



COVID-19 STATEMENT & SOLVENCY PLAN

JUNE 2020

OUR STATEMENT OF POSITION TO OUR CLIENTS AND SUPPORTERS:

Summit is proud to be a company that cares about our dance community in its entirety. 2020 was to be our 2nd season and we were just as excited as the dancers, teachers, and parents to get to the stage. COVID-19 has had a devastating impact not only on our company but on our entire dance community, not excluding many dance parents. As a dance parent, you are likely employees, or employers, or small business owners yourselves. COVID-19 has affected the lives of everyone we know in so many ways and for some individuals and companies, these times are nearly unbearable. Painfully, one of the many industries that has suffered greatly under COVID-19 is the Events sector. The majority of the Events sector has collapsed, with several production companies being forced into bankruptcy. We were forced to halt all 2020 events after completing just one city on our 2020 tour. The astronomical financial repercussions for us cannot be understated. 80% of the associated fees of running our events are prepaid before we even enter the theatre. When COVID-19 first presented a problem, we quickly regrouped and were able to reschedule events into the summer, which everyone hoped would be a safe and viable alternative. The complexity of COVID-19 progressing information, health advisories, business regulations, venue liabilities, and government restrictions sadly resulted in the original postponement dates also being forced to be pushed back. A combination of venue availability, some feedback from studio directors, and in the best odds of being able to run our events in the "new normal", our postponement dates are now in fall of 2021. We did try to offer some of our events in a modified capacity, however these plans were not approved by venues due to liability concerns.

Although we are a newer company, we have already built a reputation in the dance community for making competitions an inclusive fun and upbeat experience for dancers of all levels, and the audience alike. We do not charge an admission fee to watch so our entry fees are all inclusive. Summit Dance Challenge is kid focused, not only on promoting exceptional dance education, but also working to show each and every dancer that they have something unique and special to offer onstage. Our mandate is to promote sportsmanship and kindness above all else. During our first season of operation, we spared no expense to ensure we went above and beyond the expectations of our studios, dancers, and parents. To ensure this, we proudly reinvested every penny back into the events and actually ran SDC 2019 Season #1 in a financial loss. There have been no government bailout or aid for the events industry. Expenses of producing events is so extensive it is not possible to secure sufficient credit lines or equity loans. It is understandable that people would like a refund, and if we had sufficient funds secured, this would also be the simplest solution for us. However, after refunding just a small percentage of our studios, we would be forced into bankruptcy quickly, leaving most studios without any refund and no postponed events to attend in the future. Even a small refund to each studio would leave us without the funds we need to host the event and not leave studios or families satisfied. The pandemic has been a loss of an entire year of work by many people. Our contracted staff and judges are without pay for events they had counted on for their financial income. While some businesses in various industries have lost a couple



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months of operations, we have been planning our 2020 season for a full year. It will be impossible to profit in 2020 under the current environment and, with most dance studios having full credit to dance in 2021, it will be likely impossible for the company to be profitable next season as well.

Like us, most competitions have a no refund policy. The fees collected for the season pay for the overhead of hosting the event, which makes these policies necessary for companies like ours to exist. There are extensive prepaid expenses associated with hosting such as staffing salaries, approximately 100 flights, medals, ribbons, trophies, shipping, merchandise, prizes, venue deposits, catering deposits, book keeping, equipment, software management and server fees, contractor deposits, media service fees, and more. While some of these fees we were able to secure credit for, we have not received refunds. A further challenge with flights is that the majority of flights are under the person traveling and not our company. Additional expenses at or after each event including video adjudication and photographer fees, hotel fees, judging fees, staffing fees, balance on catering and meals, and more. Our no refunds policy due to "Acts of God" or "Circumstances Outside Of Our Control" are agreed to when studios submit their registration online through our online registration portal. We do not accept registrations, entry submissions, or payments from individual dancers or parents. A copy of our full registration agreement can be viewed on our website.

We want to recognize that this season has been especially hard on high school graduating dancers. This is not the season you have been looking forward to for a large majority of your life. We know how special graduation year is, and like your teachers, parents, and classmates, we are heartbroken for you! While we do not have the financial resources to make an exception to our refund policy for everyone, we want to do what we can, and we are refunding graduating dancers. We know that if you had the choice, you would prefer to be on our stage rather than receive a refund. Your studio owner simply needs to email us to request your refund. If you are a graduating dancer, and come our 2021 tour, you would like to perform one of your 2020 solos on our SDC stage, we would be happy to have you at NO CHARGE.

Things may look a bit different for a while while we all work out what the "new normal" will look like. In the meantime, please join us in supporting local small businesses and Canadian companies like your dance school and Summit Dance Challenge. We want to inspire and nurture your child's growth for years to come. Issuing 100% credits for its intended purpose is of more value to dance families, over refunding a small few before bankruptcy. We ask you, the dance parents, to understand that we are just people too, doing our best to manage impossible circumstances, do what we can for our clients, and take care of our families and loved ones just like you. Thank you for your continued support.

Stay Healthy! Stay Connected! Stay Kind! 

**Sincerely,
SUMMIT Director**