

2020

ANNUAL REPORT

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NATIONAL
INSTITUTE OF
CIRCUS
ARTS AUSTRALIA



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ACKNOWLEDGEMENT OF COUNTRY

The National Institute of Circus Arts (NICA) is located on the lands of the Wurundjeri and Boonwurrung peoples in Melbourne. We respectfully acknowledge the Wurundjeri and Boonwurrung people, and their Elders past and present, who are the traditional custodians of the land on which NICA is located. We are honoured to recognise our connection to Wurundjeri and Boonwurrung Country, history, culture and spirituality through this location, and strive to ensure that we operate in a manner that respects the Elders and Ancestors of these lands. We also acknowledge the Traditional Custodians of lands across Australia where we conduct business, and their Elders, Ancestors, cultures and heritage.

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OUR PURPOSE



VISION

NICA will be an internationally renowned Australian Centre of Excellence in education, training, performance and research in contemporary circus.

MISSION

EXCELLENCE

NICA will foster passion, creativity and a high level of skill in its graduates, who will be recognised as inspiring circus artists.

INNOVATION

NICA will deliver innovative training programs to talented students, whose work will reimagine circus and provide stimulating, evocative and sometimes challenging performances.

LEADERSHIP

NICA graduates and staff will take a leadership role in shaping the Australian circus arts industry.

ACCESS

NICA will provide opportunities for a wide range of participants in its courses, workshops and performance program.

GOALS

Drive excellence and support world-class endeavour and achievement in the education and training of circus artists.

Establish a strong regional, national and international presence.

Build a robust and sustainable organisation.

Build strong relationships with industry and the wider community.

Develop strong academic foundations that support a research culture and ensure quality in education and training.



FROM THE CHAIR

I am delighted to present the 2020 Annual Report for the National Institute of Circus Arts (NICA). The year presented unexpected challenges for NICA, as it did for the sector and the wider community. However, although the COVID-19 response occupied a lot of our efforts, it also showcased NICA's ability to innovate under pressure, with staff developing new strategies and resources for online delivery and embracing opportunities to collaborate through technology.

The benefit of these efforts will stretch far beyond the circumstances that necessitated them. Thus, whilst this year has been a difficult one for all, I believe its enduring mark on NICA will be the digital transformation achieved through the hard work and skill of

staff. Therefore, it has been my great privilege to join the Board of NICA in 2021 and witness this spirit of innovation.

In spite of the upheaval, there are still many other achievements to celebrate.

NICA continued to seek opportunities to engage the wider community, delivering circus workshops in partnership with Uncaged Spirit to 160 high school students from schools along the Murray River, including Kyabram School, Echuca Secondary College, Cohuna High School and Rochester Secondary College. As a result of this successful engagement, we plan to actively collaborate with ten different schools in the area from the beginning of 2021.

Our local Council, Stonnington, also granted NICA \$42,000 to work with graduates to create a family show, providing job opportunities for NICA's alumni.

All this was achieved against the backdrop of tremendous efforts to protect our students, staff and the wider community through comprehensive COVID-safe protocols. Most notably, in accordance with government and medical advice, a COVID-safe 'Roadmap' was developed that identified all activities that occur onsite and listed control measures for three different levels of restrictions. I applaud the efforts made by the NICA staff and Board to prioritise the health and safety of the entire community throughout the year. Thankfully, it was possible to make a full return to on-site activities on 9 November 2020.

The substantial efforts made to ensure NICA's financial stability in the face of dramatically reduced revenue from our commercial activities are also to be commended. Therefore, I would like to thank staff who were dedicated to the task of applying for the Federal Government's JobKeeper scheme and administering the financial assistance we received.

I would also like to take this opportunity to express our appreciation to the Federal Government for their support of NICA programs and for the depth of involvement and encouragement provided to ARTS8. This year, the additional support provided through the JobKeeper payment meant that NICA reached a surplus budget. As we move into another year where travel restrictions are likely to have financial impacts on our activities, this has assisted our position.

The sound governance provided by our Board Directors, Ms Nancy Gullo-Collins and Professor Kim Vincs, and Company Secretary Ms Emma Lincoln, has also helped us navigate this incredibly challenging period. Therefore, I would like to thank them for their substantial efforts. In addition, I would like to thank outgoing Chair and Board Director Mr Scott

Thompson-Whiteside for his stewardship, and also Rose Stephens for her support to the Board and her dedication to NICA over many years.

I also wish to acknowledge the Pratt Foundation, numerous donors, the Saunders Family, the Urquhart Charitable Fund and Swinburne University for their generous support in 2020.

Finally, I would like to extend my thanks to all staff who work incredibly hard to ensure NICA retains its reputation as a vibrant Centre of Excellence in Circus Arts. Without their exceptional dedication, none of the achievements within this report would have been possible.

Now, after this challenging year, we must look to the future. As such, I would like to take this opportunity to welcome Simona Jobbagy as our new Director. Simona brings a wealth of experience to the role, including 26 years at Swinburne. I look forward to working with her as I also begin my role as Chair in 2021. There is much that I am excited about, including the fact that NICA has returned to Pathways and Vocational Education (PAVE). Its strong history of domestic and international engagement, and commitment to innovation strongly aligns with PAVE's priorities and those of Swinburne as an institution.

As such, I look forward to seeing what we can achieve together in 2021, as we collectively work towards Horizon 2025.

Ms Lisa Line
Chair of the NICA Board



FROM THE DIRECTOR

It is a great privilege to present this report as the new Director of NICA, in a year that marks the organisation's twentieth birthday. I would like to thank the NICA board for the opportunity to lead this great organisation into its next chapter.

NICA is grateful to Swinburne University of Technology for its continued support in 2020. In particular, I would like to thank the university for providing funding support through HEPPP, which enabled our outreach programs to take place again in 2020.

Despite the challenges NICA faced in 2020 including long periods of lockdown, our staff have demonstrated a great ability to develop innovative approaches to program delivery and student outcomes, as well as engagement with industry and community. They have

adopted new technologies to engage with our students, collaborate with partner organisations such as the ARTS8, and build collaborative networks with other FEDEC member organisations to identify examples of good practice across a variety of disciplines in both circus and arts education, locally and internationally. A number of initiatives and innovations have occurred over the year with some very positive outcomes.

In early 2020 in partnership with the Arts Centre Melbourne for Asia TOPA 2020, NICA offered a rare opportunity for circus artists to take a masterclass with Vietnamese Bamboo Circus Artistic Director Lân Maurice Nguyễn. The highly structured methodology provided an in-depth process to innovate material on circus apparatus. NICA students had the unique opportunity to attend a special visit to the set of the show, *À Ô Làng Phô*, and be given a masterclass by Mr Lân Maurice

Nguyễn over two weeks.

NICA partnered with researchers from Swinburne's Department of Nursing and Allied Health (Physiotherapy) and the Melbourne Shoulder Group to undertake a study examining the effects of a shoulder rehabilitation exercise-based program in circus artists who have atraumatic shoulder instability. In total, 24 NICA students enrolled in the 12-week shoulder specific rehabilitation program which took place initially onsite, but transferred to a remote study via Telehealth appointments due to COVID-19.

The NICA Medical Team has been very supportive and innovative in developing individualised wellness and fitness training plans for each student, as well as an online system for students to track their wellbeing and strength levels. The new 'Athlete Monitoring System' incorporates online wellness monitoring as well as the Medical Team's treatment notes and data for future research and reporting.

For the first time NICA reimaged their popular pre-audition workshops into a live interactive online format. Over 300 potential applicants logged on to the NICA Digital Open Day to learn all they needed to know about getting into NICA. In addition, they received insight into what our assessors are looking for in a successful audition, learnt tips on developing a performance piece, and met some inspirational alumni.

On an international platform, NICA Head Physiotherapist Dr David Munro was invited to present the Keynote presentation: "Injury Prevention, Anatomy and Physiology as taught at NICA: Bachelor of Circus Degree" at the American Circus Educators Conference in September 2020. This led to a number of international collaborations for Dr Munro, including the participation on the international

forum Circus Arts Research Platform (CARP) Global Operational Board and the Journal Committee. Dr Munro is also part of the international forum SIRC (Surveillance of Injuries for Research in Circus), a group of global clinicians with a special interest in Circus Arts who meet monthly to share current critical thinking and research around circus injuries and prevention.

NICA was also accepted as an entrant in the FEDEC Circle project in Auch, France in early October. This was a virtual event and our first-year Bachelor of Circus Arts students responded to the theme "confined spaces" with a three-minute home video submission.

With many of our students being impacted by the COVID-19 crisis, NICA created a Student Hardship Fund from donations received from our network of supporters. This fund was opened to students who experienced financial hardship and were struggling with the costs of living and studying, greatly exacerbated by the COVID-19 crisis. To date the fund has supported eighteen students experiencing hardship. I would like to thank the Urquhart Charitable Fund who donated generously towards this fund as well as the donations received large and small through our online giving portal. NICA is very grateful for this support received just when it was needed and all other generous donations received in 2020.

Navigating 2020 was only made possible through the dedication and resilience of our staff and trainers, and I would like to take this opportunity to acknowledge their tremendous contribution. Of particular note, I would like to thank Mr Guang Rong Lu for his contributions to NICA, our students and the Australia circus industry upon his retirement in 2020.

Simona Jobbagy
NICA Director

2020 AT A GLANCE

January

A new cohort of students begin their studies at NICA with 20 offers accepted for NICA's Certificate IV in Circus Arts and 26 offers for the first year of the Bachelor of Circus Arts.

NICA received approval from the Victorian Department of Education and training to continue delivery of auspiced training programs to Spectrum Dance Studio, Patrick Studios Australia and Flying Fruit Fly Circus.



February

Partnering with Asia TOPA and the Arts Centre Melbourne NICA held workshops over two weeks with Vietnamese Circus Director Lân Maurice Nguyễn in his unique performance-creating methodology for both NICA students, staff and our alumni and professional performer networks.

Year 9 students from the King David School visited NICA for the full intro to circus experience and continued their learning through circus workshops delivered at their school exploring the theme "How to Learn a New Skill".

March

Lead by Dr Charlotte Ganderton, an interdisciplinary research project commenced with staff from Swinburne University of Technology, NICA and the Melbourne Shoulder Group to investigate the effect of a 12-week targeted shoulder rehabilitation program for atraumatic shoulder instability.

April

Due to the COVID-19 crisis, NICA academic staff developed new strategies and resources for theory units to be delivered online for both higher education and vocational education programs.

NICA's popular online short courses classes launched on Facebook Live and Zoom with video circus classes you can do safely at home.

May

NICA staff continue to deliver theory units online and provide training resources for maintaining physical strength and condition while at home, as well as contributing to collaborative discussions and shared resources with colleagues from other ARTS8 organisations.

June

NICA began a staggered resumption of fitness and skill-based training at our Prahran premises with NICA's Key COVIDSafe Principles to guide us.

July

CircaNICA was awarded a grant through the City of Stonnington's Arts and Culture Grants to develop a new outdoor circus work directed by Mike Finch and designed by Emily Barrie that responds to the changing needs of presenters in a post COVID landscape.

August

NICA teamed up with Swinburne Student Union to deliver circus fitness workouts over Zoom designed to be done at home during Swinburne O-week.



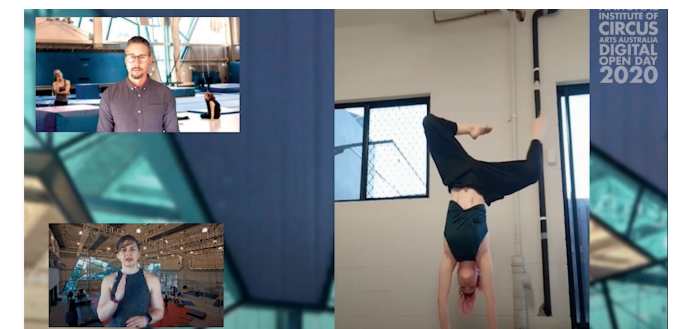
September

To keep spirits up and stay creative in lockdown, NICA held an Iso-Cabaret online cabaret event featuring short film works created by students in lockdown.

NICA Head Physiotherapist Dr David Munro presented the Keynote presentation: "Injury Prevention, Anatomy and Physiology as taught at NICA: Bachelor of Circus Degree" at the American Circus Educators Conference.

October

NICA reimaged our popular pre-audition workshops into a live interactive online format. The NICA Digital Open Day streamed live online on Saturday October 10 with hundreds of viewers logging in from around the country and the world.



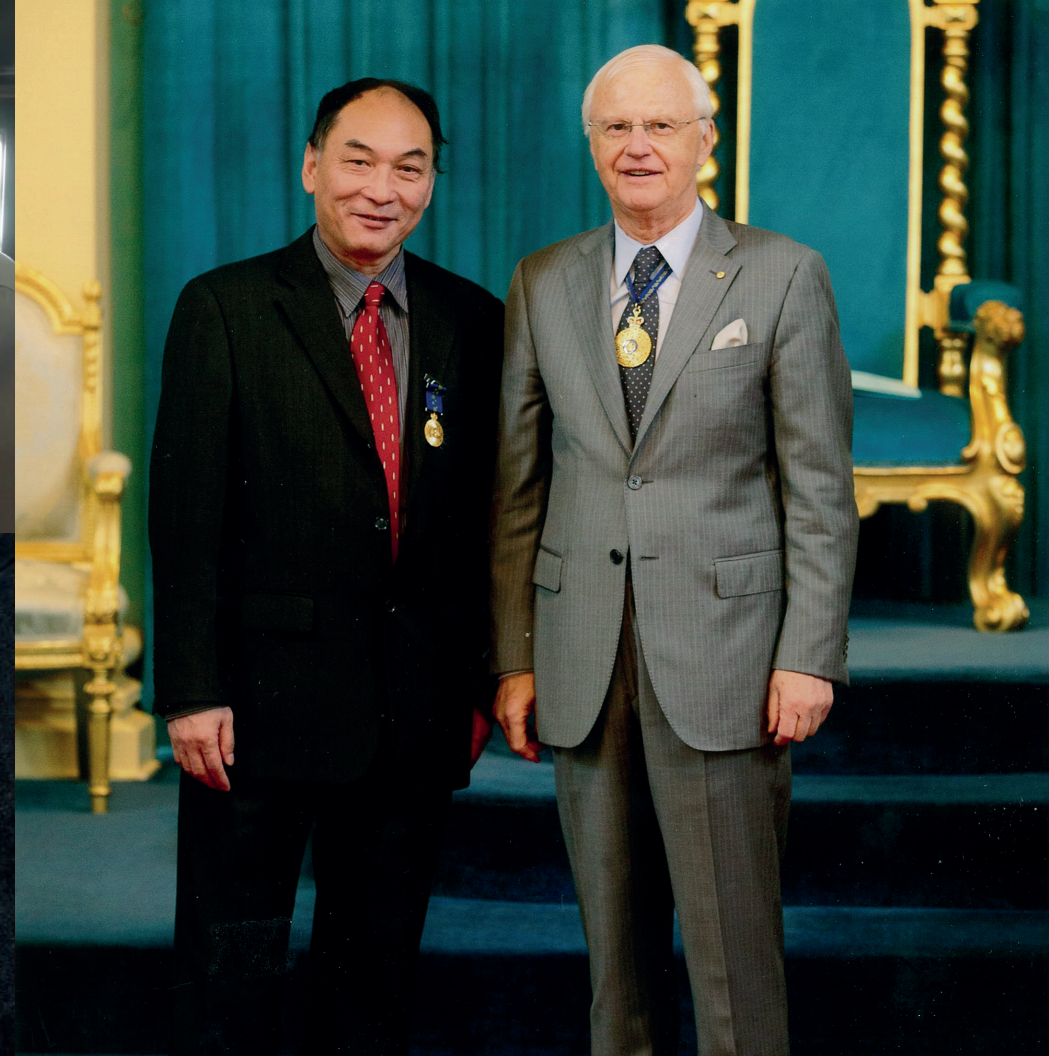
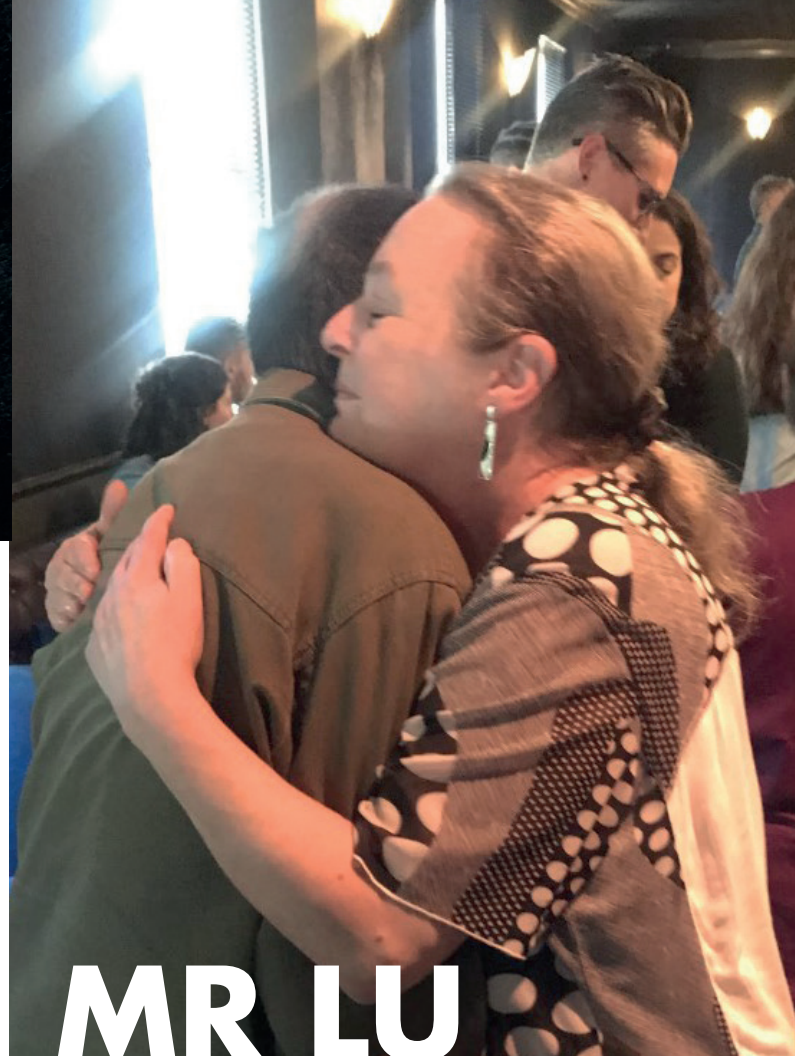
November

Guided by NICA's COVIDSafe Roadmap NICA staff and students returned to campus after a second lockdown.

December

NICA Outbound visited Spaghetti Circus, Uncaged Spirit and four secondary schools in the Murray Plains region to deliver social circus workshops.





FAREWELL MR LU

At the end of 2020 NICA gave a heartfelt farewell to NICA's founding member, former Head of Circus and Director of International Engagement, Mr Guang Rong Lu OAM.

Mr Lu found circus at a young age in China and graduated from the Nanjing Drama School in the early 1970s. He performed and toured worldwide with the Nanjing Acrobatic Troupe until 1987.

He was an original member of "Nanjing I" and "Nanjing II", cultural exchange projects between Australia and Nanjing in China in the 1980s. Mr Lu was instrumental in influencing the circus training landscape in Australia through these projects.

Following a celebrated international career as a circus performer of much renown, he settled

in Australia and began a long relationship with circus arts education and training. Some highlights of Mr Lu's work include the creation of the Flying Fruit Fly Circus training program and designing and creating the Pole Act for the 2000 Sydney Olympic Games Opening Ceremony.

In 1999 NICA ran a pilot national training project in an un-renovated warehouse located in the Melbourne Docklands. Mr Lu saw an opportunity to integrate circus into the Australian education system and provide young people with a formal qualification, but it was not without its risks: "It was a very unknown time. You were not sure how it would be received, but you knew that you had a very strong wish to make it happen."

Mr Lu was the lead trainer and advisor in the pilot project which led to the establishment of NICA. During the pilot project, he delivered

circus training, managed all the rigging and performed a wide-range of duties, working hard to ensure that all eight participants graduated with a Diploma of Circus Arts from Swinburne University of Technology in 2001.

After fifteen years as Head of Circus at NICA, Mr Lu stewarded a new period of growth and development for NICA as the Director of International Engagement. A position responsible for bringing to fruition a number of projects centred around circus arts education and graduate outcomes.

He managed the alumni program, including: further development of the resource base for graduates; created opportunities for graduate placement in the international industry; established and maintained international relationships with circus schools and circus production companies; and assisted the

younger generation of circus trainers by creating a standardised digital teaching manual.

Mr Lu was honoured with a Medal of the Order of Australia (OAM) on Australia Day 2015 for his services to the performing arts as a director, performer and aerial designer.

NICA is sincerely grateful the tremendous influence Mr Guang Rong Lu had on his students, teaching peers, the organisation and circus arts in Australia. In December 2020 NICA was proud to present Mr Lu with a medal of honour upon his retirement for his achievements at NICA and his outstanding contribution to the circus arts horizon in Australia.

SUPPORTERS & PARTNERS



Australian Government

The National Institute of Circus Arts is supported by the Australian Government. It also has a number of partners who support the organisation in various ways. We would like to acknowledge the continuing support of the following companies and entities.



Australian Government

**Department of Infrastructure, Transport,
Regional Development and Communications**



City of
STONNINGTON



CIRCA



CIRQUE DU SOLEIL



NICA also thanks the Saunders Family Fund, and the Urquhart Charitable Fund for their generous support in 2020.

FINANCE & OPERATIONS REPORT

NATIONAL INSTITUTE OF CIRCUS ARTS LIMITED
ABN 80 084 913 235

REPORT OF OPERATIONS FOR THE YEAR ENDED 31 DECEMBER 2020

General Information

National Institute of Circus Arts Limited (NICA) is an Australian Public Company limited by guarantee, established on 27 October 1998 pursuant to the general authority contained in the *Swinburne University of Technology Act 1992*, superseded by the *Swinburne University of Technology Act 2010* (as amended).

The responsible Minister is the Hon. Gayle Tierney MLC, Minister for Training and Skills and Higher Education. Remuneration of the responsible Minister is disclosed in the financial report of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament. The Minister responsible for the portfolio that funds NICA, is the Hon. Paul Fletcher, Minister for Communications, Urban Infrastructure, Cities and the Arts.

NICA is a centre of excellence dedicated to developing and nurturing Australia's most talented young contemporary circus and physical theatre performers. NICA is a member of the Australian Roundtable for Arts Training Excellence (ARTS8).

The objectives of the company are to provide quality education and training in circus arts and physical theatre and thereby enhance the cultural development of the Australian arts industry.

NICA's core program is a three year degree program which equips graduates with the skills to establish successful careers in the national and international circus arts industry. The Company's community and commercial activities increase community, industry and stakeholder awareness of circus arts. NICA is committed to the growth of the industry by identifying new markets and developing strategic partnerships which will enhance opportunities for performance and circus innovation.

2020 was an extraordinary year in which a good deal of NICA activity was suspended due to the COVID-19 pandemic. Projects that were to take place in 2020 have had to be postponed or cancelled until some stability and sense of normal operating environment can be reinstated.

Due to the move to a working from home environment, NICA academic staff developed new strategies and resources for theory units to be delivered online for both higher education and vocational education programs. NICA staff also engaged in collaborative discussions with colleagues from other ARTS8 organisations and shared resources and examples of good practice in the new digital environment. Unfortunately, students were all behind with their physical studies, and more importantly, their physical fitness and will recommence their Semester 1 studies in January 2021.

With the assistance of the Federal Government through its JobKeeper scheme, NICA concluded 2020 in a satisfactory financial position to reboot in 2021. This support was received with gratitude from all staff who were able to remain employed during a very lengthy lockdown in Victoria.

NICA's highlights in 2020 include:

1. NICA in partnership with Arts Centre Melbourne for Asia TOPA 2020 offered a rare opportunity for circus artists to take a masterclass with Vietnamese Bamboo Circus Artistic Director Lân Maurice Nguyễn. The highly structured methodology provided an in-depth process to innovate material on circus apparatus.
2. NICA partnered with researcher's from Swinburne's Department of Nursing and Allied Health (Physiotherapy) and the Melbourne Shoulder Group to undertake a study examining the effects of a shoulder rehabilitation exercise-based program in circus artists who have atraumatic shoulder instability. In total, 24 NICA students enrolled in the 12-week shoulder specific rehabilitation program which took place initially onsite, but transferred to a remote study via Telehealth appointments due to COVID-19.
3. For the first time NICA reimagined their popular pre-audition workshops into a live interactive online format. Over 300 potential applicants logged on to The Digital Open Day to learn all they needed to know about getting into NICA. In addition, they got insight into what our assessors are looking for in a successful audition, learnt tips on developing a performance piece, and met some inspirational alumni.
4. Stonnington Council granted NICA \$42,000 to work with graduates to create a family show. The show will be presented in January 2021 and will provide job opportunities for NICA's alumni. The show will be directed by Mike Finch, designed by Emily Barrie with Melenie Stevenson as the creative producer.
5. NICA was accepted as an entrant in the FEDEC Circle project in Auch, France in early October. This was a virtual event and our first years responded to the theme "confined spaces" with a three-minute home video submission. It was very well received at the festival.
6. As part of our HEPPP project, NICA Outbound provided face-to-face Masterclass training to students from Uncaged Spirit (Moama) and Spaghetti Circus (Mullumbimby). In addition, NICA Outbound conducted online aerial workshops to students from Sandfly (WA). The level of satisfaction was very high, and we received very positive feedback.
7. NICA created a Student Hardship Fund from donations made to NICA from its supporters, which was open to students enrolled at NICA who were in financial crisis and struggling with the costs of living and studying. Unfortunately, many of our students have been impacted financially by the COVID-19 crisis. The Urquhart Charitable Fund donated \$25,000 towards this Fund which assisted 18 students for which they and NICA are very grateful.
8. NICA delivered circus workshops to 160 high school students from Kyabram School, Echuca Secondary College, Cohuna High School and Rochester Secondary College. As a result of our successful engagement with High Schools on the banks of the Murray River through Uncaged Spirit, NICA plans to actively collaborate with 10 different High Schools in the area from the beginning of 2021.

NICA wishes to express gratitude to the Chair of the Board, Professor Scott Thompson-Whiteside, the Board Directors and Company Secretary for their support during a difficult 2020.

NICA wishes to thank the support of Rosie Pham and the Saunders family for their donations towards many of NICA's projects.

NICA acknowledges the support from the Federal Government through the Department of Communications, Urban Infrastructure, Cities and the Arts, the Attorney General's Department, the Ministry for the Arts and the Victorian Government through the Department of Education and Training.

DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 31 December 2020. The financial report has been prepared in accordance with the *Swinburne University of Technology Act 2010* (as amended), the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Directors

The names and details of the Directors of the Company in office during the financial year or at the date of this report are:

Name:	Ms Lisa Line-Chair (term commenced 26 January 2021)
Experience:	Deputy Vice-Chancellor (Pathways and Vocational Education)
Name:	Prof. Scott Thompson-Whiteside - Chair (term ended 31 December 2020)
Experience:	Pro Vice-Chancellor, Faculty Health, Arts and Design
Name:	Ms Kim Vincs
Experience:	Professor of Interactive Media for Department of Film and Animation, Swinburne University of Technology
Name:	Ms Nancy Gullo-Collins
Experience:	Chief Financial Officer & Chief Operating Officer, Swinburne University of Technology

Company Secretary:

Ms Emma Lincoln

Principal Activities

The Company provides training in circus arts. It was incorporated on 27 October 1998 and commenced operations in 1999. It is a company limited by guarantee.

Events Subsequent to Balance Date

The COVID-19 pandemic continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be different from those currently forecast by the Company at the reporting date. As responses by the government continue to evolve, management recognises that there remains a degree of uncertainty around the potential impact of the pandemic after the reporting date on the Company's operations. Refer to Note 25 for further information regarding the impact of COVID-19 on the Company.

On 26 January 2021, Ms Lisa Line was appointed as Chair of the Company as Mr Scott Thompson- Whiteside resigned as Chair on 31 December 2020.

No other matters or circumstances have arisen since the end of the reporting year which significantly affect or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

The Company will continue to pursue its stated objectives to increase profitability. The Company will continue to explore ways of reducing expenditure to improve and enhance efficiency.

Environmental Regulation

The Directors are of the opinion that the Company has complied with all relevant environmental legislation so far as it concerns the operations of the entity.

Indemnifying Officer or Auditor

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; and
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the cost or expenses to defend legal proceedings.

During or since the financial year the Company has paid premiums to insure each of the responsible persons, which excludes the external auditor, against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of an officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was paid as part of an overall insurance charge by the Company's parent entity, Swinburne University of Technology.

DIRECTORS' REPORT (continued)

Directors' Benefits

No Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salaries of Directors who are full-time employees of the Company or a related corporation) by reason of a contract made by the Company or a related corporation with a Director or with a firm of which he/she is a member, or with a Company in which he/she has a substantial financial interest.

Meetings of Directors

There were 4 meetings of Directors during the financial year. Attendances were :

	Number Eligible to Attend	Number Attended
Prof. Scott Thompson-Whiteside	4	4
Prof. Kim Vincs	4	4
Ms Nancy Gullo-Collins	4	4

Directors' and Officers' Insurance

The parent entity, Swinburne University of Technology, maintains Directors' and officers' liability insurance that provides redress to the Company to the extent that it is permitted under law to indemnify Directors and officers for wrongful acts committed in the course of their duties.

Proceedings on Behalf of Company

No person has applied for leave of a Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Rounding of Amounts

The Company is a Company of the kind referred to in ASIC Class Order 2016/191, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the financial report are rounded to the nearest dollar.

This report is made in accordance with a resolution of the Directors.


.....
Chair of the Board
Ms Lisa Line

Date Signed: 22 / 03 / 2021
Melbourne


.....
Director
Ms Nancy Gullo-Collins

Date Signed: 22 / 03 / 2021
Melbourne

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial report of the National Institute of Circus Arts Limited as set out on pages 8 to 30:
 - (a) complies with Australian Accounting Standards as detailed in Note 2 to the financial statements and the *Australian Charities and Not-for-Profits Commission Act 2012*, and
 - (b) complies with section 47 of the *Swinburne University of Technology Act 2010* (as amended), Standing Direction 5.2 of the Victorian Assistant Treasurer under the *Financial Management Act 1994*, and the Accounting Standards, and
 - (c) gives a true and fair view of the Company's financial position as at 31 December 2020 and of the Company's performance for the year ended on that date.
2. In the directors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstance which would render any particulars included in the financial report to be misleading or inaccurate.
4. Accordingly the annual financial statements, report of operations, directors' report, and solvency declaration be approved and the solvency declaration be approved and the Chair or any other director be authorised to sign these.

This declaration is made in accordance with a resolution of the Board of Directors.


.....
Chair of the Board
Ms Lisa Line

Date Signed: 22 / 03 / 2021
Melbourne


.....
Director
Ms Nancy Gullo-Collins

Date Signed: 22 / 03 / 2021
Melbourne

Auditor-General's Independence Declaration

To the Board, the National Institute of Circus Arts Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the National Institute of Circus Arts Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
9 April 2021


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Independent Auditor's Report



To the Board of the National Institute of Circus Arts Limited

Opinion	I have audited the financial report of the National Institute of Circus Arts Limited (the company) which comprises the: - statement of financial position as at 31 December 2020 - income statement for the year then ended - statement of changes in equity for the year then ended - cash flow statement for the year then ended - notes to the financial statements, including significant accounting policies - Director's Declaration. In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including: - giving a true and fair view of the financial position of the company as at 31 December 2020 and of its financial performance and its cash flows for the year then ended - complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the company is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with 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 the purpose of 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 Board
- conclude on the appropriateness of the Board'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. My conclusions are based 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 Board 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.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Charlotte Jeffries

as delegate for the Auditor-General of Victoria
NICA.COM.AU

MELBOURNE
9 April 2021

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Revenue and income from continuing operations	3.1	5,444,938	6,414,493
Expenses from continuing operations			
Employee expenses	3.2	3,669,172	3,843,695
Communications		99,878	101,633
Promotion		26,015	100,310
Professional service fee		116,078	420,298
Contract teaching		713,914	688,108
Repairs and maintenance (buildings)		63,288	91,956
Repairs and maintenance (equipment)		52,105	95,504
Consumables		108,790	116,440
Travel		3,186	148,777
Equipment		21,165	28,517
Depreciation	3.2	145,149	96,931
Other expenses	3.2	216,170	245,939
Audit fee	3.2	18,920	16,400
		<u>5,253,830</u>	<u>5,994,508</u>
Net result for the year		<u>191,108</u>	<u>419,985</u>

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Net result for the year		191,108	419,985
Other comprehensive income		-	-
Total other comprehensive income for the year from continuing operations attributable to NICA		<u>191,108</u>	<u>419,985</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	4,312,761	3,372,930
Receivables	5	220,145	214,535
Other current assets	6	100,188	83,260
Total Current Assets		<u>4,633,094</u>	<u>3,670,725</u>
Non-Current Assets			
Property, plant and equipment	7	1,621,340	1,666,590
Intercompany loan receivable	15	-	24,384
Total Non-Current Assets		<u>1,621,340</u>	<u>1,690,974</u>
Total Assets		<u>6,254,434</u>	<u>5,361,699</u>
LIABILITIES			
Current Liabilities			
Income in advance	9	743,772	40
Employee benefits	10	330,776	255,242
Payables	11	191,790	320,731
Total Current Liabilities		<u>1,266,338</u>	<u>576,013</u>
Non-Current Liabilities			
Employee benefits	10	42,460	31,158
Total Non-Current Liabilities		<u>42,460</u>	<u>31,158</u>
Total Liabilities		<u>1,308,798</u>	<u>607,171</u>
NET ASSETS		<u>4,945,636</u>	<u>4,754,528</u>
EQUITY			
Reserves	12	250,781	250,781
Retained earnings	13	4,694,855	4,503,747
TOTAL EQUITY		<u>4,945,636</u>	<u>4,754,528</u>

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 January 2019		4,083,762	250,781	4,334,543
Net result for the year		419,985	-	419,985
Other comprehensive income for the year		-		
Balance at 31 December 2019	13	4,503,747	250,781	4,754,528
Net result for the year	13	191,108	-	191,108
Other comprehensive income for the year		-	-	-
Balance at 31 December 2020	13	4,694,855	250,781	4,945,636

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Commonwealth Government Grants	3.1	3,981,099	2,822,000
State Government Grants	3.1	815,795	921,066
Receipts from student fees and other customers (inclusive of GST)		1,659,618	1,733,255
Interest received	3.1	4,880	20,823
Other revenue		178,840	756,838
Receipt/(payment) of GST to the ATO		(354,244)	(263,799)
Payments to employees		(3,582,336)	(3,920,195)
Payments to suppliers (inclusive of GST)		(1,663,923)	(1,823,031)
Net cashflow from operating activities	16	1,039,729	246,957
Cash flows from investing activities			
Payments for property, plant and equipment		(99,898)	(108,212)
Net cashflow from investing activities		(99,898)	(108,212)
Net increase/(decrease) in cash and cash equivalents		939,831	138,745
Cash and cash equivalents at the beginning of the financial year		3,372,930	3,234,185
Cash and cash equivalents at the end of the year	4	4,312,761	3,372,930

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

Notes to the Financial Statements for the Year Ended 31 December 2020

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Notes to the Financial Statements for the Year Ended 31 December 2020

Note 1: Statutory Reporting Requirements

The financial report of the National Institute of Circus Arts Limited for the year ended 31 December 2020 has been prepared pursuant to section 47 of the *Swinburne University of Technology Act 2010* (as amended), the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Note 2: Summary of Significant Accounting Policies

The National Institute of Circus Arts Limited is a company limited by guarantee, incorporated and domiciled in Australia. The accounting policies have been consistently applied, unless otherwise stated. The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, and interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, *Swinburne University of Technology Act 2010* (as amended) the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Historical cost convention

The financial report has been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of certain classes of property, plant and equipment to fair value.

Critical accounting estimates

The preparation of the financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the National Institute of Circus Arts accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report, are the valuation of non-current assets (such as building improvements). The company obtains external advice in the calculation of these estimates.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of duties and taxes paid.

Revenue is recognised for the major business activities as follows:

- Government financial assistance is received to support the teaching and operations. While there are no sufficiently specific performance obligations, contractual stipulations require unspent funds to be returned to the government. Due to COVID-19, not all of the funds were spent and thus deferred to the balance sheet under AASB 1058 income of not-for-profit entities.
- Donations and government financial assistance contributions falling under AASB 1058 to acquire or construct a recognisable non-financial asset are recognised when, or as the Company's obligations are satisfied under the transfer. A liability for the excess of the initial carrying amount of the contribution is recognised until the obligations are satisfied.
- Fees and charges include amounts received or delivered in respect of consulting and course delivery. Revenue from fees and charges are recognised over time as the courses and services are delivered and the performance obligations met in line with AASB 15 *Revenue from Contracts with Customers*.
- Donations are recognised in the year that they are received.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(d) Other Financial Assets

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets as receivables in the statement of financial position.

Receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. A provision is raised using the lifetime expected credit loss model. The model uses three years of historical credit loss experience to estimate lifetime expected credit losses from the first reporting period based on the likelihood of a receivable being uncollectible, adjusted for forward-looking information. Receivables that are known to be uncollectible are written off against the provision. Indicators that a receivable is uncollectible include the failure of a debtor to make contractual payments after an extended period past the due date, and failure of a debtor to engage with the Company to settle outstanding amounts.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 2: Summary of Significant Accounting Policies (continued)

(e) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days following end of month of invoice.

(f) Employee Benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised as a liability at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the Company in respect of services provided by employees up to the reporting date.

(ii) Long service leave

The liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Long service leave is paid out on resignation, termination, and redundancy after seven years of service and is available to be taken after 7 years of service with the agreement of both the employee and the Company.

The Company determines that portion expected to be paid in the year which is measured at nominal value and the remainder measured at net present value. 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. The current portion of the provision is determined as the value of long service leave of staff that have 7 years or more of service entitlements outstanding with an unconditional right of settlement.

The Company uses the Department of Treasury and Finance's 2008 Long Service Leave Model to calculate the provision for Long Service Leave. Because the calculation of long service leave involves significant assumptions and estimates it is considered a critical accounting judgement.

(iii) Performance bonus

A liability for employee benefits in the form of performance bonuses is recognised in employee entitlements when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- There are formal terms for determining the amount of the benefit; the amounts to be paid are determined before the time of completion of the financial report; or past practice gives clear evidence of the amount of the obligation. Liabilities for performance bonuses are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Superannuation

The amount expensed in respect of superannuation represents the contributions made by the entity to the superannuation plans in respect of current entity staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

(v) Employee benefit oncosts

Employee benefit oncosts, including payroll tax and workcover, are included in employee benefit costs when the employee benefits to which they relate are recognised.

(g) Property, Plant and Equipment

The Company is carrying property in its accounts where the title to the property is in the name of the Minister for Training and Skills and the Minister for Higher Education. The value of land and buildings attributed to the Crown, at independent valuation by the Valuer General of Victoria, now amounts to \$1.46 million (2019: \$1.46 million). Building improvements are measured at the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

The Company has adopted the Valuer-General's approach for the classification of building components which are based on specifications issued by the Australian Procurement and Construction Council. The building and building components have been classified under the following categories:

Structure/Shell/Building Fabric: inclusive of substructure, columns, floor, upper floors, staircases, roof, external walls, windows.

Site Engineering Services and central plant: inclusive of roads, footpaths, paved areas, boundary walls, covered ways, fencing, gates, outbuildings, landscaping improvements, external stormwater drainage, external water supply, external gas, fire protection, electricity, communications, and special services.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 2: Summary of Significant Accounting Policies (continued)

Fit out: inclusive of external doors, internal walls, ceilings, fitments (including wall and floor coverings), sanitary fixtures and special equipment.

Trunk Reticulated Building Systems: inclusive of lifts, escalators, walkways, cranes, hoists etc., centralised energy and other.

Leasehold Improvements are reviewed annually and written off over the term of the lease or 10 years, whichever comes first.

The Company incorporates different depreciation rates, based on estimated useful lives, for items of plant within building as follows:

Building Improvements	42 Years	(2019: 42 Years)
Site Engineering Services and central plant	42 years	(2019: 42 Years)
Fit out	17 years	(2019: 17 years)
Trunk Reticulated Building Systems	25 years	(2019: 25 years)
Leasehold Improvements	10 years	(2019: 10 years)
Equipment	5 years	(2019: 5 years)

Gains and losses on disposals reported in the income statement are determined by comparing proceeds with carrying amount. When revalued assets are sold, it is company policy to transfer the amounts included in the relevant asset revaluation reserve in respect of those assets to retained earnings.

Leasehold improvements are measured at fair value.

Plant and equipment is measured at fair value.

Depreciation is calculated using the straight line method to allocate the cost or revalued amounts, net of their residual values, over their estimated useful lives, commencing from the time the asset is held ready for use. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance date.

Revaluations

The Company revalues its building improvements every three years, with an independent revaluation completed in December 2018. The fair value of the asset class is reviewed on an annual basis and amended if any material variations exist. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are credited directly to an asset revaluation reserve in equity, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in determining the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as expenses, except that, to the extent that a credit balance exists in an asset revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve. Revaluation increments and revaluation decrements relating to individual assets within the same specific class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

(h) Acquisition of Assets

All assets are assessed annually for indicators of impairment. If there is an indication of impairment, the asset concerned is tested as to whether its carrying value exceeds its recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is expensed, except to the extent that the write-down can be debited to an asset revaluation reserve applicable to that class of asset.

(i) Income Tax

The Company is exempt from income tax pursuant to Subdivision 50-B of the *Income Tax Assessment Act 1997* (as amended).

(j) Leases

Leases are recognised as a right-of-use asset and a corresponding liabilities at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period. The right-of-use asset is depreciated over the shorter of the assets useful life and the lease term on a straight line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 2: Summary of Significant Accounting Policies (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise website hosting and software licenses.

(k) Contingent Liabilities and Contingent Assets

Contingent liabilities and assets are not recognised in the statement of financial position, but are disclosed by way of a note (refer note 17) and, if quantifiable, are measured at nominal value. Contingent liabilities and contingent assets are presented inclusive of the GST receivable or payable.

(l) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included with other receivables or 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 ATO, are presented as operating cash flows.

(m) Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded in accordance with that Class Order to the nearest dollar.

(n) Australian Accounting Standards, Amendments and Interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. A discussion of those future requirements and their impact on the company is as follows:

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on the financial statements
AASB 17 <i>Insurance Contracts</i>	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contracts that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.	1 January 2021	The standard is not expected to have a significant impact for the Company.
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022 However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact for the Company.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 2: Summary of Significant Accounting Policies (continued)

Other

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2020 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2020-2 Amendments to Australian Accounting Standards - *Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 2020-3 Amendments to Australian Accounting Standards – *Annual Improvements 2018–2020 and Other Amendments*.
- AASB 2020-5 Amendments to Australian Accounting Standards – *Insurance Contracts*.
- AASB 2020-6 Amendments to Australian Accounting Standards – *Classification of Liabilities as Current or Non-current – Deferral of Effective Date*.
- AASB 2020-7 Amendments to Australian Accounting Standards – *Covid-19-Related Rent Concessions: Tier 2 Disclosures*.
- AASB 2020-8 Amendments to Australian Accounting Standards – *Interest Rate Benchmark Reform – Phase 2*.
- AASB 1060 General Purpose Financial Statements - *Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.

The Company does not anticipate early adoption of any of the above Australian Accounting Standards or Interpretations.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 3: Income and Expenditure from Continuing Activities

	2020	2019
	\$	\$
3.1 Revenue and income from operating activities		
Fees and charges	1,208,056	1,893,766
Donations, scholarships and sponsorships	127,249	340,833
Other operating receipts	51,591	416,005
Commonwealth government grants	2,129,167	2,822,000
Victorian government grants	795,795	921,066
	<u>4,311,858</u>	<u>6,393,670</u>
Income from non-operating activities		
Federal government Jobkeeper funding	1,108,200	-
Victorian government Business Support Fund	20,000	-
Interest	4,880	20,823
Total revenue and income from continuing operations	<u>5,444,938</u>	<u>6,414,493</u>
3.2 Expenses from continuing operations		
Employee benefits		
Salaries	3,199,261	3,290,666
Superannuation	255,968	315,334
Payroll tax	152,027	181,939
Annual leave	9,244	3,415
Long service leave	5,171	5,336
Parental Leave	19,454	-
Total employee benefits	<u>3,641,125</u>	<u>3,796,690</u>
Other employee related costs		
Work cover	28,047	47,005
Total employee expenses	<u>3,669,172</u>	<u>3,843,695</u>
Depreciation of non-current assets		
Building improvements	70,511	70,512
Leasehold improvements	51,395	4,365
Office furniture and equipment	23,243	22,054
Total depreciation expense	<u>145,149</u>	<u>96,931</u>
Other expenses		
Rental expense on leases exempt under AASB16 Leases	486	1,375
Staff development	22,236	7,529
Health and safety	134,027	139,788
Bad debts written off	1,023	-
Student grants	27,365	26,458
Other expenses	31,033	70,789
Total other expenditure	<u>216,170</u>	<u>245,939</u>
Audit fee		
Victorian Auditor-General's Office	18,920	16,400
Total audit fee	<u>18,920</u>	<u>16,400</u>
Note 4: Cash and Cash Equivalents		
Cash at bank and on hand	4,312,761	3,372,930
Total cash and cash equivalents	<u>4,312,761</u>	<u>3,372,930</u>

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 4: Cash and Cash Equivalents (continued)

a) Cash at bank and on hand

Bank accounts consist of an investment account, a high interest bearing account, operating accounts and Public Fund account all of which generate interest. The Public Fund is a specific purpose account, approved for the purpose of holding donations. Interest on average credit balances in the bank are calculated at the prevailing bank rate at 0.32% (2019: 0.06%).

The Company has no credit stand-by arrangements or loan facilities at 31 December 2020 (2019: nil).

	2020 \$	2019 \$
Receivables	220,695	214,712
Less: provision for expected credit losses	- 550	(177)
Total Receivables	220,145	214,535

Movements in the provision for impaired receivables are as follows:

At 1 January 2020	- 177	(748)
Provision for impairment released/(recognised) during the year	- 1,396	260
Receivables written off during the year as uncollectible	1,023	311
As at 31 December 2020	- 550	(177)

	2020 \$	2019 \$
Prepayments	46,063	77,240
Accrued income	54,125	6,020
Total Other Current Assets	100,188	83,260

Note 7: Property, Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Work in Progress	Building Improvements	Leasehold Improvements	Equipment	Total
	\$	\$	\$	\$	\$
Carrying amount at 1 January 2020	125	1,460,022	102,538	103,906	1,666,591
Additions	99,899	-	-	-	99,899
Disposals		-	-	-	-
Transfers in/out of construction in progress		-	-	-	-
Depreciation		(70,512)	(51,395) -	23,243	(145,150)
Carrying amount at 31 December 2020	100,024	1,389,510	51,143	80,663	1,621,340
At 1 January 2020					
Fair value	125	1,530,535	150,885	885,622	2,567,167
Accumulated depreciation and impairment	-	(70,513)	(48,347) -	781,716	(900,576)
Net carrying amount	125	1,460,022	102,538	103,906	1,666,591

At 31 December 2020					
Fair value	100,024	1,530,535	150,885	885,622	2,667,066
Accumulated depreciation and impairment	-	(141,025)	(99,742) -	804,959	(1,045,726)
Net carrying amount	100,024	1,389,510	51,143	80,663	1,621,340

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 7: Property, Plant and Equipment (continued)

	Work in Progress	Building Improvements	Leasehold Improvements	Equipment	Total
		\$	\$	\$	\$
Carrying amount at 1 January 2019	36,575	1,530,534	-	88,200	1,655,309
Additions	108,209	-	106,903	37,760	252,872
Disposals		-	-	-	-
Transfers in/out of construction in progress	(144,659)				(144,659)
Depreciation		(70,512)	(4,365) -	22,054	(96,931)
Carrying amount at 31 December 2019	125	1,460,022	102,538	103,906	1,666,591

At 1 January 2019

Fair value	36,575	1,530,535	43,982	847,862	2,458,954
Accumulated depreciation and impairment	-	(1)	(43,982) -	759,662	(803,644)
Net carrying amount	36,575	1,530,534	-	88,200	1,655,310

At 31 December 2019

Fair value	125	1,530,535	150,885	885,622	2,567,167
Accumulated depreciation and impairment	-	(70,513)	(48,347) -	781,716	(900,576)
Net carrying amount	125	1,460,022	102,538	103,906	1,666,591

Note 8: Right-of-Use asset

The Company leases three buildings where the leases have significantly below-market terms. AASB 2018-8 provides a temporary relief option for not-for-profit lessees to not initially fair value right-of-use assets arising from below-market leases when AASB 1058 and AASB 16 became effective from 1 January 2019. The Company has applied this relief.

The annual lease payments of the Company's below-market leases are immaterial and therefore no lease liability or right-of-use assets have been recognise in relation to below-market leases upon transition to AASB 16.

The below is a list of lease agreements with below-market terms that the Company has entered into:

Property Address	Notes on the Company's dependence on the leases	Lease Term	Description of Underlying Assets	Restrictions of Use
Building PN, 144 High Street, Prahran	This building forms part of the Company's Prahran campus. It is used for teaching, learning and student support activities.	24 years	Building which forms part of the Company's Prahran campus.	The Company is not permitted to make alterations or additions to the property without the prior consent of the lessor.
Building PC, 144 High Street, Prahran	This building forms part of the Company's Prahran campus. It is used for teaching, learning and student support activities.	16 years	Building which forms part of the Company's Prahran campus.	The Company is not permitted to make alterations or additions to the property without the prior consent of the lessor.
Building PD, 144 High Street, Prahran	This building forms part of the Company's Prahran campus. It is used for teaching, learning and student support activities.	2 years	Building which forms part of the Company's Prahran campus.	The Company is not permitted to make alterations or additions to the property without the prior consent of the lessor.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 9: Income in Advance

	2020	2019
	\$	\$
Government grants	702,583	-
Other grants	31,125	-
Income received in advance from Swinburne University of Technology	9,834	-
Other income received in advance	230	40
	<u>743,772</u>	<u>40</u>

	2020	2019
	\$	\$
Current		
Annual leave	164,988	93,691
Long service leave	165,788	161,551
Total Current	<u>330,776</u>	<u>255,242</u>

Non-Current		
Long service leave	42,460	31,158
Total Non-Current	<u>42,460</u>	<u>31,158</u>

Total Employee Benefits	<u>373,236</u>	<u>286,400</u>
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Current Provisions expected to be settled within 12 months		
Annual leave	149,314	85,725
Long service leave	31,942	30,915
	<u>181,256</u>	<u>116,640</u>

Current Provisions expected to be settled after more than 12 months		
Annual leave	15,675	7,966
Long service leave	133,846	130,636
	<u>149,521</u>	<u>138,602</u>

	2,020	2019
Employee numbers during the reporting year	158	146
The following assumptions were adopted in measuring the present value of long service leave entitlements:		
Weighted average increase in employee costs	0	4.13%
Weighted average discount rates	0	1.39%

The Annual Leave liability is calculated at the nominal value of the wholly payable amounts to be made in respect of services provided by employees up to the reporting date. Where employees have significant annual leave balances, an estimate is made of the probability of leave to be taken within 12 months and beyond 12 months. The amount of annual leave estimated to be taken beyond 12 months is discounted.

The liability for Long Service Leave is calculated as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Long Service Leave is available to be taken after 7 years of service but is historically taken much later.

	2020	2019
	\$	\$
Note 11: Payables		
Accounts payable	33,632	83
GST liability	13,974	46,416
Accrued creditors	25,576	76,016
PAYG withholding	109,557	135,179
Superannuation liability payable	385	43,111
Accrued salaries	8,666	1,831
Performance pays	-	18,096
Total Payables	<u>191,790</u>	<u>320,731</u>

Notes to the Financial Statements for the Year Ended 31 December 2020

	2020	2019
	\$	\$
Note 12: Reserves		
Asset revaluation reserve		
Building improvements	250,781	250,781
Total Reserves	<u>250,781</u>	<u>250,781</u>

Movements in Reserves		
Asset revaluation reserve - building improvements		
Balance at 1 January	250,781	250,781
Movements in the year	-	-
Balance at 31 December	<u>250,781</u>	<u>250,781</u>

The asset revaluation reserve is used to record asset revaluation increments and decrements in the value of non-current physical assets.

Note 13: Retained Earnings		
Retained earnings at 1 January	4,503,747	4,083,762
Net result for the year of the parent entity	191,108	419,985
Retained earnings at 31 December	<u>4,694,855</u>	<u>4,503,747</u>

Note 14: Company Structure		
The Company's ultimate parent entity is Swinburne University of Technology.		

Note 15: Related Party Disclosure		
(a) Directors		
The names of the persons who were Directors of the Company during the financial year were:		
Prof. Scott Thompson-Whiteside - Chair (term ended 31 December 2020)		
Ms Kim Vincs		
Ms Nancy Gullo-Collins		

Income paid or payable or otherwise made available to Directors by the company and related parties in connection with the management of the company are outlined below:

	Total Remuneration	
	2,020	2019
<u>Income band:</u>		
\$0 - \$59,999	-	1
\$60,000 - \$69,999	-	-
\$110,000 - \$119,999	-	1
\$160,000 - \$169,999	-	1
\$220,000 - \$239,999	-	-
\$240,000 - \$249,999	1	1
\$290,000 - \$299,999	-	1
\$330,000 - \$339,999	-	-
\$390,000 - \$399,999	1	1
\$590,000 - \$599,999	1	-
	<u>3</u>	<u>6</u>
Total Annualised Employee Equivalent (AEE)	3	3.01

Remuneration of directors who are employed by Swinburne University of Technology are paid by the University as part of their other substantive roles in the University.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 15: Related Party Disclosure (continued)

(b) Minister

The name of the person who was the Responsible Person during the financial year was:
- Hon. Gayle Tierney MLC, Minister for Training and Skills and Minister for Higher Education.

Remuneration of the Minister is disclosed in the financial report of the Department of Parliamentary Services.
Other relevant interests are declared in the Register of Member's Interests which are completed by each member of Parliament.

(c) Executive officers' remuneration

Total remuneration of all executive officers received or receivable in connection to the position as an executive officer is outlined below:

	Total Remuneration	
	2,020	2019
Income band:	Number	
\$230,000 - \$249,999	1	1
	1	1
	1	1.00

Total Annualised Employee Equivalent (AEE)

Executive officers' remuneration is also disclosed in note 15d Total key management personnel remuneration.

(d) Total key management personnel remuneration

	Total Remuneration	
	2020	2019
	\$	\$
Short-term employee benefits	1,057,665	1,193,595
Post-employment benefits	122,699	134,912
Long-term benefits	14,311	37,081
Termination benefits	280,629	24,063
Total remuneration	1,475,304	1,389,651
Total Annualised Employee Equivalent (AEE)	4	4.01

The above disclosure includes the total remuneration received by each responsible persons for the year ended 2020. No allocation has been made to apportion the responsible persons remuneration for their contribution as a director of the Company. The payment of the remuneration is made by the parent company Swinburne University of Technology.

(e) Related party transactions - Key Management Personnel

There were no related party transactions between the Company and entities associated with key management personnel.

(f) Related party transactions - Between the Company and its related parties

Other transactions and loans have been considered in terms of the disclosure requirements specified under the Directions of the Minister for Finance these are as follows:

	2020	2019
	\$	\$
Expenditure paid to Swinburne University of Technology	158,604	137,262
Amount receivable from Swinburne University of Technology	188,107	180,247
Loan receivable from Swinburne University of Technology	-	24,384

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 16: Reconciliation of Net Operating Result for the Year to Net Cash Flows from Operating Activities

	2020	2019
	\$	\$
Net operating result for the year	191,108	419,985
Add/(less) Non-Cash Flows in Net Result		
Depreciation	145,149	96,931
Provision for doubtful debts	1,396	(260)
Bad debts written off	- 1,023	(311)
Changes in Assets and Liabilities		
Decrease/(increase) in receivables	- 5,984	(95,081)
Decrease/(increase) in other current assets	- 16,928	14,306
Decrease/(increase) in other non-current assets	24,384	(24,384)
(Decrease)/increase in employee benefits	86,836	(76,500)
(Decrease)/increase in payables	- 128,941	(32,948)
(Decrease)/increase income in advance	743,732	(54,780)
Net Cash flows from Operating Activities	1,039,729	246,958

Note 17: Contingent Liabilities and Contingent Assets

Contingent assets and liabilities are not recognised in the Statement of financial position, but are disclosed and, if quantifiable, are measure at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

Contingent liabilities

Contingent liabilities are disclosed and not recognised when the Company has:

- A possible obligation that will confirmed by the occurrence or non-occurrence of one or more uncertain future events; or
- A present obligation that is not recognised because it is either not probable of requiring settlement or the amount of the obligation cannot be reliably determined.

There were no contingent liabilities as at 31 December 2020 (2019: nil).

Contingent assets

There are no contingent assets as at 31 December 2020 (2019: \$150,000).

Note 18: Capital Commitments

There are no capital, operating or other outsourcing commitments as at 31 December 2020 (2019: nil).

Note 19: Superannuation Funds

The Company's employees are member of various superannuation funds. Employer contribution rate is 9.50% (2019: 9.50%).
In 2020, contributions paid and payable were \$255,968 (2019: \$315,334).

Note 20: Company Details

The registered office of the National Institute of Circus Arts Ltd is:
c/- Swinburne University of Technology
John Street
Hawthorn VIC 3122

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 21: Events Occurring after Balance Date

The COVID-19 pandemic continues to create unprecedented economic uncertainty. Actual economic events and conditions in the future may be different from those currently forecast by the Company at the reporting date. As responses by the government continue to evolve, management recognises that there remains a degree of uncertainty around the potential impact of the pandemic after the reporting date on the Company's operations. Refer to Note 25 for further information regarding the impact of COVID-19 on the Company.

No other matters or circumstances have arisen since the end of the reporting year which significantly affect or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the Company in future financial years.

Note 22: Economic Dependency

The Company's principle source of funding is grant revenue from the Federal Government Arts Portfolio. The Commonwealth Funding Agreement that was signed in 2014 and had a duration of three years which was valid until 30 June 2017 was waived in favour of a new six year agreement that commenced in July 2016 and will be valid until June 2022.

Note 23: Financial Risk Management

The Company's financial instruments primarily comprise of:

- Cash and cash equivalents;
- Receivables; and
- Payables.

Market Risk

(i) Interest rate risk

The Company's exposure to market risk for changes in interest rates relates to cash at bank. All cash deposits held by the company are available for immediate access.

(ii) Equity Market risk

The Company is not exposed to equity market risk.

(iii) Foreign Exchange risk

The Company generally is not exposed to foreign exchange risk, however it is possible that purchases may occur of specialised equipment from overseas which would expose the company to this risk.

Credit Risk

The Company does not have any material or significant credit risk exposure to any group of receivables.

Liquidity Risk

The Company's objective is to maintain a level of liquidity in relation to the funding of its operations.

(a) Financial Risk Management Objectives and Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition and the basis for measurement, are disclosed below:

Recognised financial instruments	Note	Accounting policies	Terms and conditions
Cash and Cash Equivalents	4	Cash at bank is carried at the principal amount. Interest received on any bank balance is recognised as income when the bank account is credited. Interest receivable at balance date is accounted for by crediting revenue and debiting accrued income in the statement of financial position.	Interest is paid monthly, at the prevailing bank rate, based on the average credit balance in the bank account.
Receivables – debtors	5	Debtors are carried at the nominal amounts due less any provision for doubtful debts and impairment. A doubtful debts provision is made for any amounts which are considered unlikely to be collectable, or are impaired.	Credit is allowed for a 30 day term from end of month.
Payables	11	Payables are recognised for future amounts to be paid in respect of goods and services received, whether or not billed to the company.	Settlement of payables is normally effected 30 days after the end of the month the debt is incurred.

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 23: Financial Risk Management (continued)

(b) Interest Rate Risk Exposures

The following table summarises the exposure of interest rates on the Company's financial assets and financial liabilities.

2020		Average Interest Rate	Variable Interest Rate	Non-interest Bearing	Total
	Notes	%	\$	\$	\$
Financial Assets					
Cash and cash equivalents	4		4,312,761	-	4,312,761
Receivables	5		-	220,145	220,145
			4,312,761	220,145	4,532,906
Weighted average interest rate			0.32%		
Financial Liabilities					
Payables			-	(68,259)	(68,259)
Other Creditors	11		-	-	-
Accrued Expenses	11		-	-	-
			-	(68,259)	(68,259)
Weighted average interest rate					
Net financial assets/(liabilities)			4,312,761	151,886	4,464,647

2019		Average Interest Rate	Variable Interest Rate	Non-interest Bearing	Total
	Notes	%	\$	\$	\$
Financial Assets					
Cash and cash equivalents	4		3,370,342	2,588	3,372,930
Receivables	5		-	214,535	214,535
			3,370,342	217,123	3,587,465
Weighted average interest rate			0.36%		
Financial Liabilities					
Payables			-	(139,136)	(139,136)
Accrued Expenses	11		-	-	-
Other Creditors	11		-	-	-
			-	(139,136)	(139,136)
Weighted average interest rate					
Net financial assets/(liabilities)			3,370,342	77,987	3,448,329

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 23: Financial Risk Management (continued)

(c) Summarised sensitivity analysis
2020

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk.

	Carrying amount \$	Interest rate risk			
		-1%	Equity	1%	Equity
		Result \$	Result \$	Result \$	Result \$
Financial Assets					
Cash and cash equivalents	4,312,761	(43,128)	(43,128)	43,128	43,128
Receivables	220,145	-	-	-	-
Financial Liabilities					
Payables	68,259	-	-	-	-
Other Creditors	-	-	-	-	-
Accrued Expenses	-	-	-	-	-
Total Increase/(Decrease)		(43,128)	(43,128)	43,128	43,128

2019

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk.

	Carrying amount \$	Interest rate risk			
		-1%	Equity	1%	Equity
		Result \$	Result \$	Result \$	Result \$
Financial Assets					
Cash and cash equivalents	3,372,930	(33,703)	(33,703)	33,703	33,703
Receivables	214,535	-	-	-	-
Financial Liabilities					
Payables	139,136	-	-	-	-
Other Creditors	-	-	-	-	-
Accrued Expenses	-	-	-	-	-
Total Increase/(Decrease)		(33,703)	(33,703)	33,703	33,703

(d) Credit risk ageing analysis

Credit Risk

The Company does not have any material or significant credit risk exposure to any group of receivables.

Ageing analysis of contractual financial assets

The following table summarises the ageing analysis of contractual financial assets.

	Credit Risk Ageing Analysis - Assets				
	Carrying amount \$	Not past due and not impaired \$	Less than 1 month \$	1-3 months \$	3-12 months \$
2020					
Receivables	220,145	215,637	1,980	1,980	548
Accrued Income	-	-	-	-	-
Prepayments	-	-	-	-	-
Total	220,145	215,637	1,980	1,980	548
2019					
Receivables	214,535	23,115	186,517	713	4,190
Accrued Income	-	-	-	-	-
Prepayments	-	-	-	-	-
Total	214,535	23,115	186,517	713	4,190

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 23: Financial Risk Management (continued)

(e) Liquidity Risk

The Company's objective is to maintain a level of liquidity in relation to the funding of its operations.

Ageing analysis of contractual financial liabilities

The following table summarises the ageing analysis of contractual financial liabilities.

	Credit Risk Ageing Analysis - Liabilities				
	Carrying amount \$	Not past due \$	Less than 1 month \$	1-3 months \$	3-12 months \$
2020					
Payables	68,259	68,259	-	-	-
Accrued Expenses	-	-	-	-	-
Other Creditors	-	-	-	-	-
Total	68,259	68,259	-	-	-
2019					
Payables	139,136	139,136	-	-	-
Accrued Expenses	-	-	-	-	-
Other Creditors	-	-	-	-	-
Total	139,136	139,136	-	-	-

Note 24: Fair Value Measurements

a) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Management consider that the carrying amount of financial assets and liabilities approximate their fair values because of the short term nature of the financial instruments and the expectation they will be paid in full.

The carrying amount and aggregate net fair values of financial assets and liabilities at balance date are:

	Note	Carrying Amount		Fair Value	
		2020 \$	2019 \$	2020 \$	2019 \$
Financial Assets					
Cash and Cash Equivalents	4	4,312,761	3,372,930	4,312,761	3,372,930
Receivables	5	220,145	214,535	220,145	214,535
		4,532,906	3,587,465	4,532,906	3,587,465
Financial Liabilities					
Payables		68,259	139,136	68,259	139,136
Other Creditors		-	-	-	-
Accrued Expenses		-	-	-	-
		68,259	139,136	68,259	139,136

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 24: Fair Value Measurements (continued)

The carrying amounts and aggregate net fair values of non-financial assets at balance date are:

	Note	Carrying Amount		Fair Value	
		2020	2019	2020	2019
		\$	\$	\$	\$
Non-Financial Assets					
Building Improvements	7	1,389,510	1,460,022	1,389,510	1,460,022
Leasehold Improvements	7	51,143	102,538	51,143	102,538
Equipment	7	80,663	103,906	80,663	103,906
Total Non-Financial Assets		1,521,316	1,666,466	1,521,316	1,666,466

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Property, Plant and Equipment

b) Fair Value Hierarchy

The Company categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 31 December 2020.

Recurring Fair Value Measurements	Note	2020	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents		4,312,761	4,312,761	-	-
Receivables		220,145	220,145	-	-
		4,532,906	4,532,906	-	-

Non-Financial Assets

Building Improvements					
- Buildings		526,794	-	-	526,794
Site Engineering Services and Central Plant	7	-	-	-	-
- Fit Out		798,324	-	-	798,324
- Trunk Reticulated Building Systems		64,392	-	-	64,392
Total Building Improvements	7	1,389,510	-	-	1,389,510
Leasehold Improvements	7	51,143	-	-	51,143
Equipment	7	80,663	-	-	80,663
		1,521,316	-	-	1,521,316

Recurring Fair Value Measurements	Note	2019	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents		3,372,930	3,372,930	-	-
Receivables		214,535	214,535	-	-
		3,587,465	3,587,465	-	-

Non-Financial Assets

Building Improvements					
- Buildings		540,075	-	-	540,075
Site Engineering Services and Central Plant	7	-	-	-	-
- Fit Out		852,755	-	-	852,755
- Trunk Reticulated Building Systems		67,192	-	-	67,192
Total Building Improvements	7	1,460,022	-	-	1,460,022
Leasehold Improvements	7	102,538	-	-	102,538
Equipment	7	103,906	-	-	103,906
		1,666,466	-	-	1,666,466

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 24: Fair Value Measurements (continued)

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Buildings are valued independently every three years. At the end of each reporting period, the Company updates their assessment of the fair value of each property, taking into account the most recent independent valuations and applying the Department of Treasury and Finance's indexation. Considering the ongoing impact of Covid-19, there is inherently some estimation uncertainty surrounding indexation values. The Company determines the property's value within a range of reasonable fair value estimates.

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2020:

Level 3 Fair Value Measurements 2020	Buildings	Leasehold	Equipment	Total
	\$	\$	\$	\$
Opening Balance	1,460,022	102,538	103,906	1,666,466
Recognised in income statement	(70,512)	(51,395)	(23,243)	(145,150)
Closing Balance	1,389,510	51,143	80,663	1,521,316

Level 3 Fair Value Measurements 2019

	Buildings	Leasehold	Equipment	Total
	\$	\$	\$	\$
Opening balance	-	-	88,200	88,200
Acquisitions	-	106,903	37,760	144,663
Transfers from level 2	1,530,534	-	-	1,530,534
Recognised in income statement	(70,512)	(4,365)	(22,054)	(96,931)
Closing Balance	1,460,022	102,538	103,906	1,666,466

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Valuation technique	Significant unobservable inputs
Building (Structure/Shell/Building Fabric)	Depreciated Replacement Cost	Useful Life
Site Engineering Services and Central Plant	Depreciated Replacement Cost	Useful Life
Fit Out	Depreciated Replacement Cost	Useful Life
Trunk Reticulated Building Systems	Depreciated Replacement Cost	Useful Life
Leasehold Improvements	Depreciated Replacement Cost	Useful Life
Equipment	Depreciated Replacement Cost	Useful Life

Notes to the Financial Statements for the Year Ended 31 December 2020

Note 25: Covid Impact

On 11 March 2020, the World Health Organisation characterised the Coronavirus 2019 “COVID-19” as a global pandemic. The Australian Federal government implemented several strategies to manage the ongoing health and economic risks of COVID-19 including the closure of orders to international travellers who are not citizens and providing Job Keeper financial assistance to impacted businesses outside the Higher Education sector.

The Victorian State government declared a State of Emergency on 16 March 2020 and enacted into law various measures at times in managing its response to COVID-19 such as work from home orders, density rules and physical distancing requirements. These requirements have been subject to change depending on the spread of COVID-19 and have impacted the operations of the Company during the year.

The Company implemented cost saving initiatives to mitigate the impact of declining student and commercial revenues experienced in 2020. These activities included:

- Reducing discretionary spend;
- Increasing learning content available to students via on-line and digital platforms with a switch made to remote course delivery;
- Working closely with our staff to manage leave balances and consider flexible working arrangements; and
- The Company applied for and received \$1.1m of Jobkeeper payments and \$20k of Business Support Fund payments from the Government.

There were no delays in the receipt of Commonwealth Government funding due to COVID-19 however only 25% of subjects could be delivered online with 75% of subjects deferred to 2021. The Commonwealth Government funding that was not utilised in 2020 has been deferred to 2021, refer to Note 9. There have been minimal impacts on student numbers and re-enrolments have been encouraging in 2021. One major capital work project was deferred in 2020 until further notice which was the extension of the reception area.

Throughout 2020, the Company completed regular financial forecasts, cash flow modelling and sensitivity analysis to predict likely financial impacts from COVID-19. The financial forecasting demonstrated that the analysis to predict likely financial impacts from COVID-19. The financial forecasting demonstrated that the Company had at all times adequate cash reserves to meet its current and future operational cash requirements.

The financial statements have been prepared on a going concern basis.