



# Australian Children's Performing Arts Company

## **2017-18 Annual Report**

Australian Children's Performing Arts Company

2/234 Sturt Street, ADELAIDE SA 5000  
PO Box 12017, STURT STREET SA 5000

[windmill.org.au](http://windmill.org.au)

Contact phone number	8210 7200
Contact email	info@windmill.org.au
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To:

The Hon Steven Marshall  
Premier of South Australia

This annual report is to be presented to Parliament to meet the statutory reporting requirements of *Public Corporations (Australian Children's Performing Arts Company) Regulations 2016* and the *Public Finance and Audit Act 1987* and meets 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:

Kaye Weeks

Executive Producer



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Signature

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## **Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987***

### **Agency purpose or role**

Windmill Theatre Co's purpose is to be a leading centre for the creation of incredible theatrical works for children, teenagers and families.

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.

An innovative convergence of live theatre and film, our screen arm Windmill Pictures is dedicated to producing inventive and richly-imagined film and television works from our live theatre repertoire.

### **Objectives**

- To be a leading centre for the creation of incredible theatrical works
- To deliver our work across borders and boundaries
- To be a leading model of interactivity between artists and the public
- 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

### **Key strategies and their relationship to SA Government objectives**

<b>Key strategy</b>	<b>SA Government objective</b>
Employ established and emerging high-calibre artists to make world class theatre aligned with Windmill's distinctive house style	Create year-round job opportunities for artists and arts workers Ensure South Australia's creative sector thrives throughout the year Develop optimism and renewed confidence within the state
Work in partnership with our network of regional, national and international presenters to showcase our work to diverse audiences and territories	Build a state that reaches its potential through its reputation for producing high quality cultural export Meet the needs of regional and rural South Australia

Key strategy	SA Government objective
Strengthen our connections between our audiences and our shows through innovative online platforms and resources aligned to our theatrical work	<p>Ensure every child will grow up safe, healthy and well-educated</p> <p>Develop and deliver a state-wide Digital Access Plan</p>
Maintain a sound company reserve and increase income through leveraging private and public sector support	<p>Examine arts governance and encourage more resourcefulness</p> <p>Task arts boards to have stronger focus on diversifying funding sources</p>
Strengthen the Windmill brand and profile its extensive activity to key stakeholder groups through the creation and delivery of distinctive marketing collateral and regular strategic communications activities	<p>Ensure benefits of the Arts Plan are able to be realised across the range of sectors where the community interacts with the government</p> <p>Facilitate engagement between Arts and other government functions, as well as the corporate and philanthropic sectors</p> <p>Encourage artists and families to reside in South Australia to build a career and a business</p>
Leverage a selection of the company's successful live theatre work into bold and distinctive film and television projects, produced in South Australia	<p>Strengthen state message, 'We're open for business'</p> <p>Make South Australia strong and respected</p> <p>Encourage businesses to invest, expand and employ more people</p> <p>Task arts boards to have stronger focus on diversifying funding sources</p>

## Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Development of new theatrical works	<p>We created three new theatrical works and began development on two new screen works in 2017-18.</p> <p><b>Windmill Theatre Co</b>  <i>Beep</i>, a new work co-created by Sam Haren, Jonathon Oxlade and Katherine Fyffe, produced by Windmill Theatre Co. Advanced development and rehearsal undertaken in August 2017. The work is suitable for children aged two to seven years.</p> <p><i>Baba Yaga</i>, a new work co-created by Rosemary Myers, Shona Reppe and Christine Johnston, co-commissioned by Windmill Theatre Co and Imagine. Development and rehearsal undertaken in October 2017, February 2018 and April 2018. The work is suitable for children aged seven to 12 years and will premiere in Australia at the 2019 Adelaide Festival.</p> <p><i>Amphibian</i>, a new work written by Duncan Graham, produced by Windmill Theatre Co. First stage development undertaken in September 2017. The work is suitable for children and teens aged 12 and over.</p> <p><b>Windmill Pictures</b>  <i>School Dance</i>, a new feature film directed by Rosemary Myers, produced by Windmill Pictures. Script development undertaken in February 2018. The film is suitable for ages 13 and over.</p> <p><i>Beep &amp; Mort</i>, a new television series, produced by Windmill Pictures. Television bible development undertaken in June 2018. The work is suitable for children aged two to seven years.</p>	<p>Through commissioning established and emerging artists to develop new theatre works, Windmill creates significant employment for artists and arts workers.</p> <p>By creating original Australian stories and making shows here in Adelaide Windmill enhanced the brand and reputation of South Australia as a creative state.</p> <p>Through the international co-commission of <i>Baba Yaga</i>, Windmill brought income to South Australia from Scotland to create the new work.</p> <p>Windmill Pictures attracted federal funding from Screen Australia for story development of a new film.</p> <p>Windmill Pictures has the potential to stimulate creative industry in the state through the making of film and television.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Presentation of theatrical works (Adelaide)	<p>We presented three live theatre productions in Adelaide 2017-18, equating to 69 performances with a total attendance of 13,617.</p> <p><i>Beep</i>, co-created by Sam Haren, Jonathon Oxlade and Katherine Fyffe, produced by Windmill Theatre Co, World Premiere, August 2017, Space Theatre, 22 performances, total attendance 3,685.</p> <p><i>Big Bad Wolf</i>, written by Matthew Whittet, produced by Windmill Theatre Co, October 2017, Space Theatre, 21 performances, total attendance 3,857.</p> <p><i>Grug and the Rainbow</i>, produced by Windmill Theatre Co, April 2018, Space Theatre, 26 performances, total attendance 6,075.</p>	This program provided quality theatre experiences for children and families in South Australia.

<p>Presentation of theatrical works (Regional South Australia, National and International Touring)</p>	<p>Windmill has established an extensive regional, national and international touring program of its all-original theatrical works. In 2017-18 this program delivered 134 performances to 22,138 people outside of Adelaide.</p> <p><i>The Ballad of Pondlife McGurk</i>, co-produced by Windmill Theatre Co and Barking Gecko Theatre Company, with Catherine Wheels Theatre Company. Victorian Regional Tour (August 2017): Carrum Downs, 1 performance, total attendance 71; Roxburgh Park, 1 performance, total attendance 80; Murrayville, 1 performance, total attendance 44; Yarram, 1 performance, total attendance 51; Woodend, 1 performance, total attendance 140; Bendigo, 1 performance, total attendance 120; Wedderburn, 1 performance, total attendance 96; Heidelberg, 2 performances, total attendance 192; Wendouree, 1 performance, total attendance 52.</p> <p><i>Grug</i>, produced by Windmill Theatre Co. Mainland China Tour (November-December 2017): Chengdu, 8 performances, total attendance 1,250; Changde, 6 performances, total attendance 1,075; Zhengzhou, 7 performances, total attendance 1,035.</p> <p><i>Grug and the Rainbow</i>, produced by Windmill Theatre Co, Australian National Tour (August-October 2017): Burnie, 3 performances, total attendance 814; Sydney, 6 performances, total attendance 1308; Casula, 2 performances, total attendance 366; Wagga Wagga, 4 performances, total attendance 969; Murwillumbah, 5 performances, total attendance 1239; Brisbane, 5 performances, total attendance 1222; Parramatta, 4 performances, total attendance 594; Penrith, 5 performances, total attendance 1001; Maroondah, 5 performances, total</p>	<p>This program strengthened the brand of Windmill as a creator and exporter of high-quality arts.</p> <p>It also helped consolidate South Australia's reputation as a world leader in the creation of art, particularly for children, young people and families.</p> <p>The program has provided employment for South Australian artists, while contributing to their ongoing professional development, artistic practice and enhanced reputation.</p>
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	<p>attendance 1146; Burrinja, 2 performances, total attendance 472; Bendigo, 2 performances, total attendance 753; Wellington, 3 performances, total attendance 501; Warrnambool, 4 performances, total attendance 638; Geelong, 5 performances, total attendance 648.</p> <p><i>Grug and the Rainbow</i>, co-presented by Windmill Theatre Co and Country Arts SA, South Australian Regional Tour (October-November 2017): Port Lincoln, 2 performances, total attendance 324; Roxby Downs, 2 performances, total attendance 139; Whyalla, 2 performances, total attendance 564; Port Pirie, 3 performances, total attendance 866; Renmark, 1 performance, total attendance 117; Mount Gambier, 2 performances, total attendance 602; Noarlunga, 3 performances, total attendance 854.</p> <p><i>Baba Yaga</i>, co-created by Rosemary Myers, Shona Reppe and Christine Johnston, co-produced by Windmill Theatre Co and Imagine, World Premiere, Edinburgh International Children's Festival, Scotland (June 2018) 12 performances, total attendance 1,170. Scotland Regional Tour (May 2018): Dunfermline, 2 performances, total attendance 69; Perth, 5 performances, total attendance 197; Aberdeen, 2 performances, total attendance 140; Lerwick, 3 performances, total attendance 531; Wick, 2 performances, total attendance 91; St Andrews, 1 performance, total attendance 40; Paisley, 2 performances, total attendance 180; Greenock, 2 performances, total attendance 97; Dumfries, 2 performances, 280 attendance.</p>	
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Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
	<p>South Australian regional touring: 15 performances, total attendance 3,466.</p> <p>Australian national touring: 65 performances, total attendance 12,517.</p> <p>International touring: 54 performances, total attendance 6,155.</p>	

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Screening of film and television programs	<p><i>Rumpelstiltskin</i>, a Windmill Theatre Co and State Theatre Company South Australia production, film screening presented by Australian National Theatre Live. Australian National Screening Program (July 2017 – January 2018): Charters Towers, 6 screenings, total attendance 300; Mt Compass, 1 screening, total attendance 50; Burra, 1 screening, total attendance 50; Tintinara, 1 screening, total attendance 50; Goolwa, 1 screening, total attendance 50; Bright, 1 screening, total attendance 50; Nambour, 10 screenings, total attendance 500; Port Macquarie, 10 screenings, total attendance 500; Nambucca Heads, 10 screenings, total attendance 500; Singleton, 10 screenings, total attendance 500; Sawtell, 10 screenings, total attendance 500; Margaret River, 1 screening, total attendance 50; Parramatta, 1 screening, total attendance 50; Margaret River, 1 screening, total attendance 50; Beverley Hills, 2 screenings, total attendance 100; Cronulla, 2 screenings, total attendance 100; Newcastle, 2 screenings, total attendance 100; Noosa, 2 screenings, total attendance 100; Chermide, 2 screenings, total attendance 100; Adelaide, 2 screenings, total attendance 100; Innaloo, 2 screenings, total attendance 100; Sydney, 4 screenings, total attendance 200; Logan City, 2 screenings, total attendance 100; Parramatta, 10 screenings, total attendance 500; Lismore, 3 screenings, total attendance 150; Townsville, 2 screenings, total attendance 129; Whyalla, 1 screening, total attendance 25.</p> <p>100 screenings across Australia, total attendance 5,004.</p>	This program provided an access point for South Australian children from regional and remote areas to experience high quality, professional musical theatre in their local cinema.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Education Program	<p>Across the 2017-18 period Windmill provided a range of access points and experiences for educators and students.</p> <p>We engaged a total of 6,984 students and teachers from 155 South Australian schools across 47 education performances of <i>Beep</i>, <i>Big Bad Wolf</i>, and <i>Grug and the Rainbow</i> in locations including Adelaide, Renmark, Mt Gambier, Port Pirie, Whyalla, Roxby Downs, and Port Lincoln.</p> <p>Curriculum-aligned learning materials were generated for productions and a general audit and update of all existing Windmill learning materials was undertaken.</p> <p>Digital learning was a focus point of 2017 and a new online delivery model for study guides was developed in line with the launch of a major new digital education initiative, <i>Girl Asleep; An Interactive Journey</i>, which was delivered free to over 300 South Australian school sites. In conjunction with these digital initiatives, the education section of the website was overhauled to deliver resources to teachers in a clearer and simpler manner.</p> <p>Outreach education workshops were held at disadvantaged school sites in both southern and western schools.</p>	<p>With a focus on nurturing literacy and arts appreciation, our Education Program has amplified the creative experience and strengthened the artistic connection between students, teachers and our work.</p> <p>South Australian children from regional and remote areas have accessed high quality, professional theatre created by professional Australian artists.</p> <p>High quality educator-developed learning materials have enhanced student learning outcomes in the classroom.</p> <p>Workshops have provided young people with skills, and company artists with employment.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Access and Inclusion Program	<p>Windmill is committed to ensuring it provides opportunities for people with disabilities to access and engage in the company's range of performances and activities. For Adelaide seasons, we provide audio description services and touch tours for blind and vision impaired audiences, and for children with hearing impairments we provide assistive listening systems and Auslan sign interpreting services.</p> <p>In 2017-18 we delivered three Auslan performances and one audio described performance for <i>Grug and the Rainbow</i> (April 2018). A total of 30 children utilised these services.</p>	<p>Through this program children who are deaf/hard of hearing, blind/vision impaired and children with other disabilities were given equal opportunity to access high quality live theatre made specially for their age group.</p>
Free Seats Community Access Program	<p>Our Free Seats Equity Program offers 15% of tickets across South Australian seasons free to disadvantaged schools in metropolitan and regional areas. Schools ranked 1 to 4 are selected in accordance with the DECD Categories of Disadvantaged.</p> <p>In 2017-18 we delivered over 1,200 free tickets to school children aligned with seasons of <i>Beep</i> (August 2017, Space Theatre), <i>Big Bad Wolf</i> (October 2017, Space Theatre), and <i>Grug and the Rainbow</i> (April 2018, Space Theatre).</p>	<p>This program has allowed children living with socio-economic disadvantage to take part in an important creative and cultural experience; for some, it was their first experience seeing live theatre.</p>
Philanthropy Programs	<p>Windmill provides various points of engagement for individuals, families and foundations to support the development of our work, our artists and our programs.</p> <p>In 2017-18, the company engaged 68 donors as part of its various philanthropy programs contributing over \$145,000 to key company activities.</p>	<p>Private giving underpins the importance of arts and culture in our society and provides unique engagement opportunities between artists and audiences.</p>

## 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.*

## **Organisation of the agency**

### **CORE STAFF**

Executive Producer

Artistic Director

Business Manager

Marketing and Development Manager

Production Manager

Associate Producer

Marketing and Development Executive

Administration and Operations Coordinator (0.6 FTE)

Finance Assistant (0.4 FTE)

### **CREATIVES, CAST AND CREW**

Engaged on a project by project basis.

## **Other agencies related to this agency (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.

## Employment opportunity programs

Program name	Result of the program
Work Experience Program	School students from Balaklava High and Pembroke College participated in the rehearsal of new work <i>Beep</i> in August 2017. They interviewed key creatives, assisted with production coordination and experienced the creative development 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. Three individuals participated in the creative development and rehearsal of <i>Baba Yaga</i> in February 2018.

## Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
Staff Performance and Development Reviews	80% of staff received a Performance and Development Review in the past 12 months (78% in 16/17).
Training and development spend	\$7,013 spent on training and development in 17/18, equates to \$877 per FTE (\$384 per FTE in 16/17).

## Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness
WHS Policy and Procedure Review Project	A WHS contractor was engaged in 16/17 to undertake an overhaul of our WHS policies and procedures. All policies and procedures were finalised in 17/18, implementation will take place in 18/19.



**Work health and safety and return to work performance**

	2017-18	2016-17	% Change (+ / -)
<b>Workplace injury claims</b>			
Total new workplace injury claims	1	0	+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%
<b>Work health and safety regulation</b>			
Number of notifiable incidents ( <i>WHS Act 2012, Part 3</i> )	0	0	0%
Number of provisional improvement, improvement and prohibition notices ( <i>WHS Act 2012 Sections 90, 191 and 195</i> )	0	0	0%
<b>Return to work costs**</b>			
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	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)*

\*\*before third party recovery

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

**Fraud detected in the agency**

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

**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 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 *Whistle-blowers' Protection Act 1993* 0

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

### Executive employment in the agency

Executive classification	Number of executives
Executive Producer	1
Artistic Director	1

Data for the past five years is available at: insert hyperlink to specific data.sa page and ensure data sources are referenced.

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

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

<b>Consultancies below \$10,000 each</b>		
Aegus Executive Group Pty Ltd	Remuneration review	\$0 (Commercial in confidence)
Chamonix IT Management Consulting (SA) Pty Ltd	IT Review and Cloud Storage solution	\$0 (Commercial in confidence)
Kate Gould Consulting Trust	Windmill Pictures Pty Ltd Governance Framework	\$0 (Commercial in confidence)
	Subtotal	\$16,625
<b>Consultancies above \$10,000 each</b>		
Frank Worldwide Pty Ltd	Windmill Pictures Pty Ltd – Screen projects advice	\$24,800
	Subtotal	\$24,800
<b>Total all consultancies</b>		<b>\$41,425</b>

Data for the past five 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 <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

## Contractors

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Contractor	Purpose	Value
Creative contractors x 18	Windmill Theatre Co productions	\$109,782
Creative contractors x 6	Windmill Pictures Pty Ltd screen projects	\$38,893
Education contractors x 2	Teacher notes preparation	\$3,225
ASP Computers	IT support	\$0 (Commercial in confidence)
Communikate et al	Design services	\$0 (Commercial in confidence)
Comunet	IT support	\$0 (Commercial in confidence)
Frame Creative Pty Ltd	Branding	\$0 (Commercial in confidence)
Johnny Graham PR	PR services	\$0 (Commercial in confidence)
Love and Money Agency	Web design	\$0 (Commercial in confidence)
MacLeay Williams	Legal services	\$0 (Commercial in confidence)
Miranda Brown Publicity	PR services	\$0 (Commercial in confidence)
Dale Menz	CRM Support and Implementation	\$0 (Commercial in confidence)
Molten Studios	Web design	\$0 (Commercial in confidence)
		Total value of 'Commercial in confidence' contractors = \$116,387

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

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

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

### **Financial performance of the agency**

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2017-18 are attached to this report.

ACPAC recorded a \$52k deficit in 17/18, which was an improvement on the approved budget of \$80k deficit. This resulted in a reserves balance of \$518k at 30 June 2018 (\$168k Special Projects/International Touring Fund and \$350k General Reserves).

ACPAC's general operating income and expenditure is reasonably constant from year to year, however the artistic program income and expenditure varies considerably depending on the number, type and scale of theatrical productions and creative developments that Windmill undertakes. One of ACPAC'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 \$518k reserves balance at 30 June 2018 represents 22% of average revenue (based on the past five year's results).

Our artistic program is carefully developed with consideration of both our strategic objectives, and our financial capacity to deliver the program. The 'Special Projects/International Touring Fund' has enabled us in 18/19 to premiere a new work *Amphibian* at the Adelaide Festival Centre in September 2018, as well as commit to a four-week season at the Southbank Centre, London in December 2018 and January 2019 for our award-winning family musical *Rumpelstiltskin*, which premiered at the Adelaide Festival Centre in 2016.

### **Other financial information**

Nil to report.

### **Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

N/A

## Section C: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

Public complaints received by Australian Children's Performing Arts Company	
Category of complaints by subject	Number of instances
N/A – no complaints to report	

Data for the past five years is available at:

<https://data.sa.gov.au/data/dataset/windmill-theatre-co-complaints-by-subject>

### Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
N/A – no complaints reported	

## **Appendix: Audited financial statements 2017-18**



Our ref: A18/038

24 August 2018

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

Ms K Weeks  
Executive Producer  
Australian Children's Performing Arts Company  
PO BOX 12017  
Sturt Street  
ADELAIDE SA 5000

Dear Ms Weeks

**Audit of the Australian Children's Performing Arts Company for the year to 30 June 2018**

We have completed the audit of your accounts for the year ended 30 June 2018. Three key outcomes from the audit are the:

- 1** Independent Auditor's Report on your agency's financial report
- 2** opinion on your financial controls
- 3** audit management letters.

**Independent Auditor's Report**

We are returning the financial statements for the Australian Children's Performing Arts Company with the Independent Auditor's Report. This report is unmodified.

**Opinion on financial controls**

In my opinion, the controls exercised by the Australian Children's Performing Arts Company in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Australian Children's Performing Arts Company have been conducted properly and in accordance with law.

**Audit management letters**

As the audit did not identify any significant matters requiring management attention, we will not issue any audit management letters.



## **For official use only**

### **What the audit covered**


Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- revenue
- expenditure
- payroll
- cash
- general ledger.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson

**Auditor-General**

enc

# INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## 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 2018.

### 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 2018, 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 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, 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**

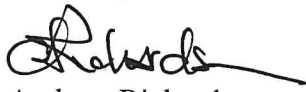
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

Andrew Richardson

**Auditor-General**

24 August 2018

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

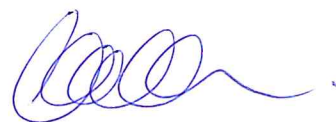
We certify that the attached general purpose financial statements for the Australian Children's Performing Arts Company:

- 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 2018 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

22 August 2018



Kaye Weeks  
Executive Producer

22 August 2018



Genevieve Fischer  
Business Manager

22 August 2018

PO Box 12017  
Sturt Street  
South Australia 5000

2/234 Sturt Street  
Adelaide  
South Australia 5000

P +61 8 8210 7200  
F +61 8 8231 3680  
info@windmill.org.au

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# Australian Children's Performing Arts Company

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>EXPENSES</b>			
Supplies and services	3	1,655	1,691
Employee benefits expenses	4	819	697
Grants paid	5	320	-
Depreciation expenses	6	23	27
Notional loss on investment in joint venture	18	-	2
<b>Total Expenses</b>		<u>2,817</u>	<u>2,417</u>
<b>INCOME</b>			
Program revenues	7	402	673
Commonwealth revenues	8	503	406
Sponsorship	9	101	48
Private grants	10	94	40
Donations		54	30
Merchandise sales		33	-
Return on film investment funding	11	26	32
Other revenues	12	65	84
<b>Total Income</b>		<u>1,278</u>	<u>1,313</u>
<b>Net cost of providing services</b>		<u>(1,539)</u>	<u>(1,104)</u>
<b>Revenues from SA Government</b>			
Revenues from SA Government	13	<u>1,487</u>	<u>1,093</u>
<b>NET RESULT</b>		<u>(52)</u>	<u>(11)</u>
<b>TOTAL COMPREHENSIVE RESULT</b>		<u><u>(52)</u></u>	<u><u>(11)</u></u>

The net result and total comprehensive result are attributable to the SA Government as owner.

The above Statement should be read in conjunction with the accompanying notes.

# Australian Children's Performing Arts Company

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	14	891	904
Receivables	15	121	117
<b>Total Current Assets</b>		<u>1,012</u>	<u>1,021</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	16	41	77
Other financial assets	17	20	20
<b>Total Non-Current Assets</b>		<u>61</u>	<u>97</u>
<b>TOTAL ASSETS</b>		<u>1,073</u>	<u>1,118</u>
<b>CURRENT LIABILITIES</b>			
Payables	19	115	204
Other liabilities	20	310	229
Employee benefits	21	52	57
<b>Total Current Liabilities</b>		<u>477</u>	<u>490</u>
<b>NON-CURRENT LIABILITIES</b>			
Payables	19	7	6
Employee benefits	21	71	52
<b>Total Non-Current Liabilities</b>		<u>78</u>	<u>58</u>
<b>TOTAL LIABILITIES</b>		<u>555</u>	<u>548</u>
<b>NET ASSETS</b>		<u>518</u>	<u>570</u>
<b>EQUITY</b>			
Retained earnings		<u>518</u>	<u>570</u>
<b>TOTAL EQUITY</b>		<u>518</u>	<u>570</u>

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments 23

Contingent assets and liabilities 24

The above statement should be read in conjunction with the accompanying notes.

# Australian Children's Performing Arts Company

## STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2016	581	581
Net result for 2016-17	(11)	(11)
Total Comprehensive Result for 2016-17	(11)	(11)
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

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.



# Australian Children's Performing Arts Company

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Cash Outflows</b>			
Payments for supplies and services		(1,708)	(1,616)
Employee benefit payments		(827)	(693)
Grants paid		(320)	-
Deposits paid		(20)	-
GST paid to the ATO		-	(10)
<b>Cash used in operations</b>		<u>(2,875)</u>	<u>(2,319)</u>
<b>Cash Inflows</b>			
Program receipts		682	851
Commonwealth receipts		649	587
Interest received		16	17
Deposits returned		-	2
GST recovered from ATO		34	-
<b>Cash generated from operations</b>		<u>1,381</u>	<u>1,457</u>
<b>Cash Flows from SA Government</b>			
Receipts from SA Government		1,487	1,093
<b>Cash generated from SA Government</b>		<u>1,487</u>	<u>1,093</u>
<b>Net Cash provided by (used in) Operating Activities</b>		<u>(7)</u>	<u>231</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
<b>Cash Outflows</b>			
Purchases of plant and equipment		(6)	(35)
<b>Cash used in investing activities</b>		<u>(6)</u>	<u>(35)</u>
<b>Net Increase (decrease) in cash and cash equivalents</b>		(13)	196
Cash and cash equivalents at the beginning of the period		904	708
<b>Cash and cash equivalents at the end of the period</b>		<u>891</u>	<u>904</u>

The above statement should be read in conjunction with the accompanying notes.

# Australian Children's Performing Arts Company

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Objectives of the Australian Children's Performing Arts Company

Australian Children's Performing Arts Company's (ACPAC) 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.

### 2. Basis of Financial Statements

#### 2.1 Reporting Entity

ACPAC is a subsidiary of the Minister for the Arts and was established by Regulations under the *Public Corporations Act 1993*.

The current business activities of ACPAC are dependent on the continuation of grants from the State Government. ACPAC'S 2018-19 funding has not been confirmed, however the State Government has confirmed that funding from 1 July 2018 will be on similar terms to the 2017-18 Funding Agreement (\$1,084,000) until a Funding Agreement for 2018-19 is executed by Windmill and Arts South Australia. Accordingly, this financial report has been prepared on a going concern basis.

#### 2.2 Subsidiary

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 22.

#### 2.3 Statement of Compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

ACPAC has applied Australian Accounting Standards that are applicable to not-for-profit entities, as ACPAC is a not-for-profit entity. Australian Accounting Standards that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2018.

#### 2.4 Basis of Preparation

The financial statements have been prepared based on a 12 month 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 on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Transactions in foreign currencies are translated at rates of exchange applicable at the date the foreign currency is acquired. Gains or losses arising from translation are taken directly to revenues or expenses.

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.

Significant accounting policies are set out in the notes.

## 2.4 Taxation

ACPAC is not subject to income tax. ACPAC is liable for payroll tax, fringe benefits tax and goods and services tax (GST), emergency services levy, and local government rate equivalents.

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 (ATO), 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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

## 2.5 Comparative Information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding periods.

## 3. Supplies and services

	2018 \$'000	2017 \$'000
Production costs	397	430
Artist / contractor expenses	367	617
Theatre costs	153	38
Marketing, publicity & sponsorship expenses	115	135
Marketing productions	108	44
In-kind advertising, marketing, accommodation and events costs	100	40
Operating lease - premises	83	80
Education program expenses	73	47
Travel & accommodation	39	41
Merchandise costs	38	-
Professional fees	28	39
Audit fees - Auditor-General's Department	24	23
IT & communications	31	25
Minor capital expenditure	37	6
Booking Agents Fee and Commission	-	61
Other sundry expenses	62	65
<b>Total Supplies and services</b>	<b>1,655</b>	<b>1,691</b>

### *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.

#### 4. Employee benefits expenses

	2018 \$'000	2017 \$'000
Salaries & wages	656	561
Annual and long service leave	69	46
Employment on-costs - superannuation	68	58
Employment on-costs - other	26	32
<b>Total Employee Benefits Expenses</b>	<b>819</b>	<b>697</b>

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.

#### 5. Grants paid

	2018 \$'000	2017 \$'000
Windmill Pictures Pty Ltd operational funding	320	-
<b>Total Grants Paid</b>	<b>320</b>	<b>-</b>

#### 6. Depreciation expenses

	2018 \$'000	2017 \$'000
Leasehold improvements	12	12
Office equipment	8	9
Computer equipment	3	6
<b>Total Depreciation Expenses</b>	<b>23</b>	<b>27</b>

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

## 7. Program Revenues

	2018 \$'000	2017 \$'000
Box office	233	-
Presenter fees	129	440
Program partnerships	21	169
Other program recoveries	19	64
<b>Total Program revenues</b>	<b>402</b>	<b>673</b>

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.

### Presenter fees

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

	2018	2017
National	2	3
International	1	2
<b>Total number of production tours</b>	<b>3</b>	<b>5</b>

### Program partnerships

There was one program partner in 2017-18 (1 in 2016-17).

## 8. Commonwealth revenues

	2018 \$'000	2017 \$'000
Australia Council:		
General	303	300
Special purpose grants - productions	166	95
Creative Partnerships		
Special purpose grants - productions	22	-
Austrade:		
Special purpose grants - export market development	12	11
<b>Total Commonwealth revenues</b>	<b>503</b>	<b>406</b>

### Australia Council

ACPAC's 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 were \$239,000 of 'special purpose grants - productions' received in 2017-18 from Australia Council which have conditions of expenditure related to touring activities in 2018-19. These contributions are recognised as a liability (unearned revenue).

## 9. Sponsorship

	2018 \$'000	2017 \$'000
Sponsorship - commercial	1	8
Sponsorship - commercial - in kind	100	40
<b>Total Sponsorship</b>	<b>101</b>	<b>48</b>

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

**10. Private grants**

	2018 \$'000	2017 \$'000
Grants from trusts & foundations	94	40
<b>Total Private Grants</b>	<b>94</b>	<b>40</b>

**11. Return on film investment funding**

	2018 \$'000	2017 \$'000
Return on film investment funding	26	32
<b>Total Return on film investment funding</b>	<b>26</b>	<b>32</b>

*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.

**12. Other revenues**

	2018 \$'000	2017 \$'000
Director and Producer Fees	21	-
Interest	17	18
Theatre hire received free of charge	15	-
Administrative Fees	10	-
Prizemoney	-	50
Miscellaneous revenue	2	16
<b>Total Other revenues</b>	<b>65</b>	<b>84</b>

*Prizemoney*

In August 2016 the feature film 'Girl Asleep' was awarded the \$100,000 top prize at the CinefestzOZ festival in Western Australia. \$50,000 represents ACPAC's share of the prize money in accordance with the Production Agreement between ACPAC, Soft Tread Enterprises Pty Ltd and Girl Asleep Pty Ltd.

**13. Revenues from SA Government**

	2018 \$'000	2017 \$'000
Operating grant	1,084	1,057
Windmill Pictures Pty Ltd operational funding	320	-
Special purpose grants	83	36
<b>Total Revenues from SA Government</b>	<b>1,487</b>	<b>1,093</b>

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**

	2018 \$'000	2017 \$'000
Cash on hand	1	2
Short term deposit - SAFA	698	672
Cash at bank	192	230
<b>Total Cash and cash equivalents</b>	<b>891</b>	<b>904</b>

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

	2018 \$'000	2017 \$'000
Debtors	19	18
Security deposits paid	45	25
Accrued income	25	43
Prepayments for future productions	12	2
Other prepayments	20	19
GST receivable	-	10
<b>Total Receivables</b>	<b>121</b>	<b>117</b>

### Interest rate and credit risk

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.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that ACPAC will not be able to collect the debt.

## 16. Plant and equipment

	2018 \$'000	2017 \$'000
Leasehold improvements at cost (deemed fair value)	49	49
Accumulated depreciation at the end of the period	(30)	(18)
<b>Total leasehold improvements</b>	<b>19</b>	<b>31</b>
Office equipment at cost (deemed fair value)	41	65
Accumulated depreciation	(25)	(29)
	<b>16</b>	<b>36</b>
Computer Equipment at cost (deemed fair value)	18	43
Accumulated depreciation	(12)	(33)
	<b>6</b>	<b>10</b>
<b>Total Plant and equipment</b>	<b>41</b>	<b>77</b>

### Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$3,000 are capitalised (2017 - \$1,000).

### Carrying amount of plant and equipment

All items of plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value.

### Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

There were no indications of impairment of plant and equipment at 30 June 2018

# *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
<b>2017-18</b>				
Carrying amount at the beginning of the period	31	36	10	77
Acquisitions	-	-	6	6
Depreciation expenses	(12)	(8)	(3)	(23)
Write-off assets < \$3,000 (change in accounting policy)	-	(13)	(6)	(19)
<b>Carrying amount at the end of the period</b>	<b>19</b>	<b>15</b>	<b>7</b>	<b>41</b>

## **17. Other financial assets**

	2018 \$'000	2017 \$'000
Term deposit	20	20
<b>Total other financial assets</b>	<b>20</b>	<b>20</b>

Other financial assets are measured at historical cost.

## **18. Interest in a joint venture**

In 2014, ACPAC and Soft Tread Enterprises Pty Ltd formed a joint venture company 'Girl Asleep Pty Ltd' with 50% interest each. The entity was established to produce the feature film 'Girl Asleep' which premiered at the Adelaide Film Festival in October 2015.

An application for deregistration was lodged with ASIC and approved in June 2018.

	2018 \$'000	2017 \$'000
<b>Statement of Financial Position</b>		
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
<b>Equity</b>	<b>-</b>	<b>-</b>
<b>ACPAC's carrying amount of the investment</b>	<b>-</b>	<b>-</b>
	2018 \$'000	2017 \$'000
<b>Statement of Comprehensive Income</b>		
Income	-	-
Expense	-	(5)
Administrative expenses	-	(1)
<b>Net gain (loss)</b>	<b>-</b>	<b>(6)</b>
Income tax refund (expense)	-	2
<b>Gain (loss) for the year (continuing operations)</b>	<b>-</b>	<b>(4)</b>
<b>ACPAC's share of gain (loss) for the year</b>	<b>-</b>	<b>(2)</b>



## 19. Payables

	2018 \$'000	2017 \$'000
<b>Current</b>		
Creditors	60	107
Employment on-costs	7	30
Accrued expenses	37	67
GST Payable	11	-
<b>Total Current Payables</b>	<b>115</b>	<b>204</b>
<b>Non-current</b>		
Employment on-costs	7	6
<b>Total Non-Current Payables</b>	<b>7</b>	<b>6</b>
<b>Total Payables</b>	<b>122</b>	<b>210</b>

Employment on-costs include payroll tax, 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 has changed from the 2017 rate (40%) to 41%.

### Interest rate and credit risk

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

## 20. Other liabilities

	2018 \$'000	2017 \$'000
Unearned revenue - Commonwealth Government	239	130
Unearned revenue - private grants	-	27
Unearned revenue - presenter fees	41	42
Unearned revenue - SA Govt special purpose grants	30	30
<b>Total Other liabilities</b>	<b>310</b>	<b>229</b>

### Unearned revenue - Government grants

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

## 21. Employee benefits

	2018 \$'000	2017 \$'000
<b>Current</b>		
Accrued salaries & wages	12	14
Annual leave	40	43
<b>Total Current Employee benefits</b>	<b>52</b>	<b>57</b>
<b>Non-current</b>		
Long service leave	71	52
<b>Total Non-current Employee Benefits</b>	<b>71</b>	<b>52</b>
<b>Total Employee benefits</b>	<b>123</b>	<b>109</b>

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.

## 22. Subsidiary

In August 2017, with approval from the Minister for the Arts, 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 2017-18 is provided below:

	2018 \$'000	2017 \$'000
<b>Statement of Financial Position</b>		
Current assets	238	-
Non-current assets	-	-
Current liabilities	238	-
Non-current liabilities	-	-
Equity	-	-
	2018 \$'000	2017 \$'000
<b>Statement of Comprehensive Income</b>		
Income	140	-
Expense	(140)	-
Net gain (loss) before tax	-	-

## 23. 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:

	2018 \$'000	2017 \$'000
Within one year	86	83
Later than one year and not later than five years	44	131
<b>Total Operating Lease Commitments</b>	<b>130</b>	<b>214</b>

The commitments disclosed in 2018 represents ACPAC's lease of office accommodation at 2/234 Sturt Street, Adelaide. The lease is non-cancellable and expires on 1 January 2020. Rent is payable in advance and a rent review of 4% will occur on 2 January 2019 with review to market on renewal dates.

## 24. Contingent assets and liabilities

ACPAC is not aware of any contingent assets and liabilities.

## 25. Remuneration of Board Members

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

Mr Bruce Speirs (Chair)  
Ms Rosey Batt  
Ms Rosalba Clemente  
Ms Sophie Doyle  
Mr Rodney Harrex  
Mr Adam Smith  
Ms Deonne Smith

No members of the Board of Directors received remuneration from ACPAC during the reporting period ended 30 June 2018 (2017: 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.

## **26. Related Party Transactions**

ACPAC is a statutory authority established pursuant to the Public Corporations Act 1993; and is a wholly owned and controlled entity of the Crown.

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.

### **Key Management Personnel**

Key management personnel includes the Minister, members of the Board, and the joint Chief Executives.

Total compensation for ACPAC's key management personnel during the reporting period ended 30 June 2018 was \$296,000 (2017: \$254,000). Salaries and other benefits the Minister of Arts 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*.

### **Transactions with Key Management Personnel and other related parties**

ACPAC has not entered into any transactions with key management personnel.

ACPAC has recharged Windmill Pictures Pty Ltd \$14,000 for services provided.

## **27. 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.