

# **Aboriginal Centre for the Performing Arts Pty Ltd**

**ABN 55 080 991 108**

**Financial Statements - 30 June 2022**

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Directors' report**  
**30 June 2022**

The directors present their report, together with the financial statements, on the Company for the year ended 30 June 2022.

**Directors**

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Thomas Webster	12 February 2019 Appointment expired 14 February 2022
Leanne Bell	17 August 2021 Appointment expiring 18 August 2024
Cassandra Diamond	17 August 2021 Appointment expiring 18 August 2024
Cameron Costello	26 April 2022 Appointment expiring 27 April 2025
Selwyn Button	26 April 2022 Appointment expiring 27 April 2025

**Objectives**

**Community Relationships**

Build and nurture collaborative relationships with Aboriginal and Torres Strait Islander communities and organisations and their leaders to promote ACPA's capability as an education and training provider and as a pathway for improved cultural learning and expression.

**Business Relationships**

Promote and expand upon existing relationships with performing arts organisations and other businesses, such as the provision of contracted VET training and ACPA's capabilities as a performance partner.

**Government Policy**

Align ACPA with key First Nations government policy and legislation directions including Closing the Gap and Path to Treaty, and to enable ACPA to be exemplar in industry development in implementing Arts Queensland policy including Creative Together 2020-2023, Grow 2022-2026, and the Cultural Engagement Framework.

**Strategy for achieving the objectives**

- Advising the Board on culturally appropriate strategic market, service sector opportunities, and project and budget management of new initiatives as approved by the Board.
- Building and maintenance of the corporation's reputation as professional body through effective public relations, partner relationship development and community and media outreach programs.
- Building a culture of engagement and success through leadership and management, including staff development and training, compliance with Workplace Health & Safety and Equal Opportunity legislation and development of best practice productivity, industrial relations, and environmental initiatives.
- Responsibility for the financial and operational oversight of third-party service contract partners.

**Principal activities**

- Engagement with schools.
- Engagement with communities.
- Engagement with Arts Queensland.
- Delivery of accredited training to meet core business objectives.
- Showcase performances with local and regional communities.

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**Performance measures**

1. Create, develop and enable exciting opportunities and career pathways for First Nations people through the performing arts by:
  - Re-establishment of ongoing pipeline of students applying for accredited training; and
  - Graduate employment outcomes through:
    - Existing theatre companies engaging with ACPA to source performing arts talent.
    - Talent agents engaging with ACPA to source performing arts talent.
    - Government and non-government organisations engaging with ACPA artists for events.
2. Active and effective Indigenous engagement strategy.

**Review of operations**

During the financial year ended 30 June 2022, the Company received grants, subsidies, and other income of \$1,793,788 (2021: \$1,134,731) The operating profit for the year to 30 June 2022 was \$377,837 (2021: \$114,633) and net assets were \$460,416 (2021: \$82,579).

The Board confirms that all appropriate measures shall be made to ensure that the financial position of the Company is such that it is able, at all times, to honour both its present and future commitments. The directors of the Company believe that the Company will be able to pay its debts as and when they fall due. Refer to Note 24 Economic Dependency for further information.

**Information on directors**

Name:	Thomas Webster
Title:	Non-Executive Director
Qualifications:	LLB, BCom, GradDip Legal Practice.
Experience and expertise:	Experienced senior cybersecurity, privacy and technology lawyer focusing on global privacy and cybersecurity risk management programs. Proficiency in all aspects of the technology, media and telecommunications sectors specialising in cutting edge innovation projects, large-scale ICT platforms and telecommunications projects, data security, privacy regulatory advice and intellectual property protection, commercialisation and enforcement.
Special responsibilities:	Chair of the Board up to 14 February 2022

Name:	Leanne Bell
Title:	Non-Executive Director
Qualifications:	B. Ed, DipEd.
Experience and expertise:	Management of vocational training programs in business, sport and recreation, creative industries, horticulture, training and assessment, agriculture and accounting. Development & implementation of Reconciliation Action Plan. Engagement and consultation with industry, Government, Aboriginal and Torres Strait Islander communities to develop educational and training programs that lead to employment outcomes.
Special responsibilities:	None

## Aboriginal Centre for the Performing Arts Pty Ltd

### Directors' report

30 June 2022

Name: Cassandra Diamond  
Title: Non-Executive Director  
Qualifications: B. Ed, (Hons) BA, Cert IV in Training and Assessment.  
Experience and expertise: Expertise in co-design of projects and programs with Indigenous communities, including recruitment, retention and development of Indigenous staff, coaching, mentoring and stakeholder management. Experience focusing on working with Aboriginal and Torres Strait Islander people to achieve outcomes using a strength and evidence-based approach. Focus on shifting the narrative in relation to Aboriginal and Torres Strait Islander people from one of deficit and problems, to one that works with existing knowledge and skills. Ability to incorporate Indigenous knowledge into STEM and education, and developing young and upcoming Aboriginal and Torres Strait Islander professionals in both STEM and education fields.  
Special responsibilities: Acting Chair of the Board from 15 February 2022

Name: Cameron Costello  
Title: Non-Executive Director  
Qualifications: BA, LLB, GradCert in Management, GradDip Legal Practice.  
Experience and expertise: Lead First Nations consultant for business, Government and Not-For-Profit organisations in strategy and policy development, engagement, and Reconciliation Action Plans. Expertise in managing Tourism, Arts, Native Title, Protected Area Estate and Cultural Heritage organisations and projects. Formal legal background and member of UQ Law Advisory Board.  
Special Responsibilities: None

Name: Selwyn Button  
Title: Non-Executive Director  
Qualifications: B. Teaching (Primary), Master of Public Administration, GradCert, Business Administration, Certificate in Governance for Not-For-Profits.  
Experience and expertise: Partner at Price Waterhouse Coopers Indigenous Consulting. Leader in educational reform, social and health policy design, organisational capacity building, Indigenous Community negotiations and Community-based leadership.  
Special Responsibilities: None

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

#### Full Board

	Number of Meeting Eligible to Attend	Number of Meeting Attended
Thomas Webster	2	2
Leanne Bell	5	5
Cassandra Diamond	5	5
Cameron Costello	2	2
Selwyn Button	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

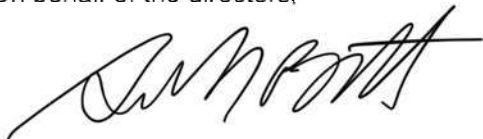
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**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors,



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Selwyn Button  
Director and Chair of the Board

10 February 2023  
Brisbane

## AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Aboriginal Centre for the Performing Arts Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

### **Independence declaration**

As lead auditor for the audit of Aboriginal Centre for the Performing Arts Pty Ltd for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Jacqueline Thornley  
as delegate of the Auditor-General

10 February 2023

Queensland Audit Office  
Brisbane

## Aboriginal Centre for the Performing Arts Pty Ltd

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### General information

The financial report includes the financial statements and notes of the Aboriginal Centre for the Performing Arts Pty Ltd. The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures and the Australian Charities and Not-for-profits Commission Act 2012. The Company is a not-for-profit entity for the purpose of preparing the financial statements. The Company was incorporated in Queensland as a Company Limited by Shares and has share capital of \$2. The Company was incorporated on 24 December 1997 after receiving support from the Minister for the Arts. Under Clause 32 of the Constitution of the Company, in the event of a winding up or dissolution, any surplus assets remaining after payment of the Company's liabilities shall be transferred to some other organisation or organisations having objectives similar to the objectives of the Company, and whose rules shall prohibit the distribution of its income or assets among its members, such organisation or organisations being income tax exempt entities for the purposes of any Commonwealth taxation legislation

Its registered office and principal place of business are:

#### Principal place of business

Judith Wright Arts Centre  
Level 2, 420 Brunswick Street  
Fortitude Valley QLD 4006

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 February 2023. The directors have the power to amend and reissue the financial statements.

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2022**

	Note	2022 \$	2021 \$
<b>Income from continuing operations</b>			
Government & grant income	3	826,527	970,595
Cultural capability revenue		555,000	-
VET income	4	363,526	78,903
Performing arts income		25,971	18,105
Other income	5	20,518	66,203
Donations		120	-
Interest revenue		2,126	925
<b>Total revenue from continuing operations</b>		<u>1,793,788</u>	<u>1,134,731</u>
<b>Expenses from continuing operations</b>			
Depreciation		120,677	73,585
Training delivery	7	573,436	188,710
Supplies & services	8	37,662	58,208
Staffing	9	406,066	420,996
Administration	10	276,249	272,264
Finance costs	11	1,861	6,335
<b>Total expenses from continuing operations</b>		<u>1,415,951</u>	<u>1,020,098</u>
<b>Profit for the year</b>		<u>377,837</u>	<u>114,633</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>377,837</u>	<u>114,633</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Statement of financial position**  
**As at 30 June 2022**

	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		487,147	406,116
Trade and other receivables	12	94,447	4,169
Prepayments		53,227	9,397
<b>Total current assets</b>		<u>634,821</u>	<u>419,682</u>
<b>Non-current assets</b>			
Property, plant and equipment	13	10,728	25,208
Right-of-use assets	14	-	106,197
Prepayments		2,527	3,738
<b>Total non-current assets</b>		<u>13,255</u>	<u>135,143</u>
<b>Total assets</b>		<u>648,076</u>	<u>554,825</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	113,293	285,635
Lease liabilities	14	-	159,610
Employee benefits	16	26,367	27,001
Contract liabilities	17	48,000	-
<b>Total current liabilities</b>		<u>187,660</u>	<u>472,246</u>
<b>Total liabilities</b>		<u>187,660</u>	<u>472,246</u>
<b>Net assets</b>		<u>460,416</u>	<u>82,579</u>
<b>Equity</b>			
Issued capital		2	2
Retained earnings		460,414	82,577
<b>Total equity</b>		<u>460,416</u>	<u>82,579</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2022**

	<b>Issued capital \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	2	(32,056)	(32,054)
Profit for the year	-	114,633	114,633
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	114,633	114,633
Balance at 30 June 2021	<u>2</u>	<u>82,577</u>	<u>82,579</u>
	<b>Issued capital \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	2	82,577	82,579
Profit for the year	-	377,837	377,837
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	377,837	377,837
Balance at 30 June 2022	<u>2</u>	<u>460,414</u>	<u>460,416</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2022**

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers / Government		1,731,510	1,250,870
Payments to suppliers and employees		(1,510,518)	(984,068)
Interest paid		(351)	(3,425)
		<u>220,641</u>	<u>263,377</u>
Net cash from operating activities			
<b>Cash flows from investing activities</b>			
Proceeds from the sale of fixed assets		<u>20,000</u>	-
Net cash used in investing activities		<u>20,000</u>	-
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		<u>(159,610)</u>	-
Net cash from financing activities		<u>(159,610)</u>	-
Net increase in cash and cash equivalents		81,031	263,377
Cash and cash equivalents at the beginning of the financial year		<u>406,116</u>	<u>142,739</u>
Cash and cash equivalents at the end of the financial year		<u><u>487,147</u></u>	<u><u>406,116</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

### **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

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

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

The Company was incorporated in Queensland as a Company Limited by Shares and has share capital of \$2. The Company was incorporated on 24 December 1997 after receiving support from the Minister for the Arts. Under Clause 32 of the Constitution of the Company, in the event of a winding up or dissolution, any surplus assets remaining after payment of the Company's liabilities shall be transferred to some other organisation or organisations having objectives similar to the objectives of the Company, and whose rules shall prohibit the distribution of its income or assets among its members, such organisation or organisations being income tax exempt entities for the purposes of any Commonwealth taxation legislation.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

## Note 1. Significant accounting policies (continued)

### Revenue recognition

The Company recognises revenue as follows:

#### **Revenue from contracts with customers**

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally for the Company, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

#### **Government grants and subsidies**

Amounts arising from grants that fall within the scope of AASB 15 Revenue from contracts with customers are enforceable agreements with sufficiently specific performance obligations and are recognised as unearned income until such time as performance obligations have been met.

Amounts arising from grants in the scope of AASB 1058 Income of Not-for-Profit Entities are recognised at the asset's fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

#### **VET subsidies**

Revenue received under pre-qualified supplier arrangements with the Department of Employment, Small Business and Training as a subsidy based on unit completions by ACPA students, is recognised when the subsidy claim is accepted by the Department which closely corresponds to the timing of satisfaction of the performance obligations.

#### **Tuition fees**

Revenue from the rendering of services, being tuition, is recognised over the period in which the service relates. This results in revenue being recognised annually for terms 3 and 4 of the previous calendar year and terms 1 and 2 of the current calendar year.

#### **Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

#### **Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **Volunteer services**

The Company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

**Note 1. Significant accounting policies (continued)**

**Income tax**

The Company's tax status has been determined with a Private Binding Ruling from The Australian Taxation Office. Prior to 1 July 2000 the Company was a not-for-profit public education organisation and was exempted from income tax under the provisions of Section 23(e) of the Income Tax assessment Act 1997. Changes to the Income Tax Assessment Act from 1 July 2000 required the Company to review this tax status, A Private Ruling from the Australian Taxation Office (rule file number 42006316, 7 August 2003) determined the Company was a charitable institution as its predominate purpose is the advancement of education, it exists for the public benefit and is a non-profit organisation. The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

The ATO also determined that the Company meets the special conditions specified in section 50-50 and section 50-52 of the Income Tax Assessment Act 1997 as a charitable institution and is exempt from income tax through endorsement by the Commissioner as an income tax exempt charity under subdivision 50-B of the Income Tax Assessment Act 1997 from 1 July 2000 (dated 21 May 2004).

The Private Ruling determined the Company is an entity entitled to a rebate on its fringe benefits tax payable as a public educational institution under paragraph 65J(1)(b) of the Fringe Benefits Tax Assessment Act 1986.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Expenses**

Expenses are recognised upon utilisation of the service or at the date of their origin. Trade creditors of a material value are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured. Accrued expenses are goods and services received prior to the reporting date but have not been invoiced at year end.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Motor vehicles	8 years
Training equipment	8 years
Laptops	3 years
Mobile phones	2 years
Other office equipment	5 years

**Note 1. Significant accounting policies (continued)**

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The capitalisation threshold for items of plant and equipment is \$1,000 net of GST.

**Leases**

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the exceptions to lease accounting for short-term leases and leases of low value assets. For these leases, the Company recognises the payments associated with these leases as an expense on a straight line basis.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Contract liabilities**

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

**Employee benefits**

**Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## Note 1. Significant accounting policies (continued)

### **Defined contribution superannuation expense**

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### **Estimation of useful lives of assets**

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### **Impairment of non-financial assets and other indefinite life intangible assets**

The Company assesses impairment of non-financial assets and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

### **Employee benefits provision**

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Notes to the financial statements**  
**30 June 2022**

**Note 3. Government & grant income**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Arts Queensland	505,932	650,000
Qld Department of Employment, Small Business and Training	320,595	320,595
	<u>826,527</u>	<u>970,595</u>

Revenue from Arts Queensland includes funding of \$505,932 (2021: \$350,000) that is recognised at a point in time when the associated performance obligations are satisfied (AASB 15).

Revenue from Arts Queensland for 2021 also included non-recurrent funding of \$300,000 which did not satisfy the criteria under AASB 15 hence was recognised as revenue under AASB 1058 upon receipt when the Company obtained control over the funds.

Revenue from Qld Department of Employment, Small Business and Training does not satisfy the criteria under AASB 15 hence it is recognised as revenue under AASB 1058 upon receipt when the Company obtains control over the funds.

**Note 4. VET income**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
DESBT VET subsidy	315,379	63,400
Student tuition fees	48,147	15,503
	<u>363,526</u>	<u>78,903</u>

**Note 5. Other income**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
ATO Cash Flow Boost	-	30,617
Other revenue	518	35,586
Gain on disposal	20,000	-
	<u>20,518</u>	<u>66,203</u>

**Note 6. Expenses**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Profit before income tax includes the following specific expenses:		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>34,475</u>	<u>34,375</u>

**Note 7. Training delivery**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Contract trainers	120,967	161,691
Registered training organisation compliance	16,282	3,724
Teaching resources	333	23,295
VET running costs	435,178	-
Van running costs	676	-
	<u>573,436</u>	<u>188,710</u>

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Notes to the financial statements**  
**30 June 2022**

**Note 8. Supplies & services**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Travel	3,540	3,042
Performance expenses	17,904	23,783
Marketing & development	16,218	31,383
	<u>37,662</u>	<u>58,208</u>

**Note 9. Staffing**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	352,694	371,669
Superannuation	34,475	34,375
Annual leave expenses	1,652	(895)
Long service leave expense	1,475	945
Employee Benefits Expense	<u>390,296</u>	<u>406,094</u>
Workcover	3,432	2,378
Recruitment & separation	11,439	10,636
Staff development & amenities	899	1,888
Other employment related expenses	<u>15,770</u>	<u>14,902</u>
Total Staffing Expenses	<u>406,066</u>	<u>420,996</u>

**Note 10. Administration**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Accounting & strategic review services	142,507	172,923
Bank fees	2,451	353
Consultancy	21,369	12,058
Doubtful and bad debts	10,219	10,900
Rent	4,168	-
Office supplies and services	49,417	47,528
Insurance	8,211	7,447
Legal and audit fees	22,000	21,000
COVID-19	41	55
Fringe benefits tax	15,866	-
	<u>276,249</u>	<u>272,264</u>

**Note 11. Finance costs**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Leases	1,510	2,910
Other	351	3,425
	<u>1,861</u>	<u>6,335</u>

**Note 12. Trade and other receivables**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade receivable	67,288	14,169
Less: Provision for impairment	(10,000)	(10,000)
GST receivable	37,159	-
	<u>94,447</u>	<u>4,169</u>

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Notes to the financial statements**  
**30 June 2022**

**Note 13. Property, plant and equipment**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Motor vehicles - at cost	-	43,494
Less: Accumulated depreciation	-	(43,268)
	<u>-</u>	<u>226</u>
Office equipment - at cost	26,678	26,678
Less: Accumulated depreciation	(25,259)	(19,130)
	<u>1,419</u>	<u>7,548</u>
Computer hardware – at cost	21,684	21,684
Less: Accumulated depreciation	(16,979)	(12,642)
	<u>4,705</u>	<u>9,042</u>
Teaching equipment – at cost	49,770	49,770
Less: Accumulated depreciation	(45,166)	(41,378)
	<u>4,604</u>	<u>8,392</u>
	<u><u>10,728</u></u>	<u><u>25,208</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office furniture & equipment	Computer hardware	Motor vehicles	Teaching equipment	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	7,548	9,042	226	8,392	25,208
Additions	-	-	-	-	-
Depreciation expense	(6,129)	(4,337)	(226)	(3,788)	(14,480)
Balance at 30 June 2022	<u>1,419</u>	<u>4,705</u>	<u>-</u>	<u>4,604</u>	<u>10,728</u>

**Note 14. Leases**

The Company has leases over a range of assets including office premises and office equipment including a photocopier.

Spaces 2A, 3M, 4C, 4D, 4G, Music Rehearsal Room and office premises

The Company leases spaces located at Judith Wright Centre 420 Brunswick Street for its office premise and spaces to carry out its principal activities.

The Company entered into a lease of premises in the building know as Lease 2A, 3M, 4C, 4D and the Music Rehearsal Room. The lease commenced on 1 January 2021 and will expire on 30 June 2022. The license agreement for use of part of level 4 of the building shown as Lease 4G commenced on 27 January 2021 and expired on 24 June 2022.

No option is included in the leases.

AASB16 applies to these lease and license arrangements. The lessee's incremental borrowing rate applied to the lease liability for the premises was 3.65%.

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Notes to the financial statements**  
**30 June 2022**

**Note 14. Leases (continued)**

**a) Right-of-use assets**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Right of use asset	-	159,295
Less: Accumulated depreciation	-	(53,098)
	<u>-</u>	<u>106,197</u>

	<b>Buildings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2021	106,197	106,197
Additions during the year	-	-
Depreciation expense	(106,197)	(106,197)
Balance at 30 June 2022	<u>-</u>	<u>-</u>

**b) Lease liabilities**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Lease liabilities		
Current	-	159,610
Non-current	-	-
Total lease liabilities	<u>-</u>	<u>159,610</u>

**c) Lease impact in the statement of profit and loss and other comprehensive income**

Leases of office equipment include a photocopier with a lease term of 5 years and monthly lease payments. The lease has both a fixed component and a variable component based on the number of photocopies made during the year. As the lease is assessed by the Company as a low-value asset, both the variable and fixed components are recognised as an expense in the respective year and does not form part of the lease liability.

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Interest expense on lease liabilities	1,510	2,910
Expenses relating to short-term and low-value leases	2,100	2,100
Depreciation of right-of-use assets	106,197	53,098
	<u>109,807</u>	<u>58,108</u>

**d) Lease impact in the statement of cash flows**

No repayment of leases occur until post 30 June 2022. The statement of cash flow records no cash outflow into leases entered during the year except for low value and short-term leases (included in Payments to suppliers and employees).

**Note 15. Trade and other payables**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade payables	46,683	145,258
Corporate Credit Cards	1,112	2,501
Sundry payables and accrued expenses	1,057	19,939
Accrued expense - audit fees	46,200	38,500
ATO integrated Client Account	-	60,922
Sundry Creditors	18,241	18,515
	<u>113,293</u>	<u>285,635</u>

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Notes to the financial statements**  
**30 June 2022**

**Note 16. Employee benefits**

	2022	2021
	\$	\$
Superannuation Payable	6,007	9,766
Provision for annual leave	17,349	15,698
Provision for long service leave	3,011	1,537
	<u>26,367</u>	<u>27,001</u>

**Note 17. Contract liabilities**

	2022	2021
	\$	\$
Revenue received in advance	<u>48,000</u>	<u>-</u>

**Note 18. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2022	2021
	\$	\$
Aggregate compensation	<u>-</u>	<u>-</u>

**Note 19. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by the Queensland Audit Office, the auditor of the Company:

	2022	2021
	\$	\$
<i>Audit services – Queensland Audit Office</i>		
Audit of the financial statements	<u>22,000</u>	<u>20,000</u>

**Note 20. Contingent liabilities**

The Company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

**Note 21. Commitments**

The Company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

## **Aboriginal Centre for the Performing Arts Pty Ltd**

### **Notes to the financial statements**

**30 June 2022**

#### **Note 22. Related party transactions**

##### *Key management personnel*

Disclosures relating to key management personnel are set out in note 18.

##### *Transactions with related parties*

During the year, the Company made no payments to the Directors for attendance at Board or Committee meetings. No material payments were made to or on behalf of board members.

Wesley Aird was the General Manager for the full 2021-2022 financial year. The role involved assisting with the running of day-to-day operations and reporting to the Board of Directors.

Wesley Aird operates consulting services through The Bridgewater Projects Pty Ltd. For the full 2021-2022 financial year, Wesley Aird invoiced the Aboriginal Centre for the Performing Arts Pty Ltd directly from The Bridgewater Projects Pty Ltd. The Bridgewater Projects Pty Ltd received \$57,833 from the Aboriginal Centre for the Performing Arts Pty Ltd, for consulting services in the form of management support activities.

Wesley Aird is a Director of Jabree Ltd, a not-for-profit Company that is the Registered Cultural Heritage body under the Aboriginal Cultural Heritage Act 2003 (Qld) for the Gold Coast region. Wesley Aird has no ownership interest in Jabree Ltd. During the 2021-2022 financial year, Jabree Ltd received \$80,214 from the Aboriginal Centre for the Performing Arts Pty Ltd, for consulting management services performed by Jabree Ltd.

Wesley Aird is a Director of the Centre for Indigenous Policy Pty Ltd. During this financial year \$474,250 was paid from the Aboriginal Centre for the Performing Arts Pty Ltd to the Centre for Indigenous Policy Pty Ltd for licencing fees of the Certificate IV in Cultural Capability. Wesley Aird has made the required disclosure to the Board of his position as a Director of the Centre for Indigenous Policy Pty Ltd.

The State of Queensland is the ultimate parent entity of the Company, administered through Arts Queensland. During the year the Company received \$505,932 (\$650,000 in 2021) in funding from Arts Queensland. Arts Queensland is a portfolio agency of the Department of Communities, Housing, and Digital Economy.

During the year the Company received \$635,974 (\$383,995 in 2021) in funding from the Department of Employment, Small Business and Training (DESBT).

There were no other transactions with related parties during the current and previous financial year.

##### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

#### **Note 23. Events after the reporting period**

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Note 24. Economic Dependency**

The Company is dependent on the Queensland State Government, through the Department of Communities, Housing and Digital Economy (DCHDE) and the Department of Employment, Small Business, and Training (DESBT) for a significant volume of its operating revenue.

The Company has received a letter of support from DCHDE. The letter indicates that DCHDE shall take all appropriate measures to ensure that the financial position of the Company is such that it is able, at all times, to honour both its present and future commitments for the current financial year.

The Company has recorded a profit of \$377,837 in this year (\$114,633 in 2021). There are three main income sources for the Company.

The core business of ACPA is vocational and education training, which is funded through DESBT. The Company has a Skills Assured Supplier (SAS) executed agreement with the department. This is renewed each financial year, and the agreement has been renewed for the 2022-2023 year.

DESBT also provides a State Contribution Grant Agreement every two years (\$320,595 received in September 2021). The 2022-2024 State Contribution Grant Agreement of \$742,000 has been offered and accepted.

Arts Queensland (through DCHDE) provides an annual funding agreement. Funding for the 2022-2023 financial year has been agreed and executed and will conclude on 30 June 2023.

Based on prudent estimates of student enrolments, completions, and fees and on the above funding agreements, and detailed analysis of the cost of operations, the Directors can confirm that all appropriate measures have been made to ensure that the financial position of the Company is such that it is able, at all times, to honour both its present and future commitments. Further, the Company is undertaking ongoing strategic review to guarantee the longevity of the organisation.

Based on the above factors, the Directors of the Company believe that the Company will be able to pay its debts as and when they fall due and as such the financial statements have been prepared on a going concern basis.

**Aboriginal Centre for the Performing Arts Pty Ltd**  
**Directors' declaration**  
**30 June 2022**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

On behalf of the directors



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Selwyn Button  
Director and Chair of the Board

10 February 2023



## INDEPENDENT AUDITOR'S REPORT

To the Members of Aboriginal Centre for the Performing Arts Pty Ltd

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Aboriginal Centre for the Performing Arts Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and *Australian Accounting Standards – Simplified Disclosures*.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the *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 company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Other information

Other information comprises financial and non-financial information (other than the audited financial report). At the date of this auditor's report, the available other information in the entity's annual report for the year ended 30 June 2022 was the directors' report.

The company's directors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Responsibilities of the company for the financial report**

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards – Simplified Disclosures, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **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 the 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 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 the 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, but not for expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.

- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- 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.

I communicate with the company's directors regarding, 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 my audit.



Jacqueline Thornley  
as delegate of the Auditor-General

16 February 2023

Queensland Audit Office  
Brisbane