Critical Stages Ltd

(Company limited by guarantee)
ABN 67 148 822 619

Financial Report
31 December 2015

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Critical Stages

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Corporate Information

Critical Stages

Responsible Entities	A Duggan	
	P Gilligan	
	A Heath	
	K Irving	
	J Kreis	
	C Pashi	Treasurer
	T Press	
	C Sullivan	Chair
Company Secretary	C Bendall	
Registered Office and Principal Place of Business	Level 2, 10 Hickson Road The Rocks Sydney NSW 2000	
Auditors	Steven J Miller & Co Chartered Accountants	

Responsible Entitiesô Report

Critical Stages

The responsible entities of Critical Stages present their report together with the financial statements of the company for the financial year ended 31 December 2015 and the Independent Audit Report thereon.

The following persons were responsible entities of Critical Stages during or since the end of the financial year:

- Arani Duggan
- Patricia Gilligan
- Anne-Marie Heath
- Keith Irving
- Jane Kreis
- Charles Pashi
- Tamara Press
- Catherine Sullivan

The number of meetings of responsible entities held during the year, and the number of meetings attended by each responsible entity, are as follows:

	Date appointed	Date of cessation	Board A	Board B
A Duggan	9 Nov 15		1	1
P Gilligan	4 Feb 14		3	6
A Heath	12 Feb 13		6	6
K Irving	4 Feb 14		6	6
J Kreis	22 Sep 15		2	2
C Pashi	12 Feb 13		4	6
T Press	22 Sep 15		2	2
C Sullivan	7 Feb 11		6	6

A Number of meetings the Responsible Entity attended
B Number of meetings the Responsible Entity was entitled to attend

Principal activities

The principal activities of Critical Stages include the provision of professional opportunities for independent theatre artists and the promotion and encouragement of the knowledge, understanding, appreciation and enjoyment of the theatrical arts.

Entity objectives

The entity's short term objectives are to:

- Promote and nurture independent artists
- Reach a wide audience and add value to the community

The entity's long term objectives are to:

- Strengthen relationships with the broader industry, including all the stakeholders in the delivery of outstanding independent theatre across Australia
- Maintain a sustainable and well governed company and maximise the potential of our staff and resources

Responsible Entitiesô Report

Critical Stages

Strategies to achieve objectives

To achieve these objectives, the entity has adopted the following strategies:

- Strive to identify and develop the best possible work from independent theatre makers and deliver the highest quality outcomes.
- Maintain effective and efficient internal systems for good decision making and developing positive people management programs to promote a healthy, safety conscious culture.
- Work in partnership with a range of stakeholders, including artists, audiences, presenters, producers, funding agencies and donors to develop an understanding of the objectives of the entity and contribute to its ongoing sustainability.
- Strive to meet consistent standards of best practice and provide accountability and responsibility to all stakeholders.

Information on responsible entities

Name	Qualifications and experience	Special responsibilities
Arani Duggan	*Qualifications*: Bachelor of Design UNSW *Experience*: Member since November 2015; Head of Development at the Museum of Applied Arts and Sciences.	
Patricia Gilligan	*Qualifications*: Completed legal studies through Queensland Solicitors Admission Board 1982 Admitted Solicitor Qld Supreme Court 1982 and NSW Supreme Court 1984. *Experience*: Member since 2014; Credit Suisse Investment Bank as a Director for Bank Compliance; Senior Legal Counsel with the Sydney Futures Exchange (now ASX); Chair of the Credit Suisse Art Committee	
Anne-Marie Heath	*Qualifications*: Bachelor of Arts (Economics) *Experience*: Member since 2013; Previously General Manager, City Recital Hall.	
Keith Irving	*Qualifications*: BSc (Hons) Mathematics, Associate of the Chartered Institute of Bankers (UK), Associate Member of the Institute of Mathematics & its Applications (UK), Graduate Member of the Australian Institute of Company Directors *Experience*: Member since 2014; Chief Executive Officer, Ascent Capital Solutions	

Responsible Entitiesô Report

Critical Stages

Information on responsible entities continued

Name	Qualification and experience	Special responsibilities
Jane Kreis	*Qualifications*: Phd in Theatre, University of Wollongong, MA in Theatre, QUT, BA Hons (journalism and French) UQ. *Experience*: Member since September 2015; Director, Theatre Network NSW.	
Charles Pashi	*Qualifications*: Bachelor of Commerce (Accounting); Chartered Accountant *Experience*: Member since 2013; Business and Finance Manager	Treasurer
Tamara Press	*Experience*: Member since September 2015; Head of Development for Sydney Writers' Festival.	
Catherine Sullivan	Chair (non-executive) *Qualifications*: Bachelor of Laws (Hons); Bachelor of Arts; Graduate Australian Institute of Company Directors *Experience*: Member since 2011; appointed Chair in November 2012. Senior Manager and Legal Counsel at ASX Ltd	Chair

Contribution in winding up

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 31 December 2015, the total amount that the members of the company are liable to contribute if the company is wound up is $80 (2014 was $80).

Assurance Practitioner's Independence Declaration

A copy of the Assurance Practitioner's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included on page 7 of this financial report and forms part of the Responsible Entities' Report.

Signed in accordance with a resolution of the responsible entities.

CATHERINE SULLIVAN
Responsible Entity

Sydney

Dated / /

Assurance Practitionerôs Independence Declaration

To the Responsible Entities of Critical Stages:

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead assurance practitioner of the review of Critical Stages for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the assurance independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the review; and

(ii) No contravention of any applicable code of professional conduct in relation to the review.

STEVEN J MILLER & CO
Chartered Accountants

S J MILLER
Registered Company
Auditor No 4286

Sydney
Dated / /

Statement of Surplus or Deficit and Other Comprehensive Income

for the year ended 31 December 2015
Critical Stages

	Note	2015	2014
		$	$
Revenue	4.1	365,994	688,133
Expenses			
Administration and marketing expenses		(30,000)	(28,617)
Amortisation expense	5.1	(329)	(600)
Depreciation expense	5.1	(2,500)	(2,775)
Employee benefits expense	5.2	(211,288)	(367,173)
Program, production & touring expenses		(121,737)	(256,298)
Net surplus for the year		140	32,670
Other comprehensive income		-	-
Total comprehensive income for the year		140	32,670

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 31 December 2015
Critical Stages

	Note	2015	2014
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	263,324	90,739
Trade and other receivables	7	-	7,229
Other assets	8	39,156	3,092
Total current assets		302,480	101,060
Non-current assets			
Intangible assets	9	-	329
Plant and equipment	10	7,845	10,345
Total non-current assets		7,845	10,674
TOTAL ASSETS		310,325	111,734
LIABILITIES			
Current liabilities			
Trade and other payables	11	15,737	21,616
Provisions	12	3,444	2,706
Other liabilities	13	38,330	5,875
Government grants	14	206,890	35,753
Total current liabilities		264,401	65,950
TOTAL LIABILITIES		264,401	65,950
NET ASSETS		45,924	45,784
FUNDS			
General funds		45,924	45,784
		45,924	45,784

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

Statement of Changes in Funds

for the year ended 31 December 2015
Critical Stages

	Unrestricted Funds $
At 1 January 2014	13,114
Comprehensive income	32,670
At 31 December 2014	45,784
Comprehensive income	140
At 31 December 2015	45,924

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

Statement of Cash Flows

for the year ended 31 December 2015
Critical Stages

	Note	2015	2014
		$	$
Cash flows from operating activities			
Receipts			
Receipts from customers		237,860	427,570
Grants received		387,485	230,474
Interest received		4,615	4,051
Payments			
Suppliers and employees		(457,375)	(714,469)
Net cash provided/(used) from operating activities		172,585	(52,374)
Net change in cash and cash equivalents held		172,585	(52,374)
Cash and cash equivalents, beginning of year		90,739	143,113
Cash and cash equivalents, end of year	6	263,324	90,739

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

Notes to the Financial Statements

for the year ended 31 December 2015
Critical Stages

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Notes to the Financial Statements

for the year ended 31 December 2015
Critical Stages

1 General information and statement of compliance

The financial report includes the financial statements and notes of Critical Stages.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012.* Critical Stages is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report of Critical Stages for the year ended 31 December 2015 was authorised for issuance in accordance with a resolution of the Board of Responsible Entities.

2 Changes in accounting policies

2.1 New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2015. Information on the more significant standard(s) is presented below.
AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010– 2012 and 2011–2013 Cycles) Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010–2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011–2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the company as they are largely of the nature of clarification of existing requirements.

Notes to the Financial Statements

for the year ended 31 December 2015
Critical Stages

3 Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.2 Revenue recognition

Revenue comprises revenue from government grants and presenter fees as well as fundraising activities.

Revenue is measured by reference to the fair value of consideration received or receivable by the entity for goods supplied and services provided, excluding sales tax, rebates and discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the entity's different activities have been met. Details of the activity specific recognition criteria are described below.

Donations

Donations are recognised as revenue when entity gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Government grants

A number of the company's programs are supported by grants received from the federal, state and local governments.

If conditions are attached to a grant which must be satisfied before the company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

3 Summary of accounting policies continued

3.2 Revenue recognition continued

Presenter fees

Presenter fees are recognised when the service is provided.

Investment income

Investment income comprises of interest. Interest income is recognised as it accrues using the effective interest method.

3.3 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with the use of resources.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

3.5 Trade and other receivables

Trade receivables, which comprise amounts due from services provided, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts. Normal terms of settlement are usually within 30 days. The notional amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

3.6 Plant and equipment

Plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

3 Summary of accounting policies continued

3.6 Plant and equipment continued

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

	2015	2014
Plant & Equipment	3 – 10 years	3 – 10 years

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in surplus or deficit within other income or other expenses.

3.7 Intangibles

Software and website are capitalised on the basis of the costs incurred to acquire, install and build the assets.

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are also subject to impairment testing.

When the intangible asset is disposed of, the gain or loss on disposal is determined by the difference between the proceeds and the carrying amount of the asset, and is recognised in surplus or deficit within other income or other expenses.

3.8 Trade creditors and other payables

Trade payables and other payables represent liabilities for goods and services provided to the company prior to the end of the financial period that are unpaid. These amounts are usually settled in 30 days. The notional amount of the payables is deemed to reflect fair value.

3 Summary of accounting policies continued

3.9 Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. When the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted.

3.10 Employee benefits

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months of balance date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave is recognised in the provision for employee benefits and measured as 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 anticipated 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 currencies that match, as closely as possible, the estimated future cash outflows.

The company pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of surplus or deficit and other comprehensive income when they are due. The company has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

3.11 Leases

Operating leases

Operating lease payments are recognised as an expense in the statement of surplus or deficit and other comprehensive income on a straight-line basis over the lease term.

3 Summary of accounting policies continued

3.12 Taxation

Income tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing or financing activities which is recoverable or payable to the Australian Taxation Office is classified as operating cash flows.

3.13 Impairment testing of intangible assets and plant and equipment

For impairment assessment purposes assets are tested individually for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would , if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

3 Summary of accounting policies continued

3.14 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

3.15 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash- generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Long Service Leave
The liability for long service leave is recognised and measured at the present value of the estimated 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.

Notes to the Financial Statements

for the year ended 31 December 2015
Critical Stages

	Note	2015	2014
		$	$

4 Revenue

Revenue from continuing operations

4.1 Sales Revenue

Rendering of services			
Presenter fees		91,700	273,995
Box office income		-	400
Interest income		4,615	4,051
Licencing, royalties and service fees		32,972	74,563
Net grant income	4.2	134,872	302,675
Sponsorship income		-	4,618
Donations received		69,388	14,030
Expense reimbursements		32,447	13,801
Total revenue		365,994	688,133

4.2 Net grant income

Grants received in advance – 1 January	35,753	120,000
Grants repayable – 1 January	-	4,453
Add:	35,753	124,453
Grants received during the year		
Australia Council – 4,000 Miles Project	135,946	15,000
Playing Australia – Project	-	128,670
Arts NSW – Annual funding	120,000	-
Arts NSW – 4,000 Miles Project	-	35,753
Arts NSW – Songs for the Fallen Project	14,872	-
Arts QLD – Motherland Project	35,191	34,552
	306,009	213,975
	341,762	338,428
Less:		
Grants received in advance – 31 December		
Arts NSW – 4,000 Miles Project	35,753	35,753
Australia Council – 4,000 Miles Project	135,946	-
Arts QLD – Motherland Project	35,191	-
	206,890	35,753
Net grant income	134,872	302,675

Notes to the Financial Statements

for the year ended 31 December 2015
Critical Stages

	2015 $	2014 $

5 Expenses

5.1 General

Amortisation expense – intangible assets	329	600
Depreciation expense – plant and equipment	2,500	2,775
Operating lease payment – premises	2,733	3,250
	=======	=======

5.2 Employee benefit expense

Wages and salaries	191,028	335,923
Workers compensation insurance	4,539	5,330
Defined contribution superannuation plan expenses	14,983	24,744
Movement in employee benefits provisions	738	1,176
	---	---
Total employee benefits expense	211,288	367,173
	=======	=======

6 Cash and cash equivalents

Cash at bank and on hand	263,324	90,739
	=======	=======

6.1 Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balance per statement of cash flows	263,324	90,739
	=======	=======

7 Trade and other receivables

Current

Trade debtors	-	7,229
	---	---
Total trade and other receivables	-	7,229
	=======	=======

Notes to the Financial Statements

for the year ended 31 December 2015
Critical Stages

	Note	2015	2014
		$	$

8 Other assets

Current

General prepayments		39,156	3,092
		=======	=======

9 Intangible assets

Software

Software – at cost		437	437
Accumulated amortisation		(437)	(437)
		---	---
		-	-
		=======	=======

Website development

Website development – at cost		1,800	1,800
Accumulated amortisation		(1,800)	(1,471)
		---	---
		-	329
		---	---
Total intangibles		-	329
		=======	=======

Reconciliation

Reconciliation of the carrying amount of intangibles at the end of the current financial year:

Carrying amount at 1 January		329	929
Amortisation	3.7	(329)	(600)
		---	---
Carrying amount at 31 December		-	329
		=======	=======

Notes to the Financial Statements

for the year ended 31 December 2015
Critical Stages

	Note	2015	2014
		$	$

10 Plant and equipment

Plant and equipment

Furniture and equipment - at cost		8,646	8,646
Accumulated depreciation		(3,236)	(2,371)
Total furniture and equipment		5,410	6,275
Production equipment – at cost		6,824	6,824
Accumulated depreciation		(4,504)	(3,139)
Total production equipment		2,320	3,685
Computer equipment – at cost		3,676	3,676
Accumulated depreciation		(3,561)	(3,291)
Total computer equipment		115	385
Total plant and equipment		7,845	10,345

Reconciliations

Reconciliation of the carrying amount of plant and Equipment at the beginning and end of the current financial year:

Carrying amount at 1 January		10,345	13,120
Depreciation	3.6	(2,500)	(2,775)
Carrying amount at 31 December		7,845	10,345

11 Trade and other payables

Current

Trade creditors	2,403	1,676
Sundry creditors and accrual charges	8,032	3,000
Superannuation	5,302	16,940
Total trade and other payables	15,737	21,616

	Note	2015 $	2014 $

12 Provisions

Current

Annual leave	3,444	2,706
	=======	=======

13 Other liabilities

Current

GST payable	5,148	4,755
Deferred income	28,750	-
PAYG payable	4,432	1,120
	---	---
Total other current liabilities	38,330	5,875
	=======	=======

14 Government grants

Current

Grants in advance	4.2	206,890	35,753
		=======	=======

15 Related party transactions

15.1 Responsible Entities' compensation

The Responsible Entities act in an honorary capacity and receive no compensation for their services.

15.2 Transactions with Responsible Entity-related entities

No amounts are payable to or receivable from Responsible Entities or Responsible Entity related entities at the reporting date.

15.3 Key management personnel compensation

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2015 $	2014 $
Total compensation	73,478	73,049
	=======	=======

	2015 $	2014 $

16 Commitments for expenditure

Operating leases

Minimum commitments are payable as follows:

Office rental		
Within 1 year	4,275	-
1 to 5 years	24,111	-
After 5 years	1,573	-
Total commitments under operating leases	29,959	-

The lease agreement with the Arts Exchange does not specify a requirement for making good of the premises at the expiration of the tenancy other than leaving the premises and the fittings in good and substantial repair. The Responsible Entities have considered that this cost would be immaterial and accordingly a provision for Make Good has not been deemed necessary in the financial report.

17 Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business. The company's continued existence is ultimately dependent upon the success of future productions, government support, philanthropy and fundraising.

If the company is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different from those stated in the financial report.

18 Contingent liabilities

There are no contingent liabilities that have been incurred by the company in relation to 2015 and 2014.

19 Member's guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, its constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 31 December 2015, the total amount that members of the company are liable to contribute if the company wound up is $80 (2014 was $80).

Responsible Entitiesô Declaration

for the year ended 31 December 2015
Critical Stages

In the opinion of the Responsible Entities of Critical Stages:

(a) the financial statements and notes of Critical Stages are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012,* including:

(i) giving a true and fair view of the financial position as at 31 December 2015 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Act 2012*; and

(b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable (Refer Note 17).

Signed in accordance with a resolution of the Responsible Entities:

CATHERINE SULLIVAN
Responsible Entity

Sydney

Dated / /

Independent Assurance Practitionerôs Review Report

To the Responsible Entities of Critical Stages

Report on the financial report

I have reviewed the accompanying financial report of Critical Stages (the company), which comprises the statement of financial position as at 31 December 2015, the statement of surplus or deficit and comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, and notes comprising a summary of significant accounting policies, other explanatory notes and the Responsible Entities' Declaration.

Members' Responsibility for the Financial Report

The Responsible Entities of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012.*This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Assurance Practitioner's responsibility

My responsibility is to express a conclusion on the financial report based on my review. I conducted my review in accordance with Standard on Review Engagements ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Australian Charities and Not-for-profits Commission Act 2012.* ASRE 2400 requires me to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Independence

In conducting my review, I have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012.*

Independent Assurance Practitionerâs Review Report

To the Responsible Entities of Critical Stages

Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the financial report of Critical Stages does not present fairly, in all material respects, the financial position of the company as at 31 December 2015, and its financial performance and its cash flows for the year ended on that date, in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

i) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

STEVEN J MILLER & CO
Chartered Accountants

SJ MILLER
Registered Company Auditor
No 4286

Sydney

Dated / /