



**Government
of South Australia**

Australian Children's Performing Arts Company

2018-19 Annual Report

Australian Children's Performing Arts Company

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To:

The Hon John Gardner
Minister for Education

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Corporations (Australian Children's Performing Arts Company)* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Australian Children's Performing Arts Company by:

A handwritten signature in black ink, appearing to read 'Kaye Weeks', with a stylized, flowing script.

Kaye Weeks
Executive Producer

From the Executive Producer

The 2018-19 year saw further growth and audience reach for Windmill Theatre Co with a major highlight being the month-long season of *Rumpelstiltskin* at London's Southbank Centre. This presentation marked the company's London debut and the second work to tour to the UK following *Baba Yaga's* Scottish tour in 2017. The two UK presentations delivered on the company's strategy to move into the UK/European markets, an ambition further realised by a six-week, nine-venue Ireland/UK tour in October 2019 that includes an invitation to return to the Southbank Centre.

March 2019 also saw the Australian premiere of Windmill/Imagine co-commission *Baba Yaga* at the Adelaide Festival, where it enjoyed packed houses by schools and general public audiences, and was seen by many national and international presenters leading to further touring interest.

The Adelaide premiere season of new work *Amphibian* in late 2018 was an exciting collaboration within the company, created by a new writer/director team of Duncan Graham and Sasha Zahra. The team of creatives assembled to realise this project brought different voices to Windmill and highlight the company's commitment to championing a range of talent in Australian theatre. Alongside this production, the company developed an interactive online documentary resource, *Across Land and Sea; Muzafar's True Story*, aimed at upper primary/lower secondary students that builds on Windmill's growing reputation as a leader in the arts education space.

Also in Adelaide, the DreamBIG Children's Festival in May saw the return of Windmill's award-winning pre-school work *Beep* for a sell-out season.

The company's policy to ensure access for all saw more than 1200 students from disadvantaged schools experience a Windmill production at no charge, and our Disability Inclusion Action Plan delivered a range of accessibility options including Auslan interpreted and audio-described performances.

Windmill's touring programs continued to expand during 2018-19 with a major national tour and South Australian regional tour of *Big Bad Wolf*, a tour of *Baba Yaga* to Launceston for the Ten Days on the Island Festival, a nine-week, five-city tour of *Beep* in China and a season of *Big Bad Wolf* at Auckland Live in New Zealand, the first Windmill production to tour to New Zealand in many years.

National and international touring of our work showcases South Australia's unique and highly-awarded theatre for young people to the world and represents a unique cultural export for our state. Importantly, it also creates jobs for artists, maximises audience reach and leverages the investment made in the creation of the work.

Windmill's commitment to the development of new works for stage and screen continued across 2018-19 with creative developments taking place for *Hans and Gret*, a new work with planned stage and screen iterations, as well as developments for screen works, *School Dance* and *Beep and Mort*.

The continuing growth of Windmill's output and reputation across 2018-19, throughout Australia and the world, was driven by strong organisational and artistic leadership, a capable and hard-working staff team and high calibre artists from a range of different backgrounds. By all accounts it was a highly successful period of artistic innovation and growth, continuing to build Windmill's value as one of Australia's most significant creators of new work for children, teenagers and families.

I am pleased to include the results of the company's activities across the 2018-19 period herein.

Kaye Weeks
Executive Producer
Windmill Theatre Co

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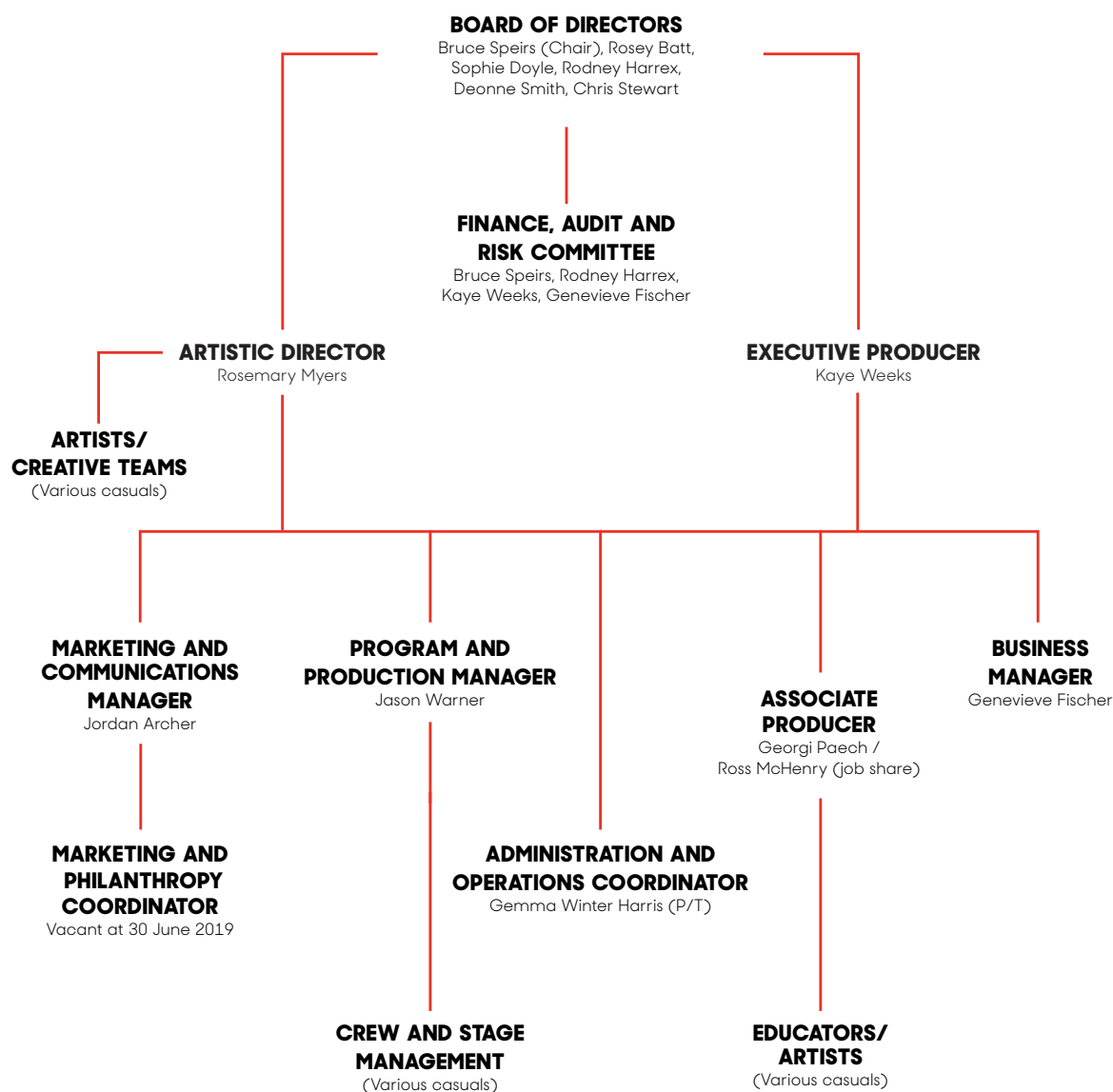
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Overview: about the agency

Our strategic focus

Our Purpose	<p>Windmill Theatre Co's purpose is to be a leading centre for the creation of incredible theatre works for children, teenagers and families.</p> <p>We engage excellent artists to create unique and contemporary theatre shows inspired by the vibrancy, modern sophistication and inventiveness of young people, and showcase these works to an ever-increasing national and international audience.</p> <p>An innovative convergence of live theatre and film, our screen arm Windmill Pictures is dedicated to producing inventive and richly imaged film and television works from our live theatre repertoire.</p>
Our Vision	To be a leading centre for the creation of incredible theatrical works
Our Values	<p>Artistic Integrity</p> <p>Collaboration</p> <p>Ambition</p> <p>Excellence</p> <p>Bravery</p> <p>Accessibility</p>
Our functions, objectives and deliverables	<ul style="list-style-type: none"> - To be a leading centre for the creation of incredible theatrical works - To deliver our work across borders and boundaries - To build diverse income streams, supported by strong fiscal management and governance - To market and communicate our creative output and infectious vibrancy to all stakeholders - To be an innovative convergence model of live theatre and film through our screen arm, Windmill Pictures

Our organisational structure at 30 June 2019



Board of directors

Bruce Speirs (Chair)
Rosey Batt
Rosalba Clemente (retired 24 April 2019)
Sophie Doyle
Rodney Harrex
Adam Smith (retired 3 July 2018)
Deonne Smith
Chris Stewart (appointed 18 October 2018)

Executive team

Executive Producer – Kaye Weeks (0.9 FTE)

Artistic Director – Rosemary Myers

Core staff

Business Manager – Genevieve Fischer

Marketing and Communications Manager – Jordan Archer

Program and Production Manager – Jason Warner

Associate Producer – Georgi Paech (0.8 FTE)

Associate Producer – Ross McHenry (0.6 FTE)

Marketing and Philanthropy Coordinator – Vacant at 30 June 2019

Administration and Operations Coordinator – Gemma Winter Harris (0.6 FTE)

Changes to the agency

During 2018-19 there were the following change to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- On 1 September 2018 the Australian Children's Performing Arts Company moved from the Arts Portfolio under the Premier and Minister for the Arts, the Hon Steven Marshall to the Department for Education under the Hon John Gardner MP.

Our Minister



John Gardner MP

The Hon John Gardner MP is the Minister for Education.

Our Executive team



(L-R, Rosemary Myers, Kaye Weeks)

Kaye Weeks
Executive Producer

Kaye Weeks is an experienced senior arts industry executive with a strong track record in delivering high profile national and international arts projects.

Role and responsibilities

- Governance
- Management of operations and staff
- Executive Producer on all productions
- Management of touring program
- Works closely with the Artistic Director and Board.

Rosemary Myers
Artistic Director

Rosemary Myers is an award-winning director and arts industry executive with more than 25 years-experience in the delivery of high profile productions.

Role and responsibilities

- Artistic Vision and programming
- Directing the majority of Windmill productions
- Works closely with the Executive Producer and reports to the board

Legislation administered by the agency

Public Corporations (Australian Children's Performing Arts Company)

13—Functions of subsidiary

(1) The subsidiary is established as a children's performing arts company to produce, present, facilitate, manage and promote high quality performing arts productions and other arts activities for children, young people, families, schools and other groups or bodies, both within the State and nationally and internationally and, in so doing, the subsidiary may—

- (a) produce, present, manage, promote or conduct performances and entertainment of any kind as may in its opinion tend to promote artistic performance for children and young people, and their families; and*
- (b) promote or commission the writing of plays, screenplays or other dramas, the scoring and writing of operas and other musical performances, the scoring, writing and choreography of dance, and other works for performance; and*
- (c) promote the training of all persons concerned in the production, presentation or performance of artistic performances or presentations; and*
- (d) assist financially or otherwise in the production, presentation, management, promotion or conduct of performances for children and young people, and their families; and*
- (e) promote public interest and participation in performance for children and young people, and their families; and*
- (f) establish and maintain a collection of objects of public interest relating to the past and present practice of the performing arts for children and young people and, for that purpose, purchase, hire, accept by way of gift or loan, or otherwise acquire, any such objects; and*
- (g) establish and conduct schools, courses, lectures, seminars and discussions on the art of performance; and*
- (h) undertake or promote research into the art of performance both generally and in the area of performance and theatre practice for children and young people; and*
- (i) enter into contracts (including contracts of employment), or other forms of agreement, connected with the production, management, presentation or promotion of performances, and enter into other forms of contract or agreement; and*
- (j) make charges for admission to any performance, production or presentation; and*
- (k) grant or dispose of rights or arrangements to televise, broadcast or record any performances undertaken under its auspices; and*
- (l) acquire, develop, hold, enhance or dispose of intellectual property; and*
- (m) perform or exercise incidental functions or powers; and*
- (n) undertake other functions or activities approved by the Minister.*

(2) The subsidiary must obtain the approval of the Minister before it makes a material change to a policy direction or budget.

(3) The subsidiary should only undertake activities outside the State to the extent approved by the Minister or provided for by its charter.

Other related agencies (within the Minister's area/s of responsibility)

On 24 August 2017, ACPAC registered a wholly owned subsidiary, Windmill Pictures Pty Ltd. An innovative convergence model of live theatre and film, this screen arm of the company is dedicated to producing film and television works from Windmill's live theatre repertoire.

The Agency's Performance

Performance at a glance

In 2018-19 Windmill delivered a suite of high-quality outcomes that exceeded the companies KPI's in several areas. Highlights included:

- The premiere season of new work *Amphibian* (for children aged 10 plus) in the Space Theatre, Adelaide
- The presentation of the Australian premiere season of *Baba Yaga* (for children aged seven plus) as a part of the Adelaide Festival
- The presentation of a return season of *Beep* (for pre-school children) in Adelaide as part of the 2019 DreamBIG Children's Festival
- A three-week regional South Australian tour of *Big Bad Wolf* in partnership with Country Arts SA
- A six-week national regional tour of *Big Bad Wolf* to Tasmania and New South Wales
- The presentation of *Baba Yaga* at the Ten Days on the Island Festival in Tasmania
- A tour of *Big Bad Wolf* to Auckland, New Zealand
- A nine-week tour of *Beep* to mainland China
- The UK premiere of large-scale family musical *Rumpelstiltskin* at Southbank Centre London for a four-week season
- Creative development of new work, *Hans and Gret* for teenagers
- The delivery of a suite of education resources for South Australian students including an interactive education resource for *Amphibian*

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	Windmill has contributed to this objective by employing 76 artists and arts workers across the 2018-19 year, with many of these individuals engaged on several show seasons and tours. The company also prioritises a minimum of five new artistic collaborations and the employment or engagement of five artists new to the company each year. The company's Adelaide presentations and its expanding touring program create significant employment, allowing artists and arts workers to build sustainable working lives based in South Australia.
Lower costs	With a small, hard-working core team, Windmill works effectively to streamline internal processes and minimise costs wherever possible.
Better Services	Windmill is committed to the creation of exceptional new theatre works and audience experiences. Windmill strives to deliver exceptional services to its patrons including audiences and the South Australian education sector. For every Windmill show, the company develops high quality educational resources that are available free of charge to educators and students. Windmill also has a policy of giving away 15% of tickets to presentations in South Australia free of charge to children from disadvantaged schools, ensuring access for all.

Agency Specific Objectives		
Agency objectives	Indicators	Performance
Deliver the company's work across borders and boundaries.	Minimum one regional tour biennially	Windmill delivered two regional tours across the 2018-19 period. A three-week regional tour of South Australia and a six-week regional tour of NSW and Tasmania of <i>Big Bad Wolf</i> . School workshop programs were also delivered as a part of this tour. A combined total of 4,551 audience members saw <i>Big Bad Wolf</i> across these tours.
	Minimum one national tour annually	Windmill delivered a major national regional tour of <i>Big Bad Wolf</i> during the 2018-19 period. A total audience of 6,276 attended the show during this tour.
	Minimum two presentations in Adelaide annually	Windmill delivered two premiere seasons in Adelaide across 2018-19. This included the world premiere of <i>Amphibian</i> at the Space Theatre to an audience of 3,509 including 457 disadvantaged school students and the Australian premiere of <i>Baba Yaga</i> as a part of the Adelaide Festival to an audience of 2109 including 411 disadvantage school students.
	Agents established in two key international target markets by 2020	Windmill has secured Holden Arts and Associates as a US/Canadian agent and ASK productions as a Mainland China agent.
	Attendance by the AD/EP to at least two key markets and/or festivals per year	Executive Producer attended the Performing Arts Exchange (PAX) in Karratha, WA in September 2018, and International Performing Arts for Youth Showcase (IPAY) in Philadelphia, USA in January 2019.

To be a leading model of interactivity between artists and the public.	Provide up to 15% complimentary tickets to disadvantaged students and communities in Australia annually	<p><i>Amphibian</i> 2018 achieved 19% complimentary tickets, totalling 457 students</p> <p><i>Baba Yaga</i> 2019 achieved 28% complimentary ticket for disadvantaged schools totalling 411 students</p>
	Educator participation rate increase by 5% per year	Middle school professional learning community delivered in 2018 in partnership with Drama South Australia increased teacher engagement by 5% in conjunction with other Windmill programs including the Teachers Big Day Out and post-show opportunities.
	At least two workshops annually	Successful workshop programs delivered for <i>Amphibian</i> and innovative installation and workshop program, <i>Baba Yaga's Pop-up Jungle</i> delivered for <i>Baba Yaga</i> .
	At least 85% positive feedback	Anecdotal feedback exceeded 85% positive feedback indicator for the 2018-19 period
To build diverse income streams, supported by strong fiscal management and governance.	Deliver a budgeted return to reserves over a five-year period	Windmill delivered a deficit of \$29k for the 2018-19 financial year and holds a reserves balance of \$489k at 30/6/19.
	Increase private/government income by at least CPI annually	A 1% increase from 2017-18 to 2018-19 was achieved (excluding Windmill Pictures Pty Ltd funding and in-kind revenue).
	Conduct regular Board and Finance meetings and annual planning day	<p>Six board meetings held in 2018-19 and four Finance, Audit and Risk Committee meetings.</p> <p>Board planning day held in August 2019.</p>

	Financial reports are concise and insightful, and provided in a timely manner	Up to date actual and forecast financial reports are regularly delivered to management, and provided at Board and Finance, Audit and Risk Committee meetings.
	Unqualified audit by auditor general, financial acquittals prepared by deadline	Achieved.
	Prepare annual review of Charter, Performance Statement and Operations Manual including all policies	Annual review of Charter and Performance Statement complete. Operations Manual update in progress, to be provided to the Board November 2019.
	Annual review and evaluation of Board and staff	100% of staff reviews complete. Board self-assessment scheduled for 2020.
To market and communicate the company's creative output and vibrancy to all stakeholders.	External media coverage of at least 100 articles per year	Over the 2018-19 financial year we received 171 media articles or mentions of Windmill or our productions
	At least 70% capacity for each South Australian presentation	Our September 2018 season of <i>Amphibian</i> at the Space Theatre achieved 84% capacity. Our February 2019 season of <i>Baba Yaga</i> at the Queen's Theatre achieved 85% capacity.
	Audience and critical feedback greater than 80% positive	According to post show surveys our two Adelaide seasons received a 95% positive response from audiences
	Communicate successes to all stakeholders at least twice annually	Stakeholder communications took place in November 2018 ahead of <i>Rumpelstiltskin</i> 's London season, and in February 2019 ahead of <i>Baba Yaga</i> 's Australian premiere.

	Receive at least three requests for touring materials annually	Touring material were distributed for <i>Beep</i> at PAX 2018 and IPAY 2019, and to US venues via Holden Arts. <i>Baba Yaga</i> also received multiple touring requests.
Develop branding and marketing materials for Windmill Pictures	Create appropriate WP branding	Branding developed for Windmill Pictures including logo and style guide
Develop marketing and pitching material for the slate of four Windmill pictures projects	<i>School Dance</i> <i>Beep and Mort</i> <i>Hans and Gret</i> <i>Rumpelstiltskin</i>	Marketing and pitching material developed for all three shows on Windmill Pictures slate. <i>Rumpelstiltskin</i> development postponed due to a major Hollywood film of <i>Rumpelstiltskin</i> announced.
Contracting for Chain of Title on four Windmill Pictures Projects	<i>School Dance</i> <i>Beep and Mort</i> <i>Hans and Gret</i> <i>Rumpelstiltskin</i>	Chain of title secured for all projects
Resourcing for Windmill Pictures	Ongoing work on Finance plan for <i>School Dance</i> and <i>Beep and Mort</i>	Secured ABC Kids TV development funding for <i>Beep and Mort</i> Secured SAFC development funding for <i>Beep and Mort</i> Secured SAFC travel grant funding for <i>School Dance</i>
Market development	Ongoing market attendance and development activities	Ongoing market development activities with trip to MIPCOM planned for 2019-20.

Corporate performance summary

Windmill achieved all indicators outlined in the 2018-19 performance statement. This included the following financial performance targets:

- i. Windmill exceeded its \$500,000 non-State Government sourced revenues target generating \$1,288,000 in non-State Government revenue.
- ii. Expenditure was maintained within approved budget parameters

- iii. The Company improved its non-government funding by 9% compared to 2017-18 (excluding in-kind sponsorship).

Windmill also achieved its non-financial corporate performance targets for 2018-19 including the following:

- i. Presented a premiere season of new work *Amphibian* (for children aged 10 plus) in the Space Theatre, Adelaide
- ii. Presented an Australian premiere season of *Baba Yaga* (for children aged seven plus) in partnership with the Adelaide Festival.
- iii. Presented a return season of *Beep* (for pre-schoolers) in Adelaide as part of the 2019 DreamBIG Children's Festival
- iv. Undertook a three-week South Australian regional tour of *Big Bad Wolf* in partnership with Country Arts SA
- v. Undertook a six-week national regional tour of *Big Bad Wolf* to Tasmania and New South Wales
- vi. Presented a season of *Baba Yaga* at the Ten Days on the Island Festival in Tasmania
- vii. Toured *Big Bad Wolf* to Auckland, New Zealand
- viii. Undertook a nine-week tour of *Beep* to mainland China
- ix. Premiered large-scale family musical *Rumpelstiltskin* at Southbank Centre London for a four-week season
- x. Began creative development of *Hans and Gret*, a new work for teenagers
- xi. Delivered a new interactive education resource for *Amphibian*

Employment opportunity programs

Program name	Performance
2018-19 Season Activities	In addition to the nine employees in core roles, the 2018-19 financial year also saw Windmill Theatre Co and Windmill Pictures Pty Ltd engage 67 artists and arts workers in the creation and presentation of the company's work. Many of these individuals were involved in several productions across the year.
Work Experience Program	Secondary School students from Balaklava High School participated in the rehearsal of new work <i>Amphibian</i> in August 2018. They observed and interviewed key creatives, assisted with production coordination and experienced the creative process in action.
Secondments	Windmill provides opportunities for undergraduate and post-graduate students, as well as early career professionals, to undertake intensive placements alongside creative development of new works. Individuals participated in the rehearsal period of <i>Amphibian</i> and <i>Baba Yaga</i> .

Agency performance management and development systems

Performance management and development system	Performance
Staff Performance and Development Reviews	<p>The Board completed performance reviews for the two Chief Executives in April 2019.</p> <p>All staff reviews were completed in September 2018.</p> <p>This will result in 100% of staff having received a performance and development review in the past 12 months (80% in 2018-19).</p>
Training and development spend	\$13,778 spent on training and development in 2018-19, which equates to \$2,026 per FTE (\$877 per FTE in 2017-18).

Work health, safety and return to work programs

Program name	Performance
WHS Policy and Procedure Maintenance	In April 2019, Windmill engaged Business SA to review and update the company WHS Manual, and produce a WHS Handbook.

Workplace injury claims	Current year 2018-19	Past year 2017-18	% Change
Total new workplace injury claims	0	1	-100%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2018-19	Past year 2017-18	% Change
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2018-19	Past year 2017-18	% Change 0%
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/work-health-safety-and-return-to-work-programs-of-the-agency-and-their-effectiveness>

Executive employment in the agency

Executive classification	Number of executives
Executive Producer	1
Artistic Director	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/windmill-theatre-co-executive-employment>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2018-19 are attached to this report.

Windmill recorded a \$29k deficit in 2018-19, which was an improvement on the approved budget of \$90k deficit. This resulted in a reserves balance at 30 June 2019 of \$489k (\$139k Special Projects/International Touring Fund and \$350k General Reserves.)

One of Windmill's Strategic Goals, as outlined in our 2016-2020 Strategic Plan, is to build the company's reserves to 20% of revenue to enable strategic investment in major company projects as and when required. The \$489k reserves balance at 30 June 2019 represents 21% of average revenue (based on the past five year's results).

Statement of Comprehensive Income	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Expenses	2,517	2,511	(6)	2,817
Revenues	1,266	1,288	22	1,278
Net cost of providing services	(1,251)	(1,223)	28	(1,539)
Net Revenue from SA Government	1,161	1,194	33	1,487
Net result	(90)	(29)	61	(52)
Total Comprehensive Result	(90)	(29)	61	(52)

Please note that Windmill does not prepare a budgeted Statement of Financial Position.

Statement of Financial Position	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Current assets	N/A	866	N/A	891
Non-current assets	N/A	55	N/A	121
Total assets	N/A	921	N/A	1,012
Current liabilities	N/A	363	N/A	477
Non-current liabilities	N/A	69	N/A	78
Total liabilities	N/A	432	N/A	555
Net assets	428	489	61	518
Equity	428	489	61	518

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various (Windmill Pictures Pty Ltd)	\$8,000

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
No consultancies with a contract value above \$10,000 each.		\$0
	Total	\$0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/windmill-theatre-co-consultants>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$149,312

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Comunet	IT Support	Commercial in confidence

Contractors	Purpose	\$ Actual payment
Digital Noir	Web design	Commercial in confidence
Love and Money	Web Design	Commercial in confidence
Creative Representation	Writing Services (Windmill Pictures Pty Ltd)	Commercial in confidence
MacLeay Williams	Legal services (Windmill Pictures Pty Ltd)	Commercial in confidence
	Total	\$98,876

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/windmill-theatre-co-external-contractors>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Other information

N/A

Risk management

Risk and audit at a glance

Windmill seeks to identify and evaluate its exposures to risk through its annual 'Risk Assessment' process. Windmill strives to eliminate, or reduce as far as practicable, the conditions and practices which provide risk exposure.

Windmill Theatre Co was issued with an unqualified audit opinion from the Auditor General for its 2018/19 financial statements.

Fraud detected in the agency

Category/nature of fraud	Number of instances
No instances of fraud detected in the period	N/A

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The annual Financial Compliance Program assessment provides a thorough review of policies and procedures to ensure that effective controls are in place to mitigate the risk of fraud.

Every month the Executive Producer reviews the finance reports – including analysis of major variances to forecast and budget figures, and balance sheet reconciliations. The Finance, Audit and Risk Committee and Board are also provided with finance reports and variance analysis at each of their meetings.

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/fraud-detected-in-the-agency>

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the <i>Whistle-blowers' Protection Act 1993</i>	0
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Data for the past five years is available at:
<https://data.sa.gov.au/data/dataset/windmill-theatre-co-whistleblowers-disclosure>

Reporting required under any other act or regulation

N/A

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Number of public complaints reported (as required by the Ombudsman)

Public complaints received by Australian Children's Performing Arts Company	
Category of complaints by subject	Number of instances
Service quality/delivery	0
Behaviour of staff	0
Services access/processes/procedures	0
Other complaints	0

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/windmill-theatre-co-complaints-by-subject>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/windmill-theatre-co-complaints-by-subject>

Service Improvements resulting from complaints or consumer suggestions over 2018-19
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N/A

Appendix: Audited financial statements 2018-19



Level 9
State Administration Centre
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To the Chair of the Board Australian Children's Performing Arts Company

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 13(3) of the schedule to the *Public Corporations Act 1993*, I have audited the financial report of the Australian Children's Performing Arts Company for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Australian Children's Performing Arts Company as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Chair Finance Committee, the Executive Producer and the Business Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Australian Children's Performing Arts Company. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Executive Producer and the Board for the financial report

The Executive Producer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

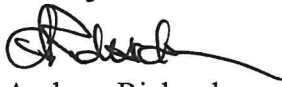
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an 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 this financial report.

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

- 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 my 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
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Producer
- 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Executive Producer about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a stylized, flowing script.

Andrew Richardson

Auditor-General

16 August 2019

AUSTRALIAN CHILDREN'S PERFORMING ARTS COMPANY
Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Australian Children's Performing Arts Company:

- comply with relevant Treasurers Instructions issued under section 41 of the Public Finance and Audit Act 1987, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of authority; and
- present a true and fair view of the financial position of the Australian Children's Performing Arts Company as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Australian Children's Performing Arts Company for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Bruce Speirs
Chair
13 August 2019



Rodney Harrex
Chair Finance Committee
13 August 2019



Kaye Weeks
Executive Producer
13 August 2019



Genevieve Fischer
Business Manager
13 August 2018 2019 C.B.

Australian Children's Performing Arts Company

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

	<i>Note</i>	2019 \$'000	2018 \$'000
EXPENSES			
Supplies and services	2	1,662	1,655
Employee benefits expenses	3	826	819
Grants paid	4	-	320
Depreciation expenses	5	23	23
Total Expenses		<u>2,511</u>	<u>2,817</u>
INCOME			
Commonwealth revenues	6	548	503
Program revenues	7	538	402
Sponsorship	8	6	101
Private grants	9	74	94
Service fees	10	60	31
Donations	11	27	54
Other revenues	12	35	93
Total Income		<u>1,288</u>	<u>1,278</u>
Net cost of providing services		<u>(1,223)</u>	<u>(1,539)</u>
Revenues from SA Government			
Revenues from SA Government	13	<u>1,194</u>	<u>1,487</u>
NET RESULT		<u>(29)</u>	<u>(52)</u>
TOTAL COMPREHENSIVE RESULT		<u>(29)</u>	<u>(52)</u>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Australian Children's Performing Arts Company

STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	<i>Note</i>	2019 \$'000	2018 \$'000
CURRENT ASSETS			
Cash and cash equivalents	14	712	891
Receivables	15	154	121
Total Current Assets		<u>866</u>	<u>1,012</u>
NON-CURRENT ASSETS			
Plant and equipment	16	35	41
Other financial assets	17	20	20
Total Non-Current Assets		<u>55</u>	<u>61</u>
TOTAL ASSETS		<u>921</u>	<u>1,073</u>
CURRENT LIABILITIES			
Payables	18	126	115
Other liabilities	19	207	310
Employee benefits	3	30	52
Total Current Liabilities		<u>363</u>	<u>477</u>
NON-CURRENT LIABILITIES			
Payables	18	4	7
Employee benefits	3	65	71
Total Non-Current Liabilities		<u>69</u>	<u>78</u>
TOTAL LIABILITIES		<u>432</u>	<u>555</u>
NET ASSETS		<u>489</u>	<u>518</u>
EQUITY			
Retained earnings		<u>489</u>	<u>518</u>
TOTAL EQUITY		<u>489</u>	<u>518</u>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Australian Children's Performing Arts Company

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2017	570	570
Net result for 2017-18	(52)	(52)
Total Comprehensive Result for 2017-18	(52)	(52)
Balance at 30 June 2018	518	518
Net result for 2018-19	(29)	(29)
Total Comprehensive Result for 2018-19	(29)	(29)
Balance at 30 June 2019	489	489

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Australian Children's Performing Arts Company

STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Outflows			
Payments for supplies and services		(1,807)	(1,708)
Employee benefit payments		(837)	(827)
Grants paid		-	(320)
Deposits paid		(29)	(20)
Cash used in operations		<u>(2,673)</u>	<u>(2,875)</u>
Cash Inflows			
Program and other receipts		747	682
Commonwealth receipts		497	649
Interest received		12	16
GST recovered from ATO		43	34
Cash generated from operations		<u>1,299</u>	<u>1,381</u>
Cash Flows from SA Government			
Receipts from SA Government		1,214	1,487
Cash generated from SA Government		<u>1,214</u>	<u>1,487</u>
Net Cash provided by (used in) Operating Activities		<u>(160)</u>	<u>(7)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash Outflows			
Purchases of plant and equipment		(19)	(6)
Cash used in investing activities		<u>(19)</u>	<u>(6)</u>
Net Increase (decrease) in cash and cash equivalents		(179)	(13)
Cash and cash equivalents at the beginning of the period		891	904
Cash and cash equivalents at the end of the period	14	<u>712</u>	<u>891</u>

The accompanying notes form part of these financial statements.

Australian Children's Performing Arts Company

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. About Australian Children's Performing Arts Company

Australian Children's Performing Arts Company (ACPAC) is a subsidiary of the Minister for Education. ACPAC was established by Regulations under the Public Corporations Act 1993.

ACPAC has a fully-owned subsidiary, Windmill Pictures Pty Ltd. The activities of Windmill Pictures Pty Ltd are not material and have not been consolidated in accordance with AASB 10. ACPAC will re-assess the materiality of Windmill Pictures Pty Ltd to Windmill Theatre Co annually.

Further details about this subsidiary can be found at note 20.

1.1 Basis of Preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant *Australian Accounting Standards* (Reduced Disclosure Requirements)

For the 2018-19 financial statements ACPAC adopted AASB 9 - Financial Instruments and is required to comply with the new Treasurer's Instructions.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2 Objectives of the Australian Children's Performing Arts Company

ACPAC's functions are to produce, present, facilitate, manage and promote high quality performing arts productions and other arts activities for children, young people, families, schools and other groups or bodies, both within the State, nationally and internationally.

1.3 Related Party Transactions

Related parties of ACPAC include its subsidiary Windmill Pictures Pty Ltd, all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

ACPAC has recharged Windmill Pictures Pty Ltd \$60,000 for producing, marketing and administrative services provided.

2. Supplies and services

	2019 \$'000	2018 \$'000
Artist / contractor expenses	533	367
Production costs	501	397
Marketing, publicity & sponsorship expenses	113	115
Theatre costs	106	153
Operating lease - premises	87	83
Marketing productions	72	108
Education program expenses	65	73
Travel & accommodation	36	39
IT & communications	34	31
Audit fees - Auditor-General's Department	23	24
Minor capital expenditure	14	37
In-kind advertising, marketing, accommodation and events costs	5	100
Other sundry expenses	73	128
Total Supplies and services	1,662	1,655

Program expenditure (production costs, artist/contractor expenses, theatre costs, marketing productions)

Program expenditure related to a performance season is recognised when a season is complete. Program expenditure related to performance seasons in progress at reporting date are recognised in the Statement of Financial Position as an asset (prepayments) until the production is complete. Program expenditure that is not related to a performance season (eg. creative development) is recognised as incurred.

Operating lease - premises

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Minor capital expenditure

On 1 July 2017 ACPAC changed its accounting policy to capitalise plant and equipment equal to or in excess of \$3,000 (previously \$1,000). Minor capital expenditure in 2017-18 includes \$19,000 of assets purchased prior to 1/7/2017 for less than \$3,000.

3. Board and employees

Key Management Personnel

Key management personnel includes the Minister, members of the Board, the Executive Producer and Artistic Director.

Total compensation for ACPAC's key management personnel during the reporting period ended 30 June 2019 was \$293,000 (2018: \$296,000). Salaries and other benefits the Minister for Education receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

ACPAC has not entered into any transactions with KMP's.

Board members and remuneration

Members of the Board of Directors during the reporting period were:

Mr Bruce Speirs (Chair)
Ms Rosey Batt
Ms Rosalba Clemente (retired 24th April 2019)
Ms Sophie Doyle
Mr Rodney Harrex
Mr Adam Smith (retired 3rd July 2018)
Ms Deonne Smith
Mr Chris Stewart (appointed 16th October 2018)

No members of the Board of Directors received remuneration from ACPAC during the reporting period ended 30 June 2019 (2018: Nil).

Except for members of the Board of Directors receiving complimentary tickets to productions, transactions with members are on conditions no more favourable than those that it is reasonable to expect ACPAC would have adopted if dealing with the related party at arm's length in the same circumstances.

Employee Benefits Expenses

	2019	2018
	\$'000	\$'000
Salaries & wages	678	656
Annual and long service leave	50	69
Employment on-costs - superannuation	71	68
Employment on-costs - other	27	26
Total Employee Benefits Expenses	826	819

Employee benefit expenses include all costs related to employment including salaries and wages, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by ACPAC to various superannuation plans in respect of current services of current ACPAC staff.

Executive Remuneration

	2019	2018
	No.	No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$149,000 to \$151,000	N/A	-
\$151,000 to \$171,000	1	-
Total	1	-

The \$149,000 to \$151,000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2018-19.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Employee benefits liability

	2019	2018
	\$'000	\$'000
Current		
Accrued salaries & wages	12	12
Annual leave	18	40
Total Current Employee benefits	30	52
Non-current		
Long service leave	65	71
Total Non-current Employee Benefits	65	71
Total Employee benefits	95	123

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

The liability for long service leave is recognised after an employee has completed 5 years of service. This calculation is consistent with ACPAC's experience of employee retention and leave taken. Details about the measurement of long service leave liability is provided at note 24.1.

4. Grants paid

	2019 \$'000	2018 \$'000
Windmill Pictures Pty Ltd operational funding	-	320
Total Grants Paid	-	320

5. Depreciation expenses

	2019 \$'000	2018 \$'000
Leasehold improvements	13	12
Office equipment	6	8
Computer equipment	4	3
Total Depreciation Expenses	23	23

All non-current assets having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Useful Life

Depreciation of plant and equipment is calculated on a straight-line basis over the estimated useful life of the following classes of assets:

Class of Asset	Useful life (years)
Leasehold Improvements	Life of lease
Computer Equipment	3 - 5
Office Equipment	5 - 7

6. Commonwealth revenues

	2019 \$'000	2018 \$'000
Australia Council:		
General	306	303
Special purpose grants - productions	242	166
Creative Partnerships		
Special purpose grants - productions	-	22
Austrade:		
Special purpose grants - export market development	-	12
Total Commonwealth revenues	548	503

Australia Council

ACPAC currently has a four year funding agreement expiring on 31 December 2020 with Australia Council for general operating purposes. Other Australia Council contributions are program and timeframe specific based upon the success of the individual grant applications.

Grants from the Commonwealth government are recognised as revenue when ACPAC obtains control over the funding. Control over grants is normally obtained upon receipt, unless the grant discloses conditional stipulations including specified project timeframes, in which case it is recognised in the Statement of Financial Position as a liability (unearned revenue) until the enforceable stipulations in the funding agreement occur or are satisfied.

There was \$140,000 of 'special purpose grants - productions' received in 2018-19 from Australia Council which have conditions of expenditure related to touring activities in 2019-20. These contributions are recognised as a liability (unearned revenue).

7. Program Revenues

	2019 \$'000	2018 \$'000
Box office	79	233
Presenter fees	381	129
Program partnerships	45	21
Other program recoveries	33	19
Total Program revenues	538	402

Program revenues are recognised when a production is complete. Presenter fees, program partnership fees, box office income and other program recoveries for future productions and productions in progress at reporting date are recognised in the Statement of Financial Position as a liability (revenue received in advance) until the production is complete.

During the year Presenters paid for a number of productions to tour in the following locations:

	2019 No.	2018 No.
National	3	2
International	3	1
Total number of production tours	6	3

Program partnerships

There were two program partners in 2018-19 (1 in 2017-18).

8. Sponsorship

	2019 \$'000	2018 \$'000
Sponsorship - commercial	1	1
Sponsorship - commercial - in kind	5	100
Total Sponsorship	6	101

In-kind sponsorship is recognised in the period that the in-kind goods or services are received.

At 30 June 2018 ACPAC's contract with Channel 7 changed from a formal in-kind sponsorship (\$78,000 in-kind sponsorship income recognised in 17-18) to continuing support on an informal basis. In 2017-18 ACPAC also recognised in-kind sponsorship of discounted rates from two suppliers that were not used in 2018-19.

9. Private grants

	2019 \$'000	2018 \$'000
Grants from trusts & foundations	74	94
Total Private Grants	74	94

10. Service fees

	2019 \$'000	2018 \$'000
Producing Fees	38	8
Administrative Fees	12	4
Marketing Fees	10	2
Directing Fees	-	17
Total Service Fees	60	31

In 2018-19 and 2017-18 ACPAC provided producing, administrative and marketing services to its subsidiary, Windmill Pictures Pty Ltd. These expenses were recharged based on commercial rates for similar services.

In 2017-18 ACPAC provided directing services to a third party.

11. Donations

	2019 \$'000	2018 \$'000
Donations - General	27	32
Donations - Major Gifts	-	22
Total Donations	27	54

In 2017-18 ACPAC received a major gift of \$22,000 to support the 2018-19 Rumpelstiltskin Southbank Season. No major gifts were received in 2018-19.

12. Other revenues

	2019 \$'000	2018 \$'000
Interest	13	17
Insurance claim revenue	10	-
Return on film investment funding	5	26
Education income	3	-
Merchandise sales	-	33
Theatre hire received free of charge	-	15
Miscellaneous revenue	4	2
Total Other revenues	35	93

Return on film investment funding.

In 2014-15 ACPAC invested \$255,000 in the feature film 'Girl Asleep'. The return on film investment funding represents ACPAC's entitlement to a share of distribution receipts, in proportions set out in the Production Investment Agreement.

Return on film investment funding is recognised upon receipt.

13. Revenues from SA Government

	2019 \$'000	2018 \$'000
Operating grant	1,111	1,084
Windmill Pictures Pty Ltd operational funding	-	320
Special purpose grants	83	83
Total Revenues from SA Government	1,194	1,487

Grants from the State government are recognised as revenue when ACPAC obtains control over the funding. Control over funding is normally obtained upon receipt, unless the grant has conditional stipulations including specified timeframes, in which case it is recognised in the Statement of Financial Position as a liability (unearned revenue) until the enforceable stipulations in the funding agreement occur or are satisfied.

14. Cash and cash equivalents

	2019 \$'000	2018 \$'000
Cash on hand	1	1
Short term deposit - SAFA	482	698
Cash at bank	229	192
Total Cash and cash equivalents	712	891

Cash is measured at nominal amounts.

Short-term deposits

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with SAFA and earn interest at the respective short-term deposit rates.

15. Receivables

	2019 \$'000	2018 \$'000
Debtors	2	19
Security deposits paid	74	45
Accrued income	4	25
Prepayments for future productions	53	12
Other prepayments	21	20
Total Receivables	154	121

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting contractual cash flows and they are measured at amortised cost.

16. Plant and equipment

	2019 \$'000	2018 \$'000
Leasehold improvements at cost (deemed fair value)	49	49
Accumulated depreciation at the end of the period	(43)	(30)
Total leasehold improvements	6	19
Office equipment at cost (deemed fair value)	41	41
Accumulated depreciation at the end of the period	(31)	(25)
Total office equipment	10	16
Computer Equipment at cost (deemed fair value)	34	18
Accumulated depreciation at the end of the period	(15)	(12)
Total computer equipment	19	6
Total Plant and equipment	35	41

Plant and equipment with a value equal to or in excess of \$3,000 is capitalised, otherwise it is expensed.

Plant and equipment is recorded at fair value. Detail about ACPAC's approach is set out in note 24.2.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Reconciliation of Plant and Equipment

The following table shows the movement in plant and equipment during the reporting period:

	Leasehold improvements \$'000	Office equipment \$'000	Computer equipment \$'000	Total \$'000
2018-19				
Carrying amount at the beginning of the period	19	16	6	41
Acquisitions	-	-	19	19
Depreciation expenses	(13)	(6)	(4)	(23)
Write off stolen asset partially depreciated	-	-	(2)	(2)
Carrying amount at the end of the period	6	10	19	35

17. Other financial assets

	2019 \$'000	2018 \$'000
Term deposit	20	20
Total other financial assets	20	20

Other financial assets are measured at historical cost.

18. Payables

	2019 \$'000	2018 \$'000
Current		
Creditors	43	60
Employment on-costs	27	7
Accrued expenses	31	37
GST Payable	25	11
Total Current Payables	126	115
Non-current		
Employment on-costs	4	7
Total Non-Current Payables	4	7
Total Payables	130	122

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include WorkCover levies and superannuation contributions. ACPAC makes contributions to several externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave remains unchanged from the 2018 rate of 41%.

19. Other liabilities

	2019 \$'000	2018 \$'000
Unearned revenue - Commonwealth Government	140	239
Unearned revenue - Presenter fees	17	41
Unearned revenue - SA Govt special purpose grants	50	30
Total Other liabilities	207	310

Unearned revenue - Government grants

The contributions disclosed have conditional stipulations attached, including specified project timeframes and unspent contributions must be returned to the contributor.

20. *Subsidiary*

In August 2017, ACPAC established a wholly owned subsidiary, Windmill Pictures Pty Ltd. This entity was established to facilitate stage-to-screen adaptations of Windmill Theatre Co productions. The financial position and performance of the subsidiary for 2018-19 is provided below:

	2019 \$'000	2018 \$'000
Statement of Financial Position		
Current assets	49	238
Non-current assets	-	-
Current liabilities	49	238
Non-current liabilities	-	-
Equity	<u>-</u>	<u>-</u>
	2019 \$'000	2018 \$'000
Statement of Comprehensive Income		
Income	168	140
Expense	(168)	(140)
Net gain (loss) before tax	<u>-</u>	<u>-</u>

21. *Unrecognised contractual commitments*

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2019 \$'000	2018 \$'000
Within one year	44	86
Later than one year and not later than five years	-	44
Total Operating Lease Commitments	<u>44</u>	<u>130</u>

The commitments disclosed in 2019 represents ACPAC's lease of office accommodation at 2/234 Sturt Street, Adelaide. The lease is non-cancellable and expires on 1 January 2020.

22. *Contingent assets and liabilities*

ACPAC is not aware of any contingent assets and liabilities.

23. *Events after the end of reporting period*

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

There were no events at the end of the reporting period that have material financial implications on these financial statements.

24. Measurement and Risk

24.1 Long Service Leave - Measurement

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability. AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government Bonds has decreased from 2018 (2.5%) to 2019 (1.25%).

The decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the changes to actuarial assumptions in the current financial year is immaterial. The impact on the future periods is impracticable to estimate.

24.2 Fair Value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial Recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life of between three and five years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

25. Financial instruments

Financial risk management

Risk management is managed by the Executive Producer and Business Manager. ACPAC's Risk Management Policy is in accordance with the Risk Management Policy Statement issued by the Premier and Treasurer and the principles established in the Australian Standard Risk Management Principles and Guidelines.

ACPAC's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

ACPAC is funded principally from appropriation by the SA Government. ACPAC works with the Department for Education to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments
- Loan and receivables
- Financial liabilities measured at cost.

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

ACPAC measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2019 Carrying amount (\$'000)
Financial assets		
Cash and cash equivalents	14	712
Financial assets at amortised cost		
Receivables	15	80
Other financial assets	17	20
Total financial assets		812
Financial liabilities		
Financial liabilities at amortised cost		
Payables	18	49
Total financial liabilities		49

Category of financial asset and financial liability	Note	2018 Carrying amount (\$'000)
Financial assets		
Cash and cash equivalents	14	891
Financial assets at amortised cost		
Receivables	15	89
Other financial assets	17	20
Total financial assets		1,000
Financial liabilities		
Financial liabilities at amortised cost		
Payables	18	85
Total financial liabilities		85

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 15.