



Annual Financial Report
31 December 2010

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Gondwana Choirs

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Corporate Information

Gondwana Choirs

Directors	Rebecca Davies Claire Duffy Nicholas James Warren Lee David Longmuir David Lumb Lyn Williams	Chair Artistic Director
Company Secretary	A Cameron-Fraser	
Registered Office and Principle Place of Business	The Wharf, Pier 4 Hickson Road, Millers Point NSW 2000	
Auditors	Steven J Miller & Co Chartered Accountants	

Directors' Report

Gondwana Choirs

Your directors present this report on the company for the financial year ended 31 December 2010.

Directors

The names of the directors in office during the year and until the date of this report are:

	Date appointed	Date of cessation	Board		Finance & Audit	
			A	B	A	B
Jennifer Alexander	20 Jun 06	27 Jan 10	-	-	-	-
Rebecca Davies	18 Jan 10	Continuing	4	4	3	4
Claire Duffy	21 Aug 07	Continuing	3	4	-	-
Nicholas James	13 Feb 07	Continuing	3	4	4	4
Warren Lee	2 Sep 10	Continuing	2	2	-	-
David Longmuir	16 Jun 03	Continuing	2	4	4	4
David Lumb	13 April 10	Continuing	3	4	-	-
Lyn Williams	28 Jun 94	Continuing	4	4	-	-

A Number of meetings attended

B Number of meetings held during the time the director held office during the year

Details of directors' qualifications, experience and special responsibilities can be found on pages 11 and 12 of this report.

Company secretary

Ms Alexandra Cameron-Fraser has been the Company Secretary since November 2005.

Directors' Report

Gondwana Choirs

What we do

- Identify and develop gifted young musicians from across Australia and provide them with the skills, opportunities and inspiration to achieve excellence in performance.
- Seek out young people who would otherwise have no access to music education and involve them in our choral education programs.
- Give these young people life changing opportunities to perform and collaborate with leading artists, both nationally and internationally.
- Be known nationally and internationally for exciting and original choral repertoire.
- As ambassadors of Australian music, share this with the world.

Why we do it

- To develop a unique Australian choral voice whilst providing training and opportunity for talented young Australians to perform with innovation and excellence alongside artists of the highest calibre in Australia and throughout the world.

Our core values

- **Excellence:** to ensure that young people have the opportunities to fulfil their musical potential by offering them the highest level of training and a chance to collaborate with their talented peers from across Australia and the world.
- **Professionalism:** to offer young people the skills and opportunities to succeed in a professional environment with the very finest artists in Australia across a broad range of art forms.
- **Creativity:** to continue to develop our unique Australian repertoire of choral works and to encourage choristers to participate in composition and the creation of new works.
- **Accessibility:** to ensure that any suitably talented child has the opportunity to participate in our programs without financial, social, physical or distance barriers.
- **Community:** to provide a happy and a safe environment in which young people are proud to learn, perform, compose, be inspired, socialise and flourish.

Our goals 2009 – 2011

1. **Access:** Improve access to our programs for the most talented young Australians.
2. **Educate:** Deepen, diversify and develop the artistic abilities of our choristers and the young and emerging artists they work with.
3. **Create:** Expand the repertoire of choral music for young voices by commissioning and performing new works.
4. **Perform:** Provide national and international performing opportunities for our choristers with their peers and other leading artists.
5. **Support:** Be financially and operationally effective.

Directors' Report

Gondwana Choirs

Our strategies to achieve them

- Identify and target talented young people who would not otherwise hear of us and include them in our programs.
- Provide a unique blend of experiences for choristers, composers, music educators and conductors, which build their skills and develop them as artists.
- Commission new Australian and international works, and provide choristers with opportunities to collaborate in developing some of these works.
- Develop a high profile and well rounded performance calendar with opportunities for all our members.
- Acquire, maintain and develop the physical, financial and human resources of the organisation to ensure its effective operation.

How we achieved our goals & strategies in 2010

In 2010 we educated, inspired and gave unique musical performance opportunities to significantly more children than in any previous year in the organisation's history. As well as indicating the breadth and depth of our activities, the information below illustrates the significant contribution that Gondwana Choirs makes to both the Australian music community and towards the education of our country's most talented young people.

1. Access

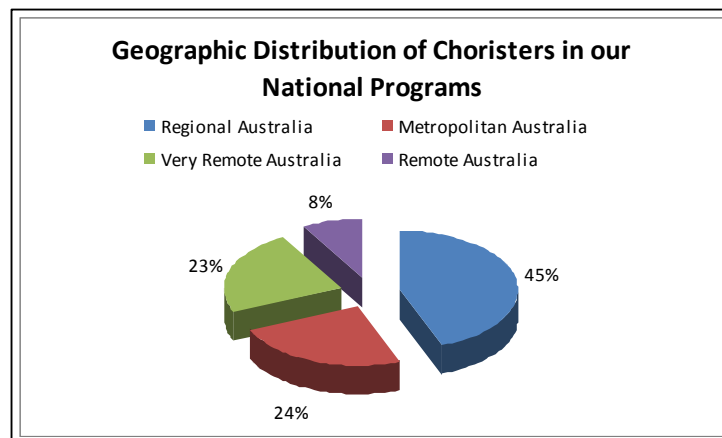
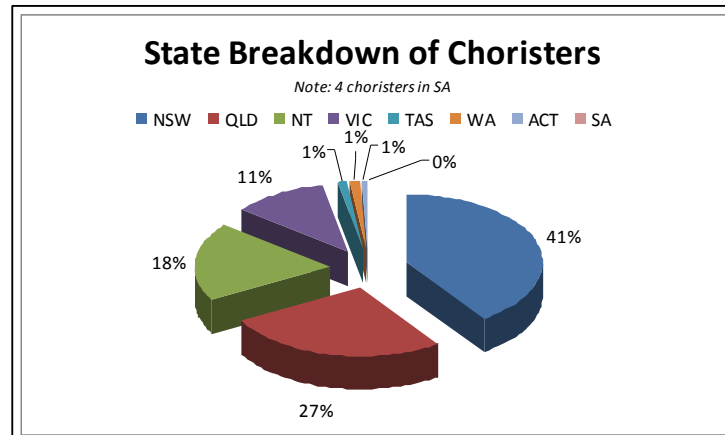
In 2010, approximately 1,655 young people aged 6 – 21, from across Australia, participated in our programs which include: the Sydney Children's Choir; Gondwana National Choirs - comprising Gondwana Chorale, Gondwana Voices, Gondwana Singers and Junior Gondwana choirs; and the Gondwana National Indigenous Children's Choir. This is an **increase of 38%** on 2009 participation numbers. These young people were drawn from every state and territory in Australia across metropolitan, regional, remote and very remote Australia.

Our Gondwana National Indigenous Children's Choir program provided opportunities to over 1,060 young people – the majority of whom would not otherwise have heard of us – at no cost to the children, their families or communities. In 2010 we undertook, for the first time, GNICC Community Workshops in the Northern Territory and Arnhem Land – working with over 300 children. We also continued to work with Indigenous children in communities including the Torres Strait Islands, Cairns, Shepparton, Bowraville and greater Sydney.

We provided 31 bursaries to young people in the Sydney Children's Choir and Gondwana National Choirs facing financial and / or geographic disadvantage who would not otherwise have been able to participate in our programs.

Directors' Report

Gondwana Choirs



2. Educate

Our choristers were offered an unique range of educational opportunities and provided with over 2,100 hours of music education by our inspiring artistic staff who represent Australia's and the world's foremost choral and music educators and conductors, as well as the our most promising young and emerging talent.

I am never happier with music than when I am at a Gondwana Choirs concert. The sound is superb, the precision and discipline, including the memorising of sometimes very difficult works, is astonishing and the concentration and animation of the children is a joy. And what a wonderful experience for them! Such a beginning to their lives must give them an advantage so great that it is almost unfair.

Richard Letts, Executive Director, Music Council of Australia & Past President, International Music Concert
Writing on the occasion of Gondwana Choirs' 21st Birthday, 2010

Directors' Report

Gondwana Choirs

Some of these unique opportunities and experiences included:

- Our **Gondwana National Choirs** worked with conductors Lyn Williams OAM (Artistic Director & Founder and Conductor Gondwana Voices), Mark O'Leary (Principal Guest Conductor Gondwana Voices), Paul Holley (Principal Guest Conductor Gondwana Chorale), Karen Grylls (International Guest Conductor Gondwana Chorale), Claire Preston and Ben van Tienen (Guest Conductors Gondwana Singers) and Harley Mead and Allison Harrigan (Guest Conductors Junior Gondwana).
- Four young conductors took part in our **Gondwana Conductor Internship** and one, Sam Allchurch, was given the opportunity to tour to China with the Sydney Children's Choir as Assistant Conductor.
- Our **Sydney Children's Choir (SCC)** worked with esteemed conductors Lyn Williams OAM, Vladimir Ashkenazy, Brett Weymark; music educators Elizabeth Vierboom and Allison Harrigan; as well as some of Australia's most promising young and emerging choral conductors Dan Walker, Sally Whitwell, Amandine Petit and Jared Furtado.
- Our **Gondwana National Indigenous Children's Choir (GNICC)** worked with Lyn Williams OAM, Julie Christiansen OAM, Dan Walker and Elizabeth Vierboom and respected Indigenous artists Sani Townson (choreographer), Deborah Cheetham (soprano, composer and conductor), Shellie Morris (singer) and William Barton (didjeridu).
- Our **collaboration with the Art Gallery of NSW** saw over 380 SCC choristers and NSW members of the GNICC visit the gallery, undertake a specially created tour with the Art Gallery education guides and then take part in music composition and visual art workshops based on their experiences in the Gallery.
- **Mini Up, our longitudinal study of the musical development of SCC choristers**, moved into it's second year and 60 Year 1 & Year 2 SCC choristers took part;
- **Professional development open rehearsals for music and school teachers** took place at the Gondwana Choirs 21st Birthday Concert rehearsals and we were accredited by the NSW Institute of Teachers to offer professional development to teachers;
- **Studio Day:** the Sydney Children's Choir's annual project of making a studio recording of all of our fourteen training choirs at Trackdown Studios saw 370 SCC choristers and a group of Sydney GNICC choristers abandon their shoes, practice absolute stillness and silence in a professional recording studio, learn that recording involves much repetition and have the opportunity to have a look in the control room.
- The **GNICC Torres Strait Island Regional Camp** took place on Thursday Island over 4 days. 43 young people participated, from across 10 islands, and were accompanied by Gondwana Choirs staff including choreographer Sani Townson, conductor and composer Dan Walker, pianist Luke Byrne, 4 Gondwana Choirs musical mentors and volunteer supervisors. Choristers sang songs in local languages, accompanied by choreography by Sani Townson, and the camp culminated in a performance to a packed house at the Port Kennedy Community Hall.

Directors' Report

Gondwana Choirs

3. Create

In 2010 we continued to add to the 100 + works that we have commissioned in the past 21 years and involve our choristers in the creation of new works.

We commissioned and performed a total of **8 new works** from Australian composers Graeme Leak, Christopher Gordon, Stephen Leek and Ben van Tienen (Sydney Children's Choir 2010 Composer-in-Residence).

Our choristers took part in **composition workshops** with leading Australian composers including Stephen Leek, Graeme Leak and emerging composers Dan Walker and Ben van Tienen. Entrants into the Gondwana Composer Award for 2010 were also offered a special composition workshop with Stephen Leek to develop their skills in writing for young voices. Songwriting sessions at the GNICC Torres Strait Island Regional Camp in October produced the new work *Scattered Islands* by Dan Walker with text from participating children.

4. Perform

In 2010, our choristers gave 55 public performances – more than ever before, including our critically acclaimed 21st Birthday Concert in the Sydney Opera House which involved over 700 young people from all our choirs and over 100 Gondwana Choirs alumni.

Today these choirs are among the freshest and exciting musical organisations in Australia... Williams' philosophy has always been to aim for quality. All the rest – their notorious precision with pitch, their purity of sound, their professionalism and their joyous energy – flows from this.

**Review of Gondwana Choirs 21st Birthday Concert at the Sydney Opera House
Peter McCallum, Sydney Morning Herald, July 2010**

Throughout the year we performed over 145 works, of those over 70 were by Australian composers, 11 were world premieres and 8 were commissioned by Gondwana Choirs.

Our audience reach was greater than ever. Approximately 350,939 people heard our choristers perform live in Australia, the USA and China and over 71.9 million people in 145 countries around the world saw our choristers perform on television. Our total audience reach was approx. 72,250,939, a 924% increase on 2010.

Directors' Report

Gondwana Choirs

In addition to our 21st Birthday Concert, *Voices of Celebration*, some of our key 2010 performance achievements included:

- Our choirs performed with some of **Australia's finest professional music ensembles** including Synergy Percussion, the Sydney Symphony and the Sydney Philharmonia Choirs.
- Our choristers undertook **three international tours**: the Sydney Children's Choir's tour to Hong Kong and China where they performed in Tianjin, Yantai, Shanghai and then in Beijing at the Forbidden City Concert Hall and for the International Society of Music Educators Conference; the GNICC's tour to Shanghai to perform with the Qantas Choir at Australia's National Day for World Expo at the request of the Australian government; and the GNICC's tour to the USA to perform with the Qantas Choir as part of G'day USA events in Los Angeles.
- We also **toured nationally** including Gondwana Voices' tour to Tasmania for the Festival of Voices; Gondwana Chorale's tour to Newcastle, Port Macquarie and Brisbane which included performing at the Australian National Choral Association's Choralfest; and the Sydney Children's Choir Junior Performing Choirs tour to Brisbane to perform with the training choirs from Brisbane's Voices of Birrallee and Young Voices of Melbourne.
- We performed at **major national events** including the NRL Grand Final, the Opening of the Cairns Indigenous Arts Fair and with the Qantas Choir appeared at the Sydney Festival First Night, Melbourne Grand Prix, Socceroo's Farewell Game and on Oprah's Australian Adventure.
- Our choirs were seen on **television** through the broadcast on the Studio pay television channel of our Indigenous children's opera *Ngailu – Boy of the Stars* featuring the SCC and Torres Strait Islander members of the GNICC; with the Qantas Choir at the Melbourne Grand Prix and on Oprah's Australian Adventure; and
- Our 21st birthday concert was broadcast on **radio** across Australia on ABC Classic FM.

5. Support

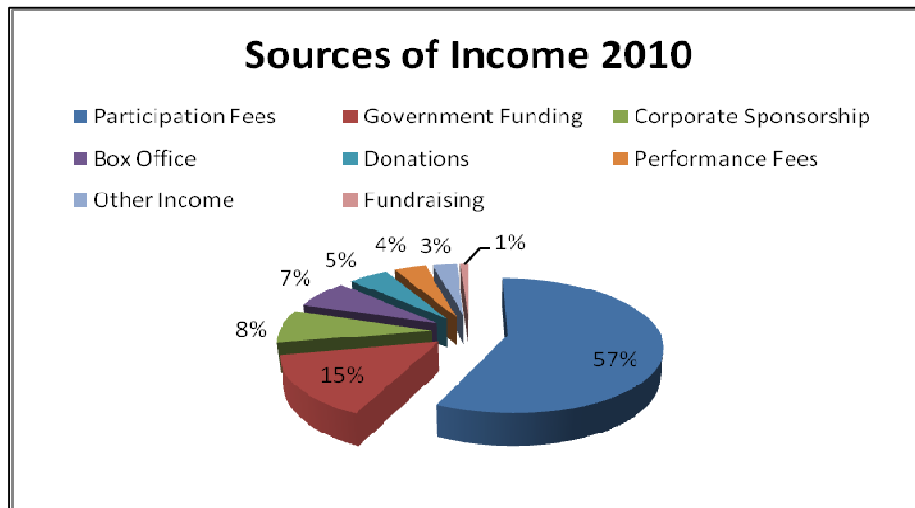
Our financial and operational effectiveness saw Gondwana Choirs finish the year in a strong financial position with a **surplus of \$91,016**. This surplus includes \$27,459 in donation and fundraising income raised in 2010 for 2011 projects, including touring and bursaries for disadvantaged young people. The remainder of the surplus will contribute to our organisation's reserves to ensure a sustainable future for Gondwana Choirs.

In the past five years, our turnover has increased from just over \$900,000, to just over \$2,000,000 and in 2010 our growth and business development was honoured through a **City of Sydney Business Award for Cultural and Creative Services**.

We continue to develop our income from a wide variety of sources, which in 2010 included:

Directors' Report

Gondwana Choirs



Our growth and the opportunities that we offer our choristers would not be possible without the support of our government and corporate partners, our generous donors and the parents of our choristers.

In 2010 we continued our triennial funding from the **Australia Council for the Arts**, received biennial funding from **Arts NSW** and annual funding from the **Federal Department of Environment, Water, Heritage and the Arts Indigenous Cultural Support**. We also were fortunate to receive project funding from the **Aboriginal and Torres Strait Islander Arts Board of the Australia Council**, **Arts Queensland** and the **City of Sydney**.

Qantas' generous support in 2010 enabled more significant opportunities to be offered to choristers in our Gondwana National Indigenous Children's Choir and **National Australia Bank** kindly supported our 21st Birthday Concert – *Voices of Celebration*. We were delighted to welcome **Energy Resources Australia** as a supporter of our GNICC Northern Territory projects.

We also continued to receive invaluable in-kind support from **Maximus International** and **Theme & Variations**, as well as pro-bono advice from **Clayton Utz** and **Herbert Geer**.

Donations to our 2010 and 2011 activities were received from **178 generous individuals and philanthropic trusts & foundations**, including the Telstra Kids Foundation, the Clayton Utz Foundation, Ian Thorpe's Fountain for Youth and a private philanthropic foundation.

Over 130 volunteers gave their time to assist Gondwana Choirs in our activities – from volunteer supervisors to office assistance. Between them, they volunteered **over 13,500 hours** of their time. We could not function without them and are incredibly grateful for their support.

Directors' Report

Gondwana Choirs

2011 – the year ahead

The Gondwana Choirs Board is committed to making 2011 a year of wise investment in the future, to ensure we can expand our reach, particularly to less advantaged children across the country.

Our strategic goals for 2011 include:

- Improving access to our programs, including smart use of technology;
- Providing the highest quality, holistic education opportunities to young choristers, conductors and composers;
- Creating a new Australian repertoire, including more music in Indigenous languages;
- Performing at the highest level, both on our own and with world class artists and ensembles;
- Increasing our profile and promoting quality choral music; and
- Improving our support base - from government, corporate and philanthropic sources to ensure we remain sustainable and to enable us to deliver on our growth goals.

Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2010 has been received and can be found on page 15.

Members' guarantees

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards any outstanding obligations of the company. At 31 December 2010, the collective liability of members was \$10,620. (2009: \$10,280).

Directors' Report

Gondwana Choirs

Information on directors

Name **Rebecca Davies**
Qualifications B Laws (Hons), B Economics, FAICD, Notary Public for NSW
Experience Over 16 years' board experience across a range of sectors (commercial & not-for-profit) and types of organisations. Partner of one of Australia's leading law firms for over 26 years. Long term member and sometime soloist with choirs in ACT, Victoria and NSW.
Special responsibilities Chair and member of Finance & Audit sub-committee
Chair of Development sub-committee
Member of Communications sub-committee

Name **Claire Duffy**
Qualifications B Arts, DipEd, Masters in Public Policy (with merit)
Experience Former Director of Strategy at Australia Council for the Arts
Formerly Director of Portfolio Services at Arts NSW
Parent of former Sydney Children's Choir and Gondwana National Choirs chorister
Special responsibilities Member of Communications sub-committee

Name **Nicholas James**
Qualifications B Com with Merit
Experience Chief Financial Officer of Transfield Holdings
Parent of Sydney Children's Choir chorister
Special responsibilities Member of Finance & Audit sub-committee

Name **Warren Lee**
Qualifications BA (Hons), University of Sydney LLB, University of Sydney
Experience Formerly Director at APN Online; Director of Grant Samuel Investment Bank; Business Development Director at the Ten Network; Senior Business Development roles at Foxtel and News Limited
Parent of Sydney Children's Choir chorister
Special responsibilities Member of Development sub-committee

Name **David Longmuir**
Qualifications B Eng (Civil), MBA, M Applied Finance
Experience Director of Everything Infrastructure
Management Consultant with over 20 years experience in engineering construction development in Australasia.
Parent of former Sydney Children's Choir choristers and current Gondwana National Choirs choristers
Special responsibilities Chair of Finance & Audit sub-committee

Directors' Report

Gondwana Choirs

Information on directors continued

Name	David Lumb
Qualifications	B Economics, B Laws, Grad Dip Management
Experience	Executive General Manager, Membership & Brand NRMA Motoring & Services. Formerly the Managing Director of Porter Novelli public relations agency.
Special responsibilities	Parent of Sydney Children's Choir chorister. Chair of Communications sub-committee
Name	Lyn Williams OAM
Qualifications	BMus, ASCM, Grad Dip Conducting
Experience	Founder of Sydney Children's Choir and Gondwana Choirs Professional conductor and musician Previous committee member of Sydney Children's Choir Incorporated Association
Special responsibilities	Artistic Director

Signed in accordance with a resolution of the directors.

REBECCA DAVIES

Director

Sydney
7 April 2011

Auditor's Independence Declaration under s307C of the Corporations Act 2001

To the Directors of Gondwana Choirs Limited:

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

STEVEN J MILLER & CO
Chartered Accountant

S J MILLER
Principal

Sydney
7 April 2011

Income Statement

for the year ended 31 December 2010
Gondwana Choirs

	Note	2010 \$	2009 \$
Revenue	3	2,010,482	1,701,396
Expenses			
Employee benefits expense		(775,991)	(664,942)
Depreciation and amortisation expenses		(18,701)	(17,613)
Administration expenses		(216,789)	(146,234)
Marketing expenses		(79,616)	(55,268)
Production expenses		(828,369)	(689,172)
		-----	-----
NET SURPLUS		91,016	128,167
		=====	=====

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

Balance Sheet

as at 31 December 2010
Gondwana Choirs

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,270,674	1,016,534
Trade and other receivables	5	71,961	130,560
Inventories	6	20,635	15,951
Prepayments and deferred expenditure		40,972	43,126
		-----	-----
Total current assets		1,404,242	1,206,171
		-----	-----
Non-current assets			
Intangibles	7	4,028	1,754
Plant and equipment	8	61,130	58,564
		-----	-----
Total non-current assets		65,158	60,318
		-----	-----
TOTAL ASSETS		1,469,400	1,266,489
		=====	=====
LIABILITIES			
Current liabilities			
Trade and other payables	9	94,700	133,656
Employee benefits	10	99,035	76,807
Government grants	11	98,317	10,500
Income in advance	12	409,233	371,544
		-----	-----
Total current liabilities		701,285	592,507
		-----	-----
Non-current liabilities			
Employee benefits	10	35,822	32,705
		-----	-----
Total non-current liabilities		35,822	32,705
		-----	-----
TOTAL LIABILITIES		737,107	625,212
		=====	=====
NET ASSETS		732,293	641,277
		=====	=====
EQUITY			
Accumulated funds		732,293	641,277
		=====	=====

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

Statement of Changes in Equity

for the year ended 31 December 2010
Gondwana Choirs

	2010	2009
	\$	\$
Balance at 1 January	641,277	513,110
Surplus for the year	91,016	128,167
	-----	-----
Balance at 31 December	732,293	641,277
	=====	=====

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 2010
Gondwana Choirs

	Note	2010 \$	2009 \$
Cash flows from operating activities			
<i>Receipts</i>			
Receipts from customers		1,655,539	1,043,156
Receipts from donors		123,483	224,564
Sponsorships received		229,992	316,360
Interest received		16,418	19,337
<i>Cash flows from government</i>			
Receipts from appropriations/grants		426,874	251,625
<i>Payments</i>			
Wages and salaries		(750,646)	(593,486)
Other suppliers		(1,420,264)	(969,628)
		-----	-----
Net cash inflow from operating activities		281,396	291,928
Cash flows from investing activities			
Payments for intangibles	7	(3,691)	(1,584)
Payments for plant and equipment	8	(23,565)	(15,651)
		-----	-----
Net cash outflow from investing activities		(27,256)	(17,235)
		-----	-----
Net increase in cash and cash equivalents held		254,140	274,693
Cash and cash equivalents at the beginning of the financial year		1,016,534	741,841
		-----	-----
Cash and cash equivalents at the end of the financial year	4	1,270,674	1,016,534
		=====	=====

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 2010
Gondwana Choirs

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Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

1 Corporate information

The financial report of Gondwana Choirs Limited for the year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors.

Gondwana Choirs Limited is a company limited by guarantee, incorporated and domiciled in Australia. The nature of the operations and principle activities of the company are described in the Directors' Report.

2 Statement of significant accounting policies

(a) Basis of preparation

The company has early adopted AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-02 *Amendments to Australian Standards arising from Reduced Disclosure Requirements* for the financial year beginning 1 January 2010 to prepare Tier 2 general purpose financial statements.

The financial report is a Tier 2 general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*,

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report has been presented in Australian dollars.

(b) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

2 Statement of significant accounting policies continued

Significant accounting judgements

The company has entered into leases of premises and office equipment as disclosed in Note 14. Management has determined that all of the risks and rewards of ownership of these premises remain with the lessor and has therefore classified the leases as operating leases.

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

Provision for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures, and periods of service, as discussed in Note 2 (k). The amount of these provisions would change should any of the employees change in the next 12 months.

(c) Revenue recognition

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Revenue from fundraising

Donations

Donations are recognised when received.

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

2 Statement of significant accounting policies continued

Revenue from operating activities

Government funding

Grant revenue is recognised in the income statement when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction, and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Investment income

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

Asset sales

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

(d) Expenditure

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

Fundraising costs are those incurred on seeking voluntary contributions by donation and do not include costs of disseminating information relating to the activities carried on by the company.

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

2 Statement of significant accounting policies continued

(e) Cash and cash equivalents

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

(f) Trade and other receivables

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

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

(g) Plant and equipment

Bases of measurement of carrying amount

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any plant and equipment donated to the company or acquired for nominal cost is recognised at fair value at the date the company obtains control of the assets.

Depreciation

Items of plant and equipment are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	2010 % pa	2009 % pa
Plant and equipment	10-33%	10-33%

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

2 Statement of significant accounting policies continued

(g) Plant and equipment continued

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement.

De-recognition and disposal

An item of plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(i) Trade creditors and other payables

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

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

2 Statement of significant accounting policies continued

(j) Deferred income

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

(k) Employee benefits

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

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

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

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

2 Statement of significant accounting policies continued

(l) Leased assets and liabilities

Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(m) Taxation

Income tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

Goods and services tax (GST)

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

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

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

(n) Going concern

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

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

At the date of the report, the company has received notification that 2010 grant funding has been approved and it is expected the company will be able to continue in its normal capacity.

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

	2010	2009
	\$	\$
3 Revenue		
Revenue from continuing operations		
Audience sales	131,859	73,225
Fees and services	1,229,358	887,413
Merchandising	39,859	24,810
Sponsorship income	157,484	236,600
Fundraising income	10,534	3,054
Grants received:		
Dept of the Environment, Water, Heritage & The Arts – project	20,000	-
Australia Council – general	121,500	120,000
Australia Council – project	31,000	28,000
Arts NSW – general	120,000	80,000
Arts QLD – project	2,750	23,750
City of Sydney – project	5,000	-
	-----	-----
	1,869,344	1,476,852
	-----	-----
Other revenue		
Donations received	108,149	186,897
Interest received	15,968	19,787
Sundry income	17,021	17,860
	-----	-----
	141,138	224,544
	-----	-----
Total revenue	2,010,482	1,701,396
	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

	Note	2010 \$	2009 \$
4 Cash and cash equivalents			
Cash at bank and on hand		41,423	13,380
Cash on deposit		1,229,251	1,003,154
		-----	-----
		1,270,674	1,016,534
		=====	=====

(a) Reconciliation to cash at the end of the year

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

Balance per statement of cash flows		1,270,674	1,016,534
		=====	=====

(b) Cash at bank

The deposits are bearing floating interest rates between 1.1% – 5.0% (2009 – 1.1% to 4.0%).

5 Trade and other receivables

Current

Interest receivable		-	450
Trade debtors		70,461	124,510
Supplier and venue deposits		1,500	5,600
		-----	-----
		71,961	130,560
		=====	=====

6 Inventories

Current

Finished goods – at cost		20,635	15,951
		=====	=====

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

	Note	2010 \$	2009 \$
7 Intangibles			
Software			
Software – at cost		8,430	4,739
Accumulated amortisation		(4,402)	(2,985)
		-----	-----
Total intangibles		4,028	1,754
		=====	=====

Reconciliation

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

Carrying amount at 1 January		1,754	1,412
Additions		3,691	1,584
Amortisation	2(g)	(1,417)	(1,242)
		-----	-----
Carrying amount at 31 December		4,028	1,754
		=====	=====

8 Plant and equipment

Plant and equipment

Plant and equipment - at cost		189,290	181,155
Accumulated depreciation		(128,160)	(122,591)
		-----	-----
Total plant and equipment		61,130	58,564
		=====	=====

Reconciliations

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

Carrying amount at 1 January		58,564	59,284
Additions		23,565	15,651
Disposals		(11,715)	-
Written back on disposal		8,000	-
Depreciation	2(g)	(17,284)	(16,371)
		-----	-----
Carrying amount at 31 December		61,130	58,564
		=====	=====

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

	2010	2009
	\$	\$
9 Trade and other payables		
Current		
GST payable	3,865	13,542
Trade creditors	39,733	10,674
Sundry creditors and accruals	51,102	109,440
	-----	-----
	94,700	133,656
	=====	=====
10 Employee benefits		
Current		
Annual leave	99,035	76,807
	=====	=====
Non-current		
Long service leave	35,822	32,705
	=====	=====
11 Government grants		
Current		
Grants received in advance:		
Australia Council – General	60,902	-
Australia Council – New Work project	-	10,500
DEWHA – Indigenous Culture Support	20,000	-
Torres Strait Regional Authority – Torres Strait Music Craft	10,415	-
City of Sydney – The Singing City	7,000	-
	-----	-----
	98,317	10,500
	=====	=====
12 Income in advance		
Fees received in advance	356,233	336,544
Sponsorship in advance	53,000	35,000
	-----	-----
	409,233	371,544
	=====	=====

Notes to the Financial Statements

for the year ended 31 December 2010
Gondwana Choirs

2010	2009
\$	\$

13 Key management personnel compensation

The aggregate compensation made to members of key management personnel of the company is set out below:

Compensation to members of key management personnel of the company	284,601	252,081
	=====	=====

Compensation includes gross salary, superannation and the closing balance provision for annual and long service leave.

14 Commitments for expenditure

License agreements

Office premises and rehearsal space

Minimum commitments are payable as follows:

Within 1 year	24,790	30,226
Later than 1 years but not later than 5 years	-	14,184
	-----	-----
	24,790	44,410
	=====	=====

Office equipment

Minimum commitments are payable as follows:

Within 1 year	10,458	2,684
Later than 1 years but not later than 5 years	36,603	2,440
	-----	-----
	47,061	5,124
	=====	=====

Directors' Declaration

The directors of the company declare that:

- (a) the financial statements and notes, as set out on pages 16 to 32 are in accordance with the *Corporations Act 2001*;
 - (i) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 31 December 2010 and of the performance for the year ended on that date of the company.
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable. Refer Note 2 (n).

This declaration is made in accordance with a resolution of the board of directors.

REBECCA DAVIES

Director

Sydney

7 April 2011

Declaration by Chairman of Directors in respect of Fundraising Appeals

I, Rebecca Davies, a director of Gondwana Choirs, declare in my opinion;

- (a) the financial report gives a true and fair view of all income and expenditure of Gondwana Choirs with respect to fundraising appeal activities for the year ended 31 December 2010;
- (b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 31 December 2010;
- (c) the provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority have been complied with for the year ended 31 December 2010; and
- (d) the internal controls exercised by Gondwana Choirs are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

REBECCA DAVIES

Director

Sydney

7 April 2011

Independent Audit Report

To the members of Gondwana Choirs

Report on the financial report

I have audited the accompanying financial report of Gondwana Choirs (the company), which comprises the balance sheet as at 31 December 2010 and the income statement, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and directors' declaration.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independent Audit Report

To the members of Gondwana Choirs

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Gondwana Choirs on 10 March 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Gondwana Choirs, as of 31 December 2010, and its financial performance and cash flows for the year ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations).

I also report that:

- a. the financial statements show a true and fair view of the financial result of fundraising appeals conducted during the year;
- b. the accounting and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the Regulations;
- c. money received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the Regulations; and
- d. at the date of this report, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

STEVEN J MILLER & CO

Chartered Accountant

S J MILLER

Principal

Sydney

7 April 2011

Additional Financial Information Disclaimer

Gondwana Choirs

The additional financial data presented on pages 38 to 40 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in my statutory audit of the company for the year ended 31 December 2010. It will be appreciated that my statutory audit did not cover all details of the additional financial information. Accordingly, I do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with my firm's policy, I advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

STEVEN J MILLER & CO
Chartered Accountant

S J MILLER
Principal

Sydney
7 April 2011

Detailed Income Statement

for the year ended 31 December 2010
Gondwana Choirs

	Sch	2010 \$	2009 \$
INCOME			
Audience sales		131,859	73,225
Donations received		108,149	186,897
Fees and services		1,229,358	887,413
Fundraising income		10,534	3,054
Grants received:			
Dept of the Environment, Water, Heritage & The Arts – project		20,000	-
Australia Council – general		121,500	120,000
Australia Council – project		31,000	28,000
Arts NSW – general		120,000	80,000
Arts QLD – project		2,750	23,750
City of Sydney – project		5,000	-
Interest received		15,968	19,787
Net merchandise income	Sch 1	12,448	8,278
Sponsorship income		157,484	236,600
Sundry income		17,021	17,860
		-----	-----
TOTAL INCOME		1,983,071	1,684,864
LESS: EXPENDITURE	Sch 2	1,892,055	1,556,697
		-----	-----
NET SURPLUS		91,016	128,167
		=====	=====

The above UNAUDITED detailed income statement should be read in conjunction with the disclaimer.

Detailed Income Statement

for the year ended 31 December 2010
Gondwana Choirs

	2010	2009
	\$	\$
SCHEDULE 1 - MERCHANDISE INCOME		
Merchandise sales	39,859	24,810
LESS: COST OF GOODS SOLD		
Opening stock	15,951	10,236
Add: purchases	32,095	22,247
	-----	-----
	48,046	32,483
Less: closing finished goods	(20,635)	(15,951)
	-----	-----
TOTAL COST OF SALES	27,411	16,532
	-----	-----
NET MERCHANDISE INCOME	12,448	8,278
	=====	=====

The above UNAUDITED detailed income statement should be read in conjunction with the disclaimer.

Detailed Income Statement

for the year ended 31 December 2010
Gondwana Choirs

	2010	2009
	\$	\$
SCHEDULE 2 - EXPENDITURE		
Amortisation of intangibles	1,417	1,242
Annual leave provided	22,228	15,757
Auditor's remuneration	7,085	7,000
Bad debt expense	6,201	4,816
Bank charges	5,402	2,916
Bookkeeping fees	14,877	17,993
Consulting fees	1,500	-
Deficiency on disposal of non-current assets	3,715	-
Depreciation of plant and equipment	17,284	16,371
Entertainment expenses	1,358	1,606
Filing fees	2,680	665
Fundraising expenses	3,293	3,110
General expenses	291	1,309
Insurance	27,685	20,781
Long service leave provided	3,117	1,586
Production expenses	118,370	157,301
Parking	4,459	4,053
Postage	5,310	6,791
Printing, stationery and photocopying	22,522	21,409
Publicity and promotion	79,088	3,668
Rates and cleaning	4,318	4,401
Rent – administration office	21,331	14,122
Salaries and wages	692,181	588,486
Software expenses	5,320	681
Staff recruitment	12,923	136
Staff training	12,082	2,050
Storage fees	3,491	3,545
Subscriptions and memberships	972	844
Superannuation	58,465	48,917
Telephone, facsimile and internet expenses	22,563	21,670
Travel expenses	709,999	531,871
Website expenses (refer below)	528	51,600
	-----	-----
TOTAL EXPENDITURE	1,892,055	1,556,697
	=====	=====

2010 Staff training expenses include the value of in-kind sponsorship provided by Maximus International

2009 Website expenses include the value of in-kind sponsorship provided by Creative Zoo.

The above UNAUDITED detailed income statement should be read in conjunction with the disclaimer.