

annual
report

2013



THEATRE
ROYAL

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Photo: Tourism Media





personnel 2013

Theatre Royal Management Board

Craig Stephens (Chairman)
Rod Anderson
Kate Cuthbertson
Karen Davis
Jane Haley
Nicholas Heyward
Kate Kent

Chief Executive

Tim Munro

Finance Manager

Jo Macgill

Administration Manager

Margaret Wood

Marketing and Business Development Manager

Maria Pate

Marketing and Business Development Coordinator

Thesspina Donopoulos

Program and Operations Manager

Don Hopkins

Technical Manager

Sandy Campbell

Customer Services Manager

Nicole Winspear

Box Office Manager

Mark Brooks

Box Office Supervisor

Meyrick Harris



T H E A T R E
R O Y A L

strategic plan

Mission

The Theatre Royal is Australia's oldest working theatre. It occupies an important place in the hearts of Tasmanians, local and international performers and many visitors to Hobart. The Theatre Royal Management Board operates the Theatre in trust for our state and nation – a privilege we take very seriously. In carefully managing this asset and mindful of its unique role in the community, we aim to build on the past to deliver a vibrant contemporary centre for the performing arts.

Vision

As a vibrant contemporary centre, the Theatre Royal is a heritage icon and cultural leader inspiring Tasmanians and visitors by engaging them in diverse, world class performing arts.

Values

The Theatre Royal is committed to:

- delivering innovation and excellence in creative practice
- engaging and fostering community and building a culture for the arts in Tasmania
- contributing to social inclusion, access and diversity
- building strong and effective relationships and partnerships and delivering best practice customer service
- supporting its people by acknowledging and rewarding commitment and contribution
- pursuing sustainability and environmental responsibility in its activities and operations
- operating as a transparent and accountable organisation

Strategic Priorities

- **Contribute to the Tasmanian economy**
Contribute to the economic and cultural life and health of Tasmania
- **Grow a stimulating and appealing program**
Develop the range, quality and quantity of the performing arts program
- **Develop the contemporary centre for performing arts**
Manage the theatre's assets and facilities, including the new space being developed by the University of Tasmania
- **Engage with the community**
Strengthen the Theatre Royal's engagement with the community
- **Manage the business**
Build the organisation's technical, managerial, service and governance capabilities



NEWS, ACHIEVEMENTS AND INITIATIVES

In 2013, the Theatre Royal:

- Increased audiences and expanded program by approximately 10%
- Together with MyState Financial, won the Creative Partnerships Australia Partnering Award for Tasmania.
- Secured future program funding from the Minister for the Arts
- Welcomed new Box Office and Finance Managers to the organisation
- Expanded its organisational structure and increased its capacity by creating and filling a new Permanent Part Time Box Office Supervisor role
- Hosted a Premium Subscribers' Function and tour of the new facilities at TMAG
- Hosted 6 opening night Subscribers' functions
- Completed a project to install a new telecommunications system
- Programmed and launched the 2014 season
- Redeveloped its strategic plan
- Achieved significant growth in our social media presence – achieving over 8500 page visits and over 1700 likes on our facebook page



Clockwise from top-left: Bell Shakespeare student workshop with students from St. Michael's Collegiate and Clarence High School; Media day acrobatics with Freefall; 2013 Season launch party; Craig Stephens (left) and Stephen Pender (right) from MyState Financial accept the Creative Partnerships Australia Partnering Award for Tasmania from His Excellency The Honourable Peter Underwood AC; R&J opening night; Table of Knowledge tech crew.



Chairman's Report

Craig Stephens

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On behalf of the Theatre Royal Management Board it gives me great pleasure to present the Chairman's Report for the 2013 season, in a year that has seen increased attendances and an improved financial performance by the organisation.

As I indicated in my report last year the Board was committed to returning the Theatre's financial report to a surplus position and it is very pleasing to report that a surplus was returned for the 2013 year.

I reported last year on the excitement generated by the announcement that the long anticipated project to develop a multipurpose performing arts and education venue would come to fruition, in conjunction with the University of Tasmania, on the site next door.

Following this announcement the Board and Management Team turned their attentions to the realities of what may be required to enable the organisation to be ready, given our limited resources and the challenges that will arise over the next few years.

The Board's Strategic Plan had been set in late 2009 for the 2010-2015 period. The Plan considered the project a possibility; its reality however indicated a review of the Plan would be appropriate. Accordingly the Board revisited and updated its Strategic Plan during the 2013 year, holding a facilitated workshop with the Theatre's Management Team. The particular focus of the review was the likely impacts on the organisation of the development with consideration given to the various stages of same and how they may impact the Theatre's operations. The Plan also considers the substantial opportunities this project provides for the Theatre Royal to contribute to Tasmania.

Initially the short term requirements of working with the University of Tasmania on the design and planning stages were considered with regard to how we could manage the commitment required to participate.

Further consideration of the issues and impacts of the development phase of the project was undertaken including our resourcing and the likely impact on performance of the Theatre.

Finally, consideration was given to the longer term impact of what the organisation may need when the facility opens and the Theatre Royal is programming and operating an additional Studio Theatre venue as part of our complex.

As a result of this updated Strategic Plan, the Board is continuing to review and update our operational capacity to ensure we are able to adequately deal with the development process and then, importantly, be able to manage the expanded programming and operational requirements on completion.

Given this expansion and the considerable time spent by management on the development process itself, it is a credit to all that we have managed to achieve the financial result outlined in this report.

The Board has created a sub-committee with the role of overseeing and providing input into the Theatre's involvement in the planning stages of the project and a further sub-committee to consider and plan the steps necessary to achieve the programming requirements for the various stages as we move forward .

In addition, we have resumed programming control of the Theatre Royal Backspace Theatre for the 2014 and 2015 seasons to better facilitate the development of



“...we have resumed programming control of the Theatre Royal Backspace Theatre for the 2014 and 2015 seasons to better facilitate the development of program and audiences.”

Opposite page: Tasdance's Luminous Flux. This page, clockwise from top-left: Looking down from the Gallery (Photo © John Tozer at Image Insight); Red carpet at Ten Days on the Island; Bubblewrap and Boxes performers talk to children from Clarendon Vale Primary School.



program and audiences. Some additional funding has been secured to assist us in this endeavour. The Board is particularly mindful of the need to continue to expand and attract audiences as we move towards the new and larger capacity Studio Theatre.

I would like to formally acknowledge the considerable contribution the Tasmanian Theatre Company has made to the Backspace Theatre over the last few years and look forward to seeing future presentations of its work in that space.

The Board would like to acknowledge and thank the University of Tasmania for their partnership in the development and thank them for the open and consultative manner in which the planning has been, and continues to be, undertaken.

To our partners and sponsors, the Board thanks you for your ongoing association with the Theatre Royal, your support assists us to present the dynamic and exciting program that appears in the Theatre each year. The task would be significantly more difficult without that support.

The Theatre is also indebted to the financial support provided by the State Government through the Minister for the Arts, the Tasmanian Arts Advisory Board and Arts Tasmania. Without that support we would not be able to showcase the diverse program presented at the Theatre.

I would also like to acknowledge the Friends of the Theatre Royal for their continued support of the Theatre. They provide assistance to the Theatre in all sorts of ways through the Season and the Board thanks them for all their efforts.

The Board would particularly like to thank our Chief Executive, Tim Munro, and his dedicated team for their efforts over the season to make the Theatre Royal the success it is. To achieve the result they have and keep their focus on a successful program while we work on the planning stages of the development is a credit to them all.

The Board has during the year welcomed Jane Haley to its ranks and has already benefited from her experience in the industry.

To my fellow Board members, I extend my personal thanks for your support, willingness to contribute and dedication to the Theatre. As outlined above we have expanded the number of committees during the year, which places a greater time commitment on each and every Board member. Their willingness to contribute and give up their time to the Theatre is much appreciated.

We move forward into 2014 with a sense of expectation as the project takes shape, but also with a keen understanding that we must maintain the standard of program and performance expected by our loyal subscribers and wider audience. At the end of the day, it is our audiences who make the Theatre the thriving performance venue it currently is.

Craig Stephens
Chairman
24 February 2014



Chief Executive's Report

Tim Munro

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I am pleased to report that the Theatre Royal enjoyed a successful year in 2013. Audience numbers increased, program activity expanded, employment grew and our profit and loss statement for the year records a pleasing return to surplus.

The Theatre Royal hosted a total of 141 performances on its main stage – an increase of 10% over 2012. In order to achieve this, the Board reduced the amount of risk it carried in program items and worked to make the Theatre more attractive for others to carry or share risk.

In addition to the performance program, 118 tours of the Theatre were run by Friends of the Theatre Royal and a further 15 events (from launches to weddings) were held. Over 62,000 people attended a performance, tour or event at the Theatre Royal in 2013.

Alongside the public successes of greater audience engagement and expanded program, the Theatre Royal organisation worked hard to increase its strategic, managerial and operational capabilities in line with predicted future requirements. We also invested a great deal of time and energy working closely with the University of Tasmania and the Tasmanian Government to ensure opportunities for the Theatre and its patrons and performers are maximised in the development project on the adjacent site.

The Theatre Royal and MyState Financial were delighted to win the Creative Partnerships Australia's Partnering Award for Tasmania for the partnership that delivered the wonderful 'We Built This City' event on the site adjacent to the Theatre in 2012.

ARTISTIC REPORT

In line with its artistic policy and programming aims, the Theatre Royal Management Board invests in the presentation of a diverse range of high quality theatre that provides the cornerstone of its season. The Board commits its grant from the Minister for the Arts (through the Tasmanian Arts Advisory Board) to these works. In order to ensure that the Theatre can offer season programs of the breadth and depth that our audiences deserve, the organisation continues to share financial risk (and proceeds) through co-presenting partnerships with theatre producers, festivals and touring agencies. Whilst benefitting the Theatre and its audiences, these arrangements also assist those presenting partners to manage their exposure to financial risk, which provides greater opportunity for artists' work to be seen by audiences. The Board particularly seeks to ensure that a wide range of Tasmanian theatre works are able to be presented to Theatre Royal audiences.

SUBSCRIPTION SEASON AND SUBSCRIBERS

The 2013 Season brochure was launched in November 2012 offering patrons a choice of 33 productions. The Board carried or shared the financial risk in 15 of these productions (down from 20 in 2012). In 2013 the numbers of patrons subscribing to the season increased by over 10% on 2012 numbers; that trend appears set to continue as the latter part of 2013 saw increased demand again for subscriptions following the 2014 season launch.



“...the Theatre Royal Management Board invests in the presentation of a diverse range of high quality theatre that provides the cornerstone of its season.”

Opposite page: R&J. This page, clockwise from top-left: Opening night for Sundowner; The Select [The Sun Also Rises]; John Wood in The Club.

THEATRE ROYAL PRESENTATIONS AND CO-PRESENTATIONS COMPARISON

	2006	2007	2008	2009	2010	2011	2012	2013
Productions Presented	13	10	10	13	16	12	15	11
Co-Presented					6	6	5	4
Performances	51	38	35	36	70	49	55	41
Total Attendances	13,603	15,720	13,650	13,036	22,579	14,531	15,358	11,243
Average Backspace Attendance					69		76	55
Average Attendance Per Performance	267	414	390	362	341	297	313	274
Total Income	\$358,032	\$452,091	\$372,443	\$409,180	\$936,148	\$602,931	\$759,528	\$556,634

2013 PROGRAM

The Theatre Royal aims to present a diverse program featuring not only a full range of theatre genres but work appealing to a wide range of audience members. The program includes works ranging from contemporary text, traditional drama, dance, physical theatre and circus, multi-media, opera, contemporary music, music theatre, comedy and more.

We bring productions to Tasmania and we present pieces made in Tasmania. We seek to present some work from the edges of current theatre practice and work in the mainstream. We have many factors to consider in achieving and, importantly, balancing these program dimensions and matching those to the capacity of the market in which we operate. Through fostering strong co-presenting relationships the Theatre Royal has been able to expand the opportunities for its audiences to experience a more diverse program in recent years.

In 2013 this meant our audiences enjoyed works from New York’s Elevator Repair Service and London’s Royal Opera House Covent Garden alongside fantastic local productions from artists and producers such as Robert Jarman, Craig Wellington, Dark MOFO, Allison Farrow and John Xintavelonis.

The 2013 season featured:

- 10 drama works in theatre season
- 2 circus pieces
- 4 events with Mona Foma and Dark MOFO
- 6 dance pieces
- 20 music events
- 5 comedy shows
- 2 children and family shows
- 2 revues/pantos



Left to right: Table of Knowledge workshop; Croon rehearsal.

In 2013 over 50 seasons comprising 141 performances were presented on the Theatre Royal main stage. An additional range of performances and events were held in the Theatre Royal Backspace – many as part of the Tasmanian Theatre Company's artistic program. In total 5898 patrons attended performances and events in the Theatre Royal Backspace. The overall scale of the program precludes detailed commentary on each piece, however highlights included:

- The Comedy of Errors – from the Bell Shakespeare Company. A wonderful contemporary telling of this piece set in today's Kings Cross. The production was pacy and polished: traditionalists and younger audiences were enthralled with the most satisfying touring Bell production seen for some years.
- Hobart Baroque brought us the Royal Opera House Covent Garden's production of the Haydn Opera *L'isola Disabitata*. Audiences were transfixed by the highly creative and effective staging alongside the superb performances of the cast and the players.
- Bangarra Dance Theatre's extraordinary work *Kinship* displayed the breadth of the company's talent in a production combining striking visual design with choreographer Stephen Page's beautiful, powerful movement.
- *Vandemonian Lags* – songs and stories from the prison without walls. Audiences filled the theatre to experience this musical storytelling treat featuring 13 great musicians including Tim Rogers, Brian Nankervis, Jeff Lang, Van Walker, Liz Stringer and Ben Salter. The works tells 21 lifeline stories from the *Founders* and *Survivors* collection. *Vandemonian Lags* was created by Mick and Steve Thomas and presented as part of *Dark MOFO*.
- The Theatre Royal also assisted the presentation of many new works created by Tasmanian Artists:
 - o *Luminous Flux* – Tasdance
 - o *As We Forgive* – Tasmania Performs
 - o *Croon* – John Xintavelonis, Colin Dean and Andrew Colrain
 - o *Pip and Pooch* – Terrapin Puppet Theatre
 - o *Simon's Final Sound* – Blue Cow Theatre
 - o *Don Juan* – Blue Cow Theatre
 - o *Spring Fever* – Allison Farrow featuring Kelly Ottaway's band

Full details of performances and attendances are included in the Performance and Other Events Summary on pages 10 and 11.

WORKSHOPS AND EXTRA EVENTS

In addition to the program of performances, the Theatre aims to deepen visiting artists' engagement with the community, and offers a range of engagement and training opportunities for Tasmanians. To this end a series of workshops, meet the artist sessions and 'In Conversation' style presentations for subscribers and patrons were offered in 2013. These are also reported in the Performance summary. In 2013 the Theatre Council of Tasmania co-ordinated workshops with artists participating in our program, including a workshop with New York's Elevator Repair Service and an Industry Forum with Version 1.0.

In closing, I wish to record my gratitude to the many organisations and individuals who have given so much to the Theatre Royal in 2013. Our funding organisations, business partners, artists and arts companies, audiences and volunteer groups who contribute much to the life and the success of the Theatre deserve sustained applause. In particular, the Minister for the Arts and the team at Arts Tasmania, the RACT, Xsquared Architects, the University of Tasmania, the Friends of the Theatre Royal, and Board Members and staff of the Theatre Royal also deserve a rousing ovation.

Tim Munro
Chief Executive
24 February 2014



“In 2013 over **50** seasons comprising
141 performances
were presented on the Theatre Royal
main-stage.”

PERFORMANCE & OTHER EVENTS SUMMARY

Performance	Producer	TR Presents & Co-Presents Days	Community Days	Professional Days	Total Days	Perf. No.	Attendance	% of Capacity
Mystique Magic and Illusion	M2 Productions			2	2	3	491	24%
For the Term of His Natural Life	Mona Foma			1	1	1	600	88%
Neil Gaiman	Mona Foma			1	1	1	666	97%
Freckleface Strawberry	Exit Left		3		3	4	496	18%
Miss Burlesque Tasmania	Diamond Class		1		1	1	220	32%
Tom and Dusty	Ben Maiorana Entertainment			1	1	1	260	38%
Danny Bhoj	Adrian Bohm Presents			1	1	1	622	91%
Gerry and the Pacemakers	The Harbour Agency			1	1	1	599	88%
The Select	Ten Days on the Island			8	8	5	1,659	49%
Dame Kiri Te Kanawa	Ten Days on the Island			1	1	1	667	98%
Ockham's Razor	Ten Days on the Island			2	2	2	834	61%
Luminous Flux	Tasdance	3			3	3	719	35%
L'isola Disabitata	Hobart Baroque			19	19	4	1,677	61%
David Hansen	Hobart Baroque			1	1	1	517	76%
Jane Edwards	Hobart Baroque			1	1	1	230	34%
R and J	Expressions Dance Company	4			4	2	489	36%
Freefall	Gravity and Other Myths	4			4	3	1,087	53%
Melbourne Comedy Roadshow	Melbourne International Comedy Festival	2			2	2	872	64%
Uni Revue - Crock of Ages	The Old Nick Company		21		21	12	6,532	80%
The Beatles Number Ones	Ben Maiorana Entertainment			1	1	1	290	42%
Alex Williamson and Friends	More Comedy			1	1	1	589	86%
Frankenstein	Ensemble Theatre Company	4			4	2	419	31%
Martha Wainwright	Gaynor Crawford Presents			1	1	1	681	100%
Vandemonian Lags	Dark MOFO			2	2	2	1,350	99%
The Old Fella and Benchmark	BSQ Productions			1	1	1	422	62%
Sundowner	Kage	6			6	4	834	30%
Buddy and Roy	The Harbour Agency				1	1	338	49%
The Table of Knowledge	Version 1.0	6			6	4	492	18%
Pip and Pooch	Terrapin Puppet Theatre	5			5	3	855	42%
Delectable Shelter	The Hayloft Project	2			2	2	401	29%
The Club	Hit Productions	4			4	3	772	38%
Showstoppers of the Westend	Promac Productions	1			1	1	206	30%
Justine Clark	Live Nation Australasia			1	1	2	1,007	74%
Phantom of the Opera	Craig Wellington and Tasmanian Theatre Unit Trust		36		36	23	9,879	65%
Aida	The Friends' School		7		7	4	1,594	58%
Kinship	Bangarra Dance Theatre	4			4	2	1,299	95%
Spring Fever	dell'Arte Productions	1			1	1	440	64%
Wotopera	Artology		1		1	1	242	35%
The Comedy of Errors	The Bell Shakespeare Company	5			5	5	1,207	35%
Brian Kennedy	Maverick Arts Management			1	1	1	194	28%
A Festival of Russian Ballet	Event Entertainment			2	2	2	1,370	100%
Così Fan Tutti	Melbourne Opera Company			1	1	1	464	68%
Croon	Croon		3		3	2	766	56%
Kitty Flanagan	Alist Entertainment			2	2	2	984	72%
David Helfgott	Andrew McKinnon Presentations			1	1	1	522	76%
Jeff Green	More Comedy			1	1	1	249	36%
Peter Pansy (Bawdy Panto)	Bawdy Pantos		7		7	5	1,643	48%
Bubblewrap and Boxes	Critical Stages	3			3	4	1,151	42%
Centre Stage Dance Co	Centre Stage Dance Company		2		2	2	746	55%
MyState Student Film Festival	MyState Financial		1		1	1	400	58%
City and Colour	Chugg Entertainment			2	2	2	1,236	90%
Johnny Cash the Concert	The Harbour Agency			1	1	1	401	59%
Body Language Dance	Body Language Dance		2		2	1	395	58%
Hobart Dance Academy	Hobart Dance Academy		2		2	2	669	49%
		54	86	57	198	141	53,744	

Total box office sales \$2,669,055

PERFORMANCE & OTHER EVENTS SUMMARY

Other Events	Producer	Total Days	Number of Events	Attendance * estimated attendance
Tours				
Public Tours of the Theatre	Friends of the Theatre Royal		118	498
Tour for 1st year students	SPACE Dance		1	15
Tour for audio design students	The Friends' School		1	15
Tour for VET Tourism students	Rosny College		1	25
Private Activities				
Wedding Ceremony/Reception		1	1	120 *
Student Activities				
Fahan School Speech Night	Fahan School	1	1	550 *
Declaration of Geneva	University of Tasmania	1	1	550 *
Student workshops	The Bell Shakespeare Company			73
Student auditions	The Bell Shakespeare Company			8
Events and Launches				
Play Reading - State of the Tasmanian Economy	Theatre Royal and Blue Cow Theatre Company	1	1	250 *
Hobart Baroque	Hobart Baroque	1	1	180 *
Mona Foma Festival	Mona Foma	2	2	media only
Theatre Royal Season 2014	Theatre Royal	2	1	270 *
Helpmann awards nominations	The Helpmann Academy and Theatre Royal	1	1	30
Premium Subscriber Event	Theatre Royal	1	1	100
Meet the Artist Events				
As We Forgive		1	1	50
Sundowner		1	1	85
Bell Shakespeare Company		1	1	17
Work Placements				
Work Placement	The Friends' School	2	1	
Work Placement	The Friends' School	2	1	
Work Placement	Montrose Bay High School	2	1	
Theatre Royal Backspace				
Events including	Tasmanian Theatre Company			
	Blue Cow Theatre Company			
	Tas Pride			
	The Old Nick Company			
	PLOT			
Theatre Royal Backspace		189		5898
Total Other Events			137	8734
Total audience and performance numbers			278	62,478

“Audience numbers increased, program activity expanded, employment grew and our profit and loss statement for the year records a pleasing return to surplus.”



Audiences in the Theatre Royal. Photo credits: Tourism Media.



Independent Auditor's Report

To the Members of the Parliament of Tasmania

Theatre Royal Management Board

Financial Report for the Year Ended 31 December 2013

I have audited the accompanying financial report of the Theatre Royal Management Board (the Board), which comprises the statement of financial position as at 31 December 2013, and the statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2013, a summary of significant accounting policies, other explanatory notes and the statement by the members of the Board.

Auditor's Opinion

In my opinion the Board's financial report:

- (a) presents fairly, in all material respects, its financial position as at 31 December 2013 and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Theatre Royal Management Act 1986* and Australian Accounting Standards – Reduced Disclosure Requirements.

The Responsibility of the Members for the Financial Report

The Members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Section 10 of the *Theatre Royal Management Act 1986*. This responsibility includes establishing 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 report based upon my audit. My audit was conducted 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 as to whether the financial report is free of material misstatement.

...1 of 2

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Tasmanian Audit Office



E R De Santi
Deputy Auditor-General
Delegate of the Auditor-General

HOBART
17 February 2014

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FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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DECLARATION BY THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2013

In the opinion of the members of the Theatre Royal Management Board:

1. The financial report and notes:

- (a) Comply with the Australian Accounting Standards (including Australian Accounting Interpretations) as they relate to Not For Profit entities, and with the provisions of the *Theatre Royal Management Act 1986*; and
- (b) Presents fairly the Board's financial position as at 31 December 2013 and its performance for the year ended on that date.
- (c) In the Board's opinion, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board members:



Chairman
C Stephens



Chief Executive Officer
T Munro

Dated this 13th day FEBRUARY of 2014.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
Notes		
Income		
Program income	1,018,142	996,013
Bar income	175,669	143,391
Box office income	358,972	226,830
Administration income	191,319	193,219
Operations income	92,393	58,470
Business development income	46,058	133,767
Interest income	58,458	68,754
Donations	1,582	5,563
Other income	0	1,700
Total income	1,942,593	1,827,707
Less: Expenses		
Program expenses	643,760	754,887
Bar cost of sales	65,601	57,784
Bar expenses	22,659	14,919
Box office expenses	211,900	213,644
Administration expenses	638,148	618,822
Operations expenditure	229,004	180,981
Business development expenses	50,556	68,181
Depreciation	22,055	75,951
Projects expenses	8,888	0
Transfer of Property to the Crown	0	702,799
Total Expenses	1,892,571	2,687,968
Net Surplus/(Deficit)	50,022	(860,261)
Other comprehensive income for the year	0	0
Total comprehensive income for the year	50,022	(860,261)

The accompanying notes form part of these Financial Statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	217,194	191,126
Trade and other receivables	4	154,937	136,255
Inventories	5	5,843	4,115
Financial assets	6	2,244,161	1,221,487
Other assets	7	88,840	95,276
TOTAL CURRENT ASSETS		2,710,975	1,648,259
NON-CURRENT ASSETS			
Property, plant and equipment	8	205,597	223,429
TOTAL NON-CURRENT ASSETS		205,597	223,429
TOTAL ASSETS		2,916,572	1,871,688
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	95,715	127,012
Provisions	10	70,855	64,670
Other Liabilities	11	1,305,586	290,093
TOTAL CURRENT LIABILITIES		1,472,156	481,775
NON-CURRENT LIABILITIES			
Provisions	12	91,591	87,109
TOTAL NON-CURRENT LIABILITIES		91,591	87,109
TOTAL LIABILITIES		1,563,747	568,884
NET ASSETS		1,352,825	1,302,804
EQUITY			
Accumulated Surpluses		1,352,825	1,302,804
TOTAL EQUITY		1,352,825	1,302,804

The accompanying notes form part of these Financial Statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Retained Earnings	Total Equity
Balance at 1 January 2012	2,163,064	2,163,064
Operating Surplus /(deficit) for the year	(860,261)	(860,261)
Balance at 31 December 2012	1,302,803	1,302,803
Operating Surplus for the year	50,022	50,022
Balance at 31 December 2013	1,352,825	1,352,825

The accompanying notes form part of these Financial Statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 \$	2012 \$
CASH FROM OPERATING ACTIVITIES			
Receipts from customers		2,695,595	1,199,688
Payments to suppliers and employees		(2,059,111)	(1,884,548)
Grants received		364,200	307,328
Interest received		52,281	89,368
Net cash provided by (used in) operating activities		1,052,965	(288,164)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(4,223)	(73,518)
Payments for leasehold improvements		0	0
Deposits to investments		(3,157,674)	0
Withdrawals from investments		2,135,000	315,737
Net cash used by investing activities		(1,026,897)	242,219
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used by financing activities		0	0
Net cash increase (decreases) in cash and cash equivalents		26,068	(45,945)
Cash and cash equivalents at beginning of year		191,126	237,071
Cash and cash equivalents at end of financial year	3	217,194	191,126

The accompanying notes form part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

The financial report covers the Theatre Royal Management Board as an individual entity. Theatre Royal Management Board was established under the *Theatre Royal Management Act 1986*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Theatre Royal Management Board has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendment to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting periods beginning 1/1/2013.

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Theatre Royal Management Act 1986*. The Board is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

(b) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(d) Trade and Other Receivables

All receivables are due within fourteen (14) days and are earned as amounts due. The collectability of debts is assessed at balance date and a specific provision is made for any impairment. The net fair value of receivables is the nominal amount.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed by the Board includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Board and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The Theatre Royal building, land and certain items of plant and equipment have been vested in the Crown in accordance with Section 12 of the *Theatre Royal Management Act 1986*. During the 2012 financial year certain leasehold improvements that formed part of the Theatre Royal building were transferred back to the Crown, refer Note 8.

The Crown is responsible for the payment of rates of the building. The Theatre Royal Management Board is responsible for the insurance on the building.

A lease agreement exists between the Board and the Minister at a nominal rent, in accordance with Section 15 of that Act. This lease is classified as an operating lease and as such the Board does not have control of the assets and therefore they are not recognised in the Statement of Financial Position in this report.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Plant and Equipment	4 - 10 years
Leasehold improvements	10 - 40 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surpluses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of Assets

At the end of each reporting period, the Board reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Board estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Board during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within creditor terms.

(i) Employee Benefits

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(j) Provisions

Provisions are recognised when the Board has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Board are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between

the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Board will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Critical Accounting Estimates and Judgments

Key estimates - Impairment

The Board assesses impairment at the end of each reporting period by evaluating conditions specific to the Board that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(m) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Board commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial Instruments (continued)

The *effective interest* method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in surplus or loss.

The Board does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Board's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Board sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iii) Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Board assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in surplus or loss.

(n) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Revenue and Other Income

Revenue represents amounts earned from sales of products or services, for completed programs and hire of venues, government grants, interest and other items. Income from the hire of venues is recognised when payments are due. Booking fees are recognised as income when tickets are sold. Income from the sale of tickets is recognised when the shows have been performed. Interest is recognised over the period for which the funds are invested.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income Tax

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

2. REVENUE AND OTHER INCOME

	2013	2012
	\$	\$
Tasmanian Government - Arts Tasmania Program Grant	144,950	122,000
Tasmanian Government - Administration Grant	178,000	178,000
City of Hobart Grant	8,141	7,327
	331,091	307,327

3. CASH AND CASH EQUIVALENTS

	\$	\$
Current		
Cash on hand	3,700	1,514
Cash at bank	213,494	189,612
	217,194	191,126

4. TRADE AND OTHER RECEIVABLES

	\$	\$
Trade debtors	35,008	45,189
Instalment payments clearing	107,098	79,594
Other	12,831	11,472
	154,937	136,255

5. INVENTORIES

	\$	\$
At cost:		
Inventory	5,843	4,115
	5,843	4,115

6. FINANCIAL ASSETS

	\$	\$
Held to maturity financial assets	2,244,161	1,221,487
	2,244,161	1,221,487

7. OTHER ASSETS

	\$	\$
Prepaid settlement fees	74,065	80,867
Prepaid insurance	1,083	4,059
Other prepayments	13,692	10,350
	88,840	95,276

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

8. PROPERTY, PLANT AND EQUIPMENT

	2013	2012
	\$	\$
Capital work in progress - at cost	0	70,282
Less : Accumulated Depreciation	0	0
	0	70,282
Plant and Equipment	226,876	222,653
Less : Accumulated Depreciation	(214,831)	(209,866)
	12,045	12,787
Improvements	280,293	210,011
Less : Accumulated Depreciation	(86,741)	(69,651)
	193,552	140,360
Total Property Plant and Equipment	205,597	223,429

Reconciliations

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

	Capital Work in Progress \$	Plant and Equipment \$	Improvements \$	Total \$
2013				
At 1 January 2013	70,282	12,787	140,360	223,429
Additions	0	4,224	70,282	74,506
Disposals	(70,282)	0	0	(70,282)
Depreciation charge for the year	0	(4,966)	(17,090)	(22,056)
Depreciation written back on disposal	0	0	0	0
At 31 December 2013 net of accumulated depreciation	0	12,045	193,552	205,597
2012				
At 1 January 2012	6,300	13,844	908,518	928,662
Additions	63,982	5,255	4,280	73,517
Transfer to the Crown	0	0	(702,799)	(702,799)
Depreciation charge for the year	0	(6,312)	(69,639)	(75,951)
Depreciation written back on disposal	0	0	0	0
At 31 December 2012 net of accumulated depreciation	70,282	12,787	140,360	223,429

In 2012, the Crown and the Theatre Royal Management Board came to an arrangement whereby leasehold improvement costs that were previously capitalised and incurred by the Theatre Royal Management Board would be transferred and recorded in the accounting records of the Crown. These assets were transferred on the 2nd of August 2012 for no consideration. The original acquisition of these assets was funded from Government Grants previously recorded as income and therefore included in the Accumulated Surplus recorded in the equity section of the Balance Sheet. Accordingly, the amount transferred has been recognised as an expense in the statement of comprehensive income for the year ended 31st December 2012 thus reducing that previous Accumulated Surplus.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

9. TRADE AND OTHER PAYABLES (CURRENT)

	2013	2012
	\$	\$
Trade payables	45,452	77,366
GST Payable	18,071	15,994
Accrued expenses	15,880	16,118
Payroll liabilities	16,312	17,534
	95,715	127,012

10. EMPLOYEE BENEFITS (CURRENT)

	\$	\$
Employee benefits	70,855	64,670

11. OTHER LIABILITIES (CURRENT)

	\$	\$
Advanced ticket sales	1,259,625	251,324
Gift Vouchers	13,057	8,039
Sub-season show functions	12	41
Student Subscriptions	144	576
Industry service fee clearing	218	211
Deposits collected	26,000	26,500
Ticketek clearing	6,530	3,402
	1,305,586	290,093

12. EMPLOYEE BENEFITS (NON CURRENT)

	\$	\$
Employee benefits	91,591	87,109

13. CAPITAL AND LEASING COMMITMENTS

The Theatre Royal Management Board has committed to capital expenditure in 2014 of \$16,191 to complete renovations to the Box Office. The building works will be completed in January 2014.

(a) Operating Lease Commitments

	2013	2012
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the financial report		
Payable - minimum lease payments:		
- not later than 12 months	5,400	5,219
- between 12 months and 5 years	11,250	24,922
	16,650	30,141

The operating lease payments are in relation to a photocopier.

14. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

15. ECONOMIC DEPENDANCY

The Theatre Royal Management Board's entrepreneurial program has been assisted through funding received from Arts Tasmania by the Minister for the Arts. The nature of this and future entrepreneurial programs is dependent on the receipt of this funding. At the date of this report the Board has no reason to believe that the State Government will not continue to support the Theatre Royal Management Board.

Entrepreneurial Ventures

	2013	2012
	\$	\$
Income	346,260	432,554
Arts Tas Grant	144,950	122,000
Less : Program Expenses	(417,039)	(469,991)
Less : Proportion of Administration expenses (40%)	(255,259)	(247,529)
Less : Proportion of Theatre Operation Expenses (40%)	(91,602)	(72,392)
Surplus/(Deficit) on entrepreneurial ventures	(272,690)	(235,358)

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events after balance date affecting this financial report to be disclosed.

OUR PARTNERS

THE THEATRE ROYAL GRATEFULLY ACKNOWLEDGES THE SUPPORT OF OUR FUNDING AND BUSINESS PARTNERS IN 2013



The Theatre Royal is supported through Arts Tasmania by the Minister for the Arts



Australian Government
Playing Australia

The Australian Government is proud to be associated with tours of interstate companies to Tasmanian through the national performing arts touring program, Playing Australia, which gives Australians across the country the opportunity to see some of our best performing arts.

PRINCIPAL PARTNER



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