic plan and strategy on a page are critical documents against which management report to the Board.

The Board undertook a Board Review in 2022 which focussed on areas of Identity, Strategy, Relationships, Culture, Risk, Board Composition, Board Processes and Committees.

### Systems

The annual work program of the Board ensures that key documents can be reviewed prior to external consumption and that financial information is presented in a pertinent and timely manner, at least quarterly.

Any changes to the approved annual program of activities are communicated to the Board, with financial and strategic implications, for consideration and approval.

The Board has recently completed a review of policies and procedures. These living documents are scheduled for further consideration within a three year cycle.

The Audit, Finance and Risk Committee advises the Board on any matter that has a significant financial implication to the Company, including the review of annual budgets and quarterly forecasts. It oversees compliance with external reporting requirements and reviews and monitors the internal control and risk management environment.

The People Committee assists the Board in matters relating to the composition, structure and operation

# Directors' Report

of the Board and the Executive Director and Artistic Director. As part of annual budget processes, the Committee oversees recommendations regarding remuneration for staff as well as managing succession planning. A staff Pulse Survey was conducted in 2022 and the Board was advised of the results and monitored resulting actions.

## Accountability

The Board ensures the organisation meets the reporting requirements of funding bodies, employment and other legislated responsibilities.

Two key areas were reviewed by external consultants in 2022 as part of our commitment to continuous improvement;

- the Board itself, as noted above, and
- the Company's Risk Management Framework and biannual risk review process.

Recommendations from both pieces of work were reviewed by the Board and action was taken.

## Relationships

Relationships and culture are at the very core of Bangarra's values. The Board role model the Company's values and as noted above seek continuous improvement.

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

### Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

### Insurance Premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2022 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the year ending 31 December 2023. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company. The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

## MEETINGS OF DIRECTORS HELD DURING THE FINANCIAL YEAR

	Board meetings eligible to attend	Board meetings attended
Phillipa McDermott, Chair	6	6
Richard Eccles	6	6
Nadine McDonald-Dowd	6	4
John Harvey	6	4
Stephen Page	6	3
Ian Roberts	6	5
Joshua Duke	6	6
Lissa Twomey	6	6

## AUDIT, FINANCE AND RISK COMMITTEE

Richard Eccles, Chair

John Harvey

Joshua Duke

Stephen Page (resigned December 2022)

## PEOPLE COMMITTEE

Phillipa McDermott, Chair

Ian Roberts

Richard Eccles

Nadine McDonald Dowd (Member from June 2021)

## COMPANY SECRETARY

Louise Ingram (from August 2022)

Rachel Hadfield (resigned August 2022)

# Directors' Report

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## MEMBERS' GUARANTEE

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

## AUDITOR'S INDEPENDENCE DECLARATION

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The Auditor's Independence Declaration under Australian Charities and Not-for-Profits Act 2012 is set out on page 9 and forms part of the Directors' Report for the year ended 31 December 2022.

This report is made in accordance with a resolution of the Board of Directors of the Company on 20 April 2023.



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Chair  
**PHILLIPA MCDERMOTT**



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Director  
**RICHARD ECCLES**

Sydney  
20 April 2023





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

To: the directors of Bangarra Dance Theatre Australia Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2022 there have been:

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

*KPMG*

KPMG

Warwick Shanks  
Partner

Parramatta  
20 April 2023

## DIRECTORS' DECLARATION

for the year ended 31 December 2022

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

- (a) the financial statements and notes that are set out on pages 12 to 27 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2013 ; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



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Chair  
**PHILLIPA MCDERMOTT**



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Director  
**RICHARD ECCLES**

Sydney  
20 April 2023

## **CHAIR'S DECLARATION IN RESPECT OF THE CHARITABLE FUNDRAISING ACT 1991 (NSW) AND THE CHARITABLE FUNDRAISING REGULATION 2021 (NSW)**

for the year ended 31 December 2022

I, Phillipa McDermott, Chair of Bangarra Dance Theatre Australia Limited, declare, in my opinion:

- (a) the financial statements give a true and fair view;
- (b) the financial statements satisfy the requirements of the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2021 (NSW);
- (c) the internal controls exercised by Bangarra Dance Theatre Australia Limited are appropriate and effective; and
- (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



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Chair  
**PHILLIPA MCDERMOTT**

Sydney  
20 April 2023

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ending 31 December 2022

	Note	2022 \$	2021 \$
<b>Revenue</b>			
Performance income		3,983,264	807,656
Revenue from Government (including grants)	5a	4,620,343	5,180,708
Sponsorships	5b	801,081	468,819
Donations and Bequests	5c	2,093,362	2,405,316
Activity and services income		424,831	266,501
Investment income	5d	96,075	267,735
Other income	5e	611,335	496,984
		<b>12,630,291</b>	<b>9,893,719</b>
<b>Expenditure</b>			
Staff expenses	6a	6,923,135	5,775,177
Production and touring expenses		2,956,838	1,553,951
Marketing expenses		701,220	551,121
Development expenses		149,274	60,157
Other expenses	6b	482,144	398,631
Investment expense	6c	261,559	-
Administration expenses		419,196	329,103
Financial expense		19,511	19,824
		<b>11,912,877</b>	<b>8,687,964</b>
		<b>717,414</b>	<b>1,205,755</b>
<b>Net surplus for the year</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>717,414</b>	<b>1,205,755</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with accompanying notes 1 to 21

**STATEMENT OF FINANCIAL POSITION**

as at 31 December 2022

	Note	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	7	3,533,951	4,176,322
Other Financial Assets	8	2,004,500	1,000,000
Trade and other receivables	9	234,821	20,174
Prepayments		103,054	75,790
		<u>5,876,326</u>	<u>5,272,286</u>
<b>Non-current assets</b>			
Investments	10	2,276,663	2,722,820
Plant and equipment	12	291,414	239,537
Right-of-use assets	13	3,635,379	3,692,904
		<u>6,203,456</u>	<u>6,655,261</u>
<b>Total assets</b>		<u><b>12,079,782</b></u>	<u><b>11,927,547</b></u>
<b>Current liabilities</b>			
Trade and other payables	14	629,926	802,185
Lease liabilities	13	162,570	154,831
Government grants received in advance		943,555	703,251
Other income received in advance		903,615	1,797,247
Employee benefits	15	877,315	678,675
		<u>3,516,981</u>	<u>4,136,189</u>
<b>Non-current liabilities</b>			
Employee benefits	15	107,804	76,148
Lease liabilities	13	3,642,705	3,620,332
		<u>3,750,509</u>	<u>3,696,480</u>
<b>Total liabilities</b>		<u><b>7,267,490</b></u>	<u><b>7,832,669</b></u>
<b>Net assets</b>		<u><b>4,812,292</b></u>	<u><b>4,094,878</b></u>
<b>Equity</b>			
Retained earnings	16	2,947,292	2,434,878
Reserves - restricted	17	1,865,000	1,660,000
		<u>4,812,292</u>	<u>4,094,878</u>
<b>Total equity</b>		<u><b>4,812,292</b></u>	<u><b>4,094,878</b></u>

The above Statement of Financial Position should be read in conjunction with accompanying notes 1 to 21

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2022

	Retained earnings	General Operating Reserve	Cultural Care & Development Pathways Fund	Russell Page Graduate Program Reserve	Reserves Incentive Funding Scheme	Film Reserve	Total equity
	\$	\$	\$	\$	\$		\$
<b>Balance at 1 January 2021</b>	1,772,379	76,698	400,000	420,000	220,046	-	2,889,123
Surplus for the year	1,205,755	-	-	-	-	-	1,205,755
<b>Total comprehensive income for the year</b>	1,205,755	-	-	-	-	-	1,205,755
Reserve transfers Utilised	(603,256) 60,000	(76,698) -	400,000 -	- (60,000)	(220,046) -	500,000 -	- -
<b>Balance at 31 December 2021</b>	2,434,878	-	800,000	360,000	-	500,000	4,094,878
	Retained earnings	Stephen Page Creative Fellowship Fund	Cultural Care & Development Pathways Fund	Russell Page Graduate Program Reserve	International Touring Fund	Film Reserve	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 January 2022</b>	2,434,878	-	800,000	360,000	-	500,000	4,094,878
Surplus for the year	717,414	-	-	-	-	-	717,414
<b>Total comprehensive income for the year</b>	717,414	-	-	-	-	-	717,414
Reserve transfers Utilised	(395,518) 190,518	300,000 -	(85,000) -	(60,000) -	50,000 -	45,518 (45,518)	- -
<b>Balance at 31 December 2022</b>	2,947,292	300,000	715,000	300,000	50,000	500,000	4,812,292

The above Statement of Changes in Equity should be read in conjunction with accompanying notes 1 to 21

**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers, government and donors		11,914,741	11,127,984
Cash paid to suppliers and employees		(11,415,840)	(7,437,566)
	<b>18</b>	<b>498,901</b>	<b>3,690,418</b>
<b>Cash flows from investing activities</b>			
Interest and investment income received net of fees		81,871	134,680
Sale/(Acquisition) of investments		197,464	(40,982)
Acquisition of other financial assets		(1,004,500)	(1,000,000)
Lease payments		(248,042)	(218,525)
Acquisition of plant and equipment		(168,065)	(122,735)
		<b>(1,141,272)</b>	<b>(1,247,562)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(642,371)</b>	<b>2,442,856</b>
Cash and cash equivalents at 1 January		4,176,322	1,733,466
<b>Cash and cash equivalents at 31 December</b>	<b>7</b>	<b>3,533,951</b>	<b>4,176,322</b>

The above Statement of Cash Flows should be read in conjunction with accompanying notes 1 to 21

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

### 1. Reporting Entity

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

### 2. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit or loss and other comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

The financial statements were authorised for issue by the Company’s Board of Directors on 20 April 2023.

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

### 3. Functional and Presentation Currency and Rounding

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

### 4. Use of Judgements and Estimates

In preparing these of financial statements, management has made judgements and estimates that affect the application of the Company’s policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in Note 13 Leases.

No estimates have been made that have a significant effect on the amounts recognised in the financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2022

	2022 \$	2021 \$
<b>5a. Revenue from Government (including grants)</b>		
Australia Council Grants		
Australia Council MPA core grant	2,660,056	2,633,716
Playing Australia	495,420	23,687
RISE	39,597	190,271
Other	5,000	50,000
Create NSW Grants		
Create NSW MPA core grant	572,474	566,806
Restart	-	750,000
Create NSW COVID Relief	489,891	304,689
Create NSW Other	10,370	
Arts Queensland	15,000	15,000
Creative Victoria	150,000	-
Local Government	2,675	32,385
Other Federal Government		
Indigenous language and arts program (ILAP) funding	179,860	-
JobKeeper and JobSaver	-	614,154
	<u>4,620,343</u>	<u>5,180,708</u>
<b>5b. Sponsorship</b>		
In cash	582,500	302,500
In kind	218,581	166,319
	<u>801,081</u>	<u>468,819</u>
<b>5c. Donations and Bequests</b>		
Individual	1,012,001	1,454,639
Bequest	200,000	-
Foundation	881,361	950,677
	<u>2,093,362</u>	<u>2,405,316</u>
<b>5d. Investment Income</b>		
Interest and investment income	96,075	134,680
Movement in fair value of investments	-	133,055
	<u>96,075</u>	<u>267,735</u>
<b>5e. Other Income</b>		
MFI development income	471,041	450,006
Expense reimbursements received	62,857	32,985
Sundry Income	77,437	13,993
	<u>611,335</u>	<u>496,984</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2022

	2022 \$	2021 \$
<b>6a. Staff Expenses</b>		
Performers wages	1,322,019	1,338,116
Creative artists wages	1,877,766	1,235,706
Production and technical wages	1,175,061	946,235
Marketing and development wages	1,030,533	835,352
Management and admin wages	674,826	650,465
Allowances and on costs	842,930	769,303
	<u>6,923,135</u>	<u>5,775,177</u>
<b>6b. Other Expenses</b>		
Depreciation	116,188	111,626
Amortisation	225,320	210,666
Occupancy expenses	97,609	33,230
Remuneration of Auditor - Audit fee (in kind)	43,027	43,109
	<u>482,144</u>	<u>398,631</u>
<b>6c. Investment Expense</b>		
Movement in fair value of investments	261,559	-
	<u>261,559</u>	<u>-</u>
<b>7. Cash and Cash Equivalents</b>		
Cash at Bank	2,032,740	3,916,797
Term deposits with maturity of 3 months or less	1,000,000	-
Investment cash account	501,211	259,525
	<u>3,533,951</u>	<u>4,176,322</u>
<b>8. Other Financial Assets</b>		
Term Deposits with maturity greater than 3 months	2,004,500	1,000,000
	<u>2,004,500</u>	<u>1,000,000</u>
<b>9. Trade and Other Receivables</b>		
Trade receivables due from other parties	232,455	19,117
Advance to staff	2,366	1,057
	<u>234,821</u>	<u>20,174</u>
<b>10. Investments</b>		

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

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

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

Fair value measurements recognised in the statement of comprehensive income amounted to losses of \$261,559 in 2022 (refer to note 6c).

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2022

**10. Investments (continued)**

Total investment with Macquarie is \$2,777,874 as at 31 December 2022, of which \$501,211 is reported in Cash and cash equivalents and \$2,276,663 invested as Managed Funds and Bonds as shown below.

	2022 \$	2021 \$
<b>Non-current investments</b>		
Managed funds	1,731,567	2,076,840
Bonds	545,096	645,980
<b>Total non-current investments</b>	<u>2,276,663</u>	<u>2,722,820</u>

Investments are measured subsequent to initial recognition at fair value. Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**11. Financial Instruments****Financial assets measured at fair value through profit or loss**

Managed funds	1,731,567	2,076,840
Bonds	545,096	645,980
	<u>2,276,663</u>	<u>2,722,820</u>

**Financial assets measured at amortised cost**

Cash and cash equivalents	3,533,951	4,176,322
Other Financial Assets	2,004,500	1,000,000
Trade receivables	232,455	19,117
	<u>5,770,906</u>	<u>5,195,439</u>

**Financial liabilities measured at amortised cost**

Trade payables	390,040	671,485
	<u>390,040</u>	<u>671,485</u>

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

**Credit risk:**

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

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

**Liquidity risk:**

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

**Fair values:**

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

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2022

**11. Financial Instruments (continued)****Interest rate risk:**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	100 bp increase \$	100 bp decrease \$
<b>31 December 2022</b>		
Cash and cash equivalents	35,340	(35,340)
Other financial assets	20,045	(20,045)
Trade receivables	2,325	(2,325)
Trade payables	(3,900)	3,900
<b>31 December 2021</b>		
Cash and cash equivalents	41,763	(41,763)
Other financial assets	10,000	(10,000)
Trade receivables	191	(191)
Trade payables	(6,715)	6,715
	<b>2022</b>	<b>2021</b>
	\$	\$
<b>12. Plant and Equipment</b>		
Cost opening balance	1,107,580	1,158,462
Additions during the year	168,065	122,740
Disposals during the year	(346,660)	(173,622)
Balance at 31 December	928,985	1,107,580
Accumulated Depreciation opening balance	(868,043)	(930,034)
Depreciation for the year	(116,188)	(111,626)
Disposals	346,660	173,617
Plant and Equipment - written down value	291,414	239,537

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

Balance at 1 January	3,692,904	3,517,105
Additions during the year	167,795	386,465
Amortisation for the year	(225,320)	(210,666)
Balance at 31 December	3,635,379	3,692,904

The lease addition in the year relates to the adjustment of CPI forecasts in the short term for the 20 year Wharf lease calculation.

**Lease liabilities included in the statement of financial position**

Current	162,570	154,831
Non-Current	3,642,705	3,620,332
Total lease liabilities	3,805,275	3,775,163

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2022

**13. Leases (continued)****Future lease payments**

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, eg for short-term leases and leases of low-value items) are disclosed for each of the following periods.

	2022	2021
	\$	\$
Less than one year	256,149	229,542
One to five years	1,180,978	1,136,017
More than five years	3,232,636	3,533,746
	<u>4,669,763</u>	<u>4,899,305</u>

**Amounts recognised in statement of comprehensive income**

Amortisation	225,320	219,666
Interest on lease liabilities	97,493	88,636
Expenses relating to short-term leases	24,509	22,086
Total expenditure	<u>347,322</u>	<u>321,388</u>

**Amounts recognised in statement of cash flows**

Lease payments	248,042	218,525
Total cash outflows	<u>248,042</u>	<u>218,525</u>

**14. Trade and Other Payables**

Trade payables due to other parties	390,040	671,485
Accrued expenses	239,886	130,700
	<u>629,926</u>	<u>802,185</u>

**15. Employee Benefits****Current**

Provision for annual leave	251,037	222,492
Provision for long service leave	151,444	152,069
Other employee provisions	474,834	304,114
	<u>877,315</u>	<u>678,675</u>

**Non-current**

Provision for long service leave	107,804	76,148
	<u>107,804</u>	<u>76,148</u>

Contributions to defined contribution plans recognised as an expense in profit or loss in 2022 were \$504,676 (2021: \$419,121).

**16. Retained earnings**

Retained earnings at the beginning of financial year	2,434,878	1,772,379
Net surplus for the year	717,414	1,205,755
Add:		
Utilised for Russell Page Graduate Program	60,000	60,000
Utilised for Cultural Care and Development Pathways Activity	85,000	-
Utilised for Film Work	45,518	-
Release of General Operating Reserve	-	76,698
Release of Reserves Incentive Scheme funds	-	220,046
Less:		
Transfer to the Stephen Page Creative Fellowship Fund	(300,000)	-
Transfer to the International Touring Reserve	(50,000)	-
Transfer to the Cultural Care and Development Pathways Fund	-	(400,000)
Transfer to the Film Reserve	(45,518)	(500,000)
Retained earnings at the end of financial year	<u>2,947,292</u>	<u>2,434,878</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2022

**17. Reserves****Restricted reserves**

Cultural Care and Development Pathways Fund	715,000	800,000
Film Reserve	500,000	500,000
Russell Page Graduate Program Reserve	300,000	360,000
Stephen Page Creative Fellowship	300,000	-
International Touring Fund	50,000	-
	<b>1,865,000</b>	<b>1,660,000</b>

**Cultural Care and Development Pathways Fund**

The Cultural Care and Pathways Fund has two primary purposes:

- to nurture the company's relationships with Aboriginal and Torres Strait Islander communities and stories entrusted to us, and
- to support career development and seeding of career opportunities for Aboriginal and Torres Strait Islander people throughout our creative, production, administration and management functions.

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

**Film Reserve**

The Film Reserve has been established by resolution of the Board for Bangarra to begin to create a Trilogy of Digital Works. This digital Songline series will explore stories from urban and remote homelands that have shaped a new cycle of Bangarra's creative expression in the digital space through three productions. Each digital story will allow the viewer to explore and see inside the sacred process of creating a work, observe the raw inspiration that sits at its heart, and the vital role of the people responsible for bringing the creative vision to life.

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

**Russell Page Graduate Program Reserve**

The Russell Page graduate program reserve was established with a bequest received in 2019. In any ordinary year the Company will utilise \$60,000 towards the provision of a Russell Page graduate placement.

**Stephen Page Creative Fellowship**

Over the course of 32 years Artistic Director, Stephen Page has developed an unsurpassed signature body of works that have become milestones in Australian performing arts history, setting a benchmark for storytelling not only across Australia, but internationally, and firmly establishing Bangarra as a critical part of the Australian cultural ecosystem.

Any summation of his cultural leadership and achievements would not do justice to the profound impact he has had both on the arts and amongst Indigenous communities. His guidance and mentorship have touched countless Indigenous and non-Indigenous artists and his vision has spoken to audiences all over the world.

The establishment of the Stephen Page Fellowship, as a reserve, focusing on cultural and professional development to nurture our next generation of Indigenous creative artists honours his legacy.

Bangarra is committed to developing and nurturing the Aboriginal and Torres Strait Islander Cultural leaders of the future, over time to balance the shortage of First Nations creative voices. This Fellowship will provide pathways for future creative leaders interested in choreography and theatrical practice.

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

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2022

**17. Reserves (continued)****International Touring Fund**

Bangarra's creatives and dancers play a vital role as artists and cultural ambassadors in taking the stories of Indigenous Australia to audiences internationally.

Touring internationally allows us to connect with First Peoples across the globe, fostering collaboration between communities and artists which is at the heart of our activities and programs, both on – and off the stage. We have a great responsibility to facilitate cultural exchange with our international audiences that create awareness and understanding of our rich and vibrant Aboriginal and Torres Strait Islander culture.

The International Touring Fund increases the confidence we have in our forward plans by supporting costs associated with touring overseas, costs which may not be accommodated within other sources of funding.

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

	2022	2021
	\$	\$
<b>18. Reconciliation of Surplus to Net Cash used in Operating Activities</b>		
Surplus before income tax	717,414	1,205,755
Adjustment for:		
Interest and investment income received net of fees	(81,871)	(134,680)
Movement in fair value of investments	261,559	(133,055)
Depreciation and amortisation	341,508	322,292
Interest expenses	97,493	88,636
Changes in operating assets and liabilities:		
(Increase) in prepayments	(27,264)	(20,212)
(Decrease)/Increase in trade and other payables	(172,259)	586,810
(Decrease)/Increase in income received in advance	(653,328)	1,460,662
(Increase)/Decrease in debtors	(214,647)	227,869
Increase in employee benefits	230,296	86,341
Net Cash from operating activities	<u>498,901</u>	<u>3,690,418</u>

**19. Related Parties**

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

Joshua Duke  
 Richard Eccles  
 John Harvey  
 Phillipa McDermott, Chair  
 Nadine McDonald-Dowd  
 Stephen Page AO (until 1 December 2022)  
 Ian Roberts  
 Lissa Twomey (until 1 December 2022)

No Director received remuneration for their services as Directors of the Company. Payments made by the Company to key management personnel, including two former Directors, for their contributions as employees of the Company and creatives amounted to \$2,311k (2021: \$1,518k).

**20. Subsequent Events**

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

## NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2022

### 21. Significant Accounting Policies

#### New and amended standards adopted by the company

The Company has initially adopted the following standard and amendments from 1 January 2022:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities;

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. A number of other new standards are also effective from 1 January 2022, but they do not have a material effect on the Company's financial statements.

Apart from the above, the Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

#### a) *Income tax*

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

#### b) *Plant, equipment and leasehold improvements*

##### i. *Owned Assets*

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

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

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

##### ii. *Subsequent Costs*

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

##### iii. *Depreciation*

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

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

#### c) *Trade and other receivables*

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

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

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

#### d) *Impairment of Assets*

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



## NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2022

### 21. Significant Accounting Policies (continued)

#### d) Impairment of Assets (continued)

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

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

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

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

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

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

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

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

#### e) Revenue

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

In accordance with the Ticketing Code of Practice – Live Performance Australia and Bangarra's ticketing policy, all ticket purchases are final and non-refundable. Exchanges can be made for the same show, in the same season and city.

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

##### i. Box office

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

##### ii. Sponsorships and government grants in cash

Sponsorships and grants received in cash are brought to account over the year to which the sponsorship agreement or grant relates. If the sponsorship or grant is for a specific project, then it is brought to account at the time the project occurs. Any funding not spent on the planned activities agreed by both parties is carried forward to the subsequent year as an advance.

##### iii. Sponsorship in kind

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

##### iv. Interest income

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

##### v. Donations and bequests

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

#### f) Goods and services tax

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2022

### 21. Significant Accounting Policies (continued)

#### g) Trade and other payables

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

#### h) Employee benefits

Employee benefit expenses arising from services rendered by contracted employees including artists are recognised in accordance with the terms of the underlying contracts.

Amounts payable in respect of bonuses and incentives are expensed when the obligation arises.

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

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

#### i) Cash and cash equivalents

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

#### j) Financial instruments

##### i. Non-derivative financial assets

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

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

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

##### ii. Non-derivative financial liabilities

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

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

##### iii. Offsetting of financial assets and liabilities

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

#### k) Leases

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

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

## NOTES TO THE FINANCIAL STATEMENT

for the year ended 31 December 2022

### 21. Significant Accounting Policies (continued)

#### *k) Leases (continued)*

In the rare case where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: the Company has the right to operate the asset; or the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate or the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

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

#### *m) Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low- value assets, including IT equipment.

The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



# Independent Auditor's Report

To the members of Bangarra Dance Theatre Australia Ltd

## Report on the audit of the Financial Report

### Opinion

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

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991*, including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2022, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Simplified Disclosures Framework* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR)* [and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2022;
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in funds and Statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies;
- iv. Directors' declaration of the Company.
- v. Declaration by the Chair of the Company.



## Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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

## Other information

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

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

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

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

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

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Framework and the ACNC and ACNCR and sections 23(1)(d) and 24B of the *Charitable Fundraising Act (NSW) 1991* and section 21 of the *Charitable Fundraising Regulation (NSW) 2021*;
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- iii. Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Kfma*

KPMG

A handwritten signature in black ink, appearing to read 'Warwick Shanks'.

Warwick Shanks

Partner

Parramatta

20 April 2023

**BANGARRA DANCE  
THEATRE AUSTRALIA**

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