



We acknowledge the traditional and original owners of the land on which we work and meet, the Muwinina people of Nipaluna/Hobart, who did not survive colonisation and the subsequent war on this land. We pay our respects to all Palawa/Pakana people of Lutruwita/Tasmania, who continue to care for this Country and share culture and knowledge so generously.

RESPECT

Contents

2023 Snapshot	2
Chair's Report	4
Chief Executive's Report	6
Audit Office Report	10
Financial Report	13
Declaration by the Board	14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Cash Flows	17
Statement of Changes in Equity	18
Notes to the Financial Report	19
Our Partners	27
Our Donors	28
2023 Team	29



The Shell, A Ghost, The Host & The Lyrebird, Sydney Dance Company. Photo: Pedro Grieg

Cover image: Audience members. Photo: Jillian Mundy

2023 Snapshot

403

PERFORMANCES AND EVENTS

Theatre Royal performances	Number of productions	Number of performances	Attendance
TR presents and Co-Presents	10	37	11,813
Commercial hire	43	70	25,879
Community hire	8	27	8,641
Total Theatre Royal	61	134	46,333

Studio Theatre performances	Number of productions	Number of performances	Attendance
TR presents and Co-Presents	12	60	8,998
Commercial hire	20	30	4,095
Community hire	17	30	4,368
Total Studio Theatre	49	120	17,461

Prima Facie, Griffin Theatre Company. Photo: Brett Boardman



62,157

ATTENDEES IN TOTAL

Recital Hall	Number of productions	Number of performances	Attendance
TR presents and Co-Presents	1	2	354
Commercial hire	2	3	383
Community hire	2	2	146
Total Recital Hall	5	7	883

Other events and public programming	Number of productions	Number of activities	Attendance
Public Programs	19	77	2,684
Tours of the Theatre Royal	2	59	292
Functions & Events			
Commercial Functions and Events	1	1	45
Community Function and Events	1	1	350
Audience and industry development (public programs)			
RAWspace	4	4	109
Total other events	27	142	3,480

Chair's Report

While the Theatre Royal continued evolving and developing its role in Tasmania's performing arts sector and the public life of the city, during 2023 the Board became increasingly focused on the organisation's sustainability, especially within the context of The Hedberg development. The establishment in October of the Body Corporate as the entity enabling joint operational and financial management of The Hedberg formalised our joint tenancy of the building with the University of Tasmania and provided greater clarity around its associated ongoing financial obligations.

Throughout the year, the Board was focused on how to deal with significant variations in operational costs. These unforeseen imposts, which include insurance, greater than anticipated strata and statutory maintenance costs, as well as rates, have driven around 65 per cent of the Theatre Royal's financial loss for the 2023 year.

Due to the Theatre's Royal's strong financial performance in past years, we were able to absorb these variations in the 2023 year. However, the costs associated with the operation of the new complex will continue to erode the theatre's financial reserves. The Board is concerned by the unsustainability of this situation and is working with the Government to recast our financial arrangement in relation to our Hedberg tenancy.

In addition to these unanticipated costs, in 2023 the Board took a decision to invest \$98,794 of reserves in increasing our ability to manage the venue, stage an expanded range of events and further develop our business capacities - warranted and necessary given the growth of facilities. All of this, combined with a soft market over the past 12 months, has meant that 2023 was, in a financial context, a difficult year for the organisation. We are, however, confident that, with the market and operation of the facility stabilising in 2024, we will see our investment in the future of the organisation come to fruition.

The Board has wholly backed our management team in addressing legacy issues while continuing to innovate and respond to new opportunities, and to present a vibrant and compelling program for all Tasmanians. Their ability to do so depends greatly on the support of our partners and donors and I would like to thank all who contributed to the success of the 2023 Season.



Dr Tania Price

"The costs associated with the operation of the new complex will continue to erode the theatre's financial reserves. The Board is concerned by the unsustainability of this situation and is working with the Government to recast our financial arrangement in relation to our Hedberg tenancy. "

As a statutory organisation of the State, our major partner is the Tasmanian Government and, on behalf of the Board, I would like to thank Elise Archer for her long commitment to the Theatre Royal in her previous role as Minister for the Arts and for her championing of Tasmanian artists. Last year we welcomed a new Minister, The Honourable Madeleine Ogilvie MP, and we thank her for the enthusiasm she has shown for the Theatre Royal and what we are trying to achieve.

We work closely with the staff of Arts Tasmania, and the Departments of Natural Resources and Environment and State Growth, and I would like to thank them for their help and support. Thank you as well to our Program Partner, the City of Hobart; Season Partner, For the People; Production Partners, Ian Gurner Dental Care, HIT 100.9 and Fullers Bookshop; Business Partner, The Old Woolstore Apartment Hotel; and Media Partners, 7 Tasmania and HIT 100.9 and Forty South Tasmania.

The Friends of the Theatre Royal continued to provide financial support, enabling school students to attend special performances and participate in associated activities. We are grateful for their dedication to the theatre and maintaining its legacy.

Our donors are especially important in supporting the development of new Tasmanian work through initiatives such as RAWspace, and encouraging access and participation in our programs through subsidised tickets and creative activities, particularly for students and young people. I'd like to thank all of you who contribute to our ability to provide these services.

Theatre Royal's partnership with the University of Tasmania, with which we share The Hedberg, progressed during the year. Together we began a public engagement program that included events such as The Hedberg Talks, and developed plans for an enhanced program in 2024, which includes the music performance series, The Hedberg Sounds. We have increased our focus on what we can do together this year and beyond, and I would like to thank the staff at the College of Arts, Law and Education for their interest and commitment to developing the relationship.

The staff of the Theatre Royal, under the leadership of Simon Wellington, have, over the course of another year, performed magnificently. I would like to thank each of them for their continuing efforts and for their obvious love of our theatre and what we do. Enormous thanks as well to my Board colleagues for their active participation in and contribution to our success.

Tania Price
Chair
27 March 2024

Enviroteens, Archipelago Productions. Photo: Jesse Hunniford



Paper Wilderness, Terrapin. Part of the Theatre Royal's Staycation school holiday program. Photo: Peter Mathew

Chief Executive's Report

Over recent years, the opportunity to move beyond our long-term home in the Theatre Royal to new spaces in The Hedberg, working alongside and with the University of Tasmania, has profoundly transformed the nature and scale of our business. It's changed the way we program work, the range of people and organisations we work with, and the relationship we have with our audiences.

Particularly over the past year, we've been focused on a strategy of opening up – being more accessible and inclusive, offering different types of events, and activating these beautiful buildings in new and interesting ways.

In 2023, this approach has seen us producing a Ten Days on the Island festival hub with the University of Tasmania, a First Nations festival with the Tasmanian Aboriginal community, and trying new affordable ticket schemes.

As part of the Theatre Royal Season, we collaborated with a range of national mainstage performance companies to bring new work to the island. This included State Theatre Company South Australia, Sydney Dance Company and Bell Shakespeare.

Belvoir St Theatre's production of Tasmanian playwright Nathan Maynard's *At What Cost?* was another highlight, demonstrating the potential of important local stories to have high quality productions that reach and resonate with national audiences. It also became the centrepiece for a First Nations cultural program of talks, films and workshops curated by Sara Maynard, which directly engaged over 840 people.

Our collaboration with the Tasmanian Aboriginal community has strengthened significantly in recent years and one of the initiatives we're most proud of is our Acknowledgement of Country, commissioned from and recorded by Uncle Jim Everett with Sinsa Mansell. Uncle Jim's Acknowledgement has been played prior to performances in all of our venues since January 2023 and is increasingly being made available to other producers and presenters around the State. Each time we play the Acknowledgement, we contribute to a Fund that supports the development of Tasmanian Aboriginal artists.

We also increased our programs for families, children and young people. The Staycation school holiday program presented three Tasmanian productions in each of the holidays, alongside participatory workshops. In its first year, Staycation was a huge success with high attendance and workshops at full capacity.



Simon Wellington
Photo: Cassie Sullivan

"In 2023, we saw another increase in the number of events presented in our spaces, with 258 performances in the Theatre Royal and the Studio Theatre, a 15 percent increase on 2022."

For the first time, we presented talks and performances in the Ian Potter Recital Hall and worked with UTAS to explore ways to expand use of this incredible venue for public events alongside the academic and performance programs managed by the School of Music.

In 2023, we saw another increase in the number of events presented in our spaces, with 258 performances in the Theatre Royal and the Studio Theatre, a 15 percent increase on 2022 (223). In addition to this, 23 events were presented in the Ian Potter Recital Hall and 54 *takara nipaluna* walking tours were held.

Over 2022 and 2023, it was a great privilege for the Theatre Royal to work with Nunami Sculthorpe-Green and present *takara nipaluna*, her Aboriginal walking tour of Nipaluna/Hobart. Over the two years, we presented 115 walks for 2,810 guests, which is a remarkable testament to the demand for high-quality local, relevant cultural experiences.

In total, 68,157 people engaged with the diverse range of performances and events presented or hosted by the Theatre Royal in 2023, a slight increase on 2022 (67,376) and our highest overall attendance in a decade.

While it's pleasing to be home to more events and reach more people, we have noticed an ongoing drop in the average number of people attending events, compared to prior years. This is a trend being experienced by performing arts centres across the globe, while national data shows the majority of Australian arts organisations still have lower audience numbers compared to 2019.

Over the past twelve months, the most common barrier to attending arts and cultural events experienced by Australian audiences has shifted from concerns over contracting COVID-19 to cost of living pressures. In response to this, we continue to adapt our programming and, in 2023, introduced a range of affordable ticket programs including a pay-what-you-can ticketing scheme for some events, and initiatives such as 30 under 30 and Industry Allies.

The Theatre Royal has also upped its game in the range of opportunities offered to Tasmanian creatives. In 2023, we presented three and co-presented eight local productions in our season, and we supported four artistic teams through our RAWspace program, providing financial, venue and technical support to artists developing new work.

Our collaboration with arts centres in Launceston, Devonport and Burnie on a Strategic Touring Fund supported five projects to tour to new locations and will continue for another year.

We're thrilled with the support of our donors who have also made significant contributions to ensure the sustainability of programs for local artists and audiences. In 2023 we secured a Giving Circle Patron for RAWspace, donors to our Applause program made it possible for 481 students to attend shows, and the Friends of the Theatre Royal raised funds to subsidise bus transport for eight schools.

Girls & Boys, State Theatre Company South Australia. Photo: Matt Byrne



Andy Griffiths signing books as part of *JUST: Live on Stage*, Red Line Productions. Photo: Jillian Mundy

The Future and History of Blak Theatre panel discussion, part of *muylatina* Palawa.
Photo: Jillian Mundy



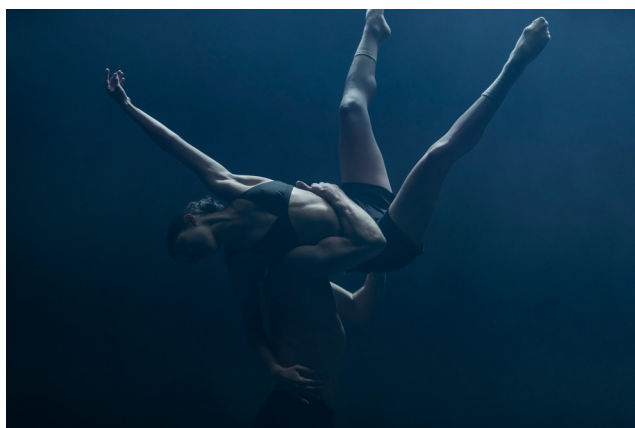
This kind of generosity really is a game-changer, introducing a huge number of young people to their first arts and cultural experience.

In addition to the expanded range of programs, the organisation's increased footprint and expanded operations has necessitated a rethink of its core business and capacity. We now employ 16 permanent staff and approximately 52 casuals in a year. Building team capacity, career pathways and decreasing key person dependency is an ongoing focus and at the end of 2023 we have a full complement of permanent staff. In the five years prior to the redevelopment our turnover averaged just under \$2.5 million and grew to \$3.6 million in 2023. This growth reflects the expansion of our presenting and hire programs, and corresponding servicing of this additional output through venue management, customer services, marketing, ticketing and production services.

Despite the financial challenges of operating in the new complex, The Hedberg has created an opportunity for the Theatre Royal to fulfil its cultural leadership role as one of the few year-round performing arts presenters in the State. This is a strong foundation from which to champion local artists, act as a hub for the creative sector and audience development, and make a significant contribution to the local economy.

My enormous thanks go to the incredible Theatre Royal team that bring so much knowledge, care and commitment to their work, and also to our Board for their contributions in support of our vision and ambition.

Simon Wellington
Chief Executive Officer
27 March 2024



I Am-Ness, Sydney Dance Company. Photo: Pedro Greig

Exposed, Restless Dance Theatre. Photo: Roy Vandervegt



At What Cost?, Belvoir. Photo: Brett Boardman



Ten Days on the Island and the Theatre Royal team members celebrating the Ten Days on the Island Festival Hub held at The Hedberg.

Audit Office Report



Independent Auditor's Report

To the Members of Parliament

Theatre Royal Management Board

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Theatre Royal Management Board (the Board), which comprises the statement of financial position as at 31 December 2023, statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of certification signed by the Members of the Board.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the financial position of the Board as at 31 December 2023 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the financial reporting requirements of Section 10 of the *Theatre Royal Management Act 1986* and Australian Accounting Standards – *Simplified Disclosures*.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

Audit Office Report (continued)

Responsibilities of Management and the Members of the Board for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the financial reporting requirements of Section 10 of the *Theatre Royal Management Act 1986* and for such internal control as determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board is to be dissolved by an Act of Parliament, or management intends to cease operations, or has no realistic alternative but to do so.

The Members of the Board are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material

Audit Office Report (continued)

uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Members of the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Jeff Tongs
Assistant Auditor-General
Delegate of the Auditor-General
Tasmanian Audit Office

15 February 2024
Hobart

THEATRE
ROYAL

FINANCIAL

for the year ended 31 December 2023

REPORT

Declaration by the Board

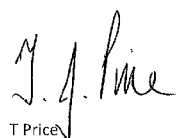
for the year ended 31 December 2023

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

The financial report and notes:

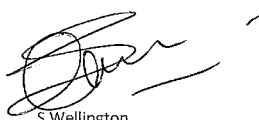
- (a) Comply with the Australian Accounting Standards -Simplified Disclosure Requirements (including Australian Accounting Interpretations) as they relate to Not for Profit entities, and with the provisions of the *Theatre Royal Management Act 1986*; and
- (b) Presents fairly the Board's financial position as at 31 December 2023 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:



T Price

Chair of the Board



S Wellington

Chief Executive Officer

Dated this 13th day of February 2023

Statement of Comprehensive Income

for the year ended 31 December 2023

	Notes	2023 \$	2022 \$
Income			
Program income		1,445,880	1,371,698
Bar income		460,645	449,189
Ticketing income		407,686	398,678
Administration income		1,132,162	1,189,400
Subsidy income		–	5,593
Operations income		104,213	104,330
Business development income		15,626	17,500
Interest income		56,034	31,583
Donation income		50,513	68,325
Total income		3,672,759	3,636,296
Expenses			
Program expenses		(1,179,527)	(1,190,665)
Bar cost of sales		(165,291)	(172,048)
Bar expenses		(112,556)	(102,972)
Ticketing expenses		(292,682)	(282,825)
Administration expenses		(1,308,058)	(1,220,321)
Operations expenses	14, 25	(1,019,412)	(593,384)
Business development expenses		(20,373)	(13,196)
Depreciation	13	(60,810)	(47,567)
Total expenses		(4,158,709)	(3,622,978)
Total comprehensive result		(485,950)	13,318

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

Statement of Financial Position

for the year ended 31 December 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,949,406	1,887,071
Trade and other receivables	9	106,509	140,833
Financial assets	10	1,286,227	1,581,709
Inventories	11	15,565	20,014
Other assets	12	40,895	58,306
Total current assets		3,398,602	3,687,933
Non-current assets			
Plant and equipment	13	238,041	226,592
Total non-current assets		238,041	226,592
Total assets		3,636,643	3,914,525
Liabilities			
Current liabilities			
Trade and other payables	14	679,845	298,005
Deferred revenue	15	417,092	453,700
Provisions	16	214,985	179,934
Other liabilities	17	618,557	788,985
Total current liabilities		1,930,479	1,720,624
Non-current liabilities			
Provisions	16	24,450	26,237
Total non-current liabilities		24,450	26,237
Total liabilities		1,954,929	1,746,861
Net assets		1,681,714	2,167,664
Equity			
Accumulated surplus		319,804	941,868
Reserves	20	1,361,910	1,225,796
Total equity		1,681,714	2,167,664

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

Statement of Cash Flows

for the year ended 31 December 2023

	Notes	2023 Inflows/ (Outflows) \$	2022 Inflows/ (Outflows) \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,351,429	2,442,966
Payments to suppliers (inclusive of GST)		(1,758,462)	(1,775,252)
Payment to employees		(2,074,598)	(1,866,077)
Grants received		1,195,346	1,285,570
Interest received		74,884	11,982
Donation income received		50,513	30,065
Net cash provided by (used in) operating activities		(160,888)	129,254
Cash flows from investing activities			
Payments for plant and equipment		(72,260)	(118,451)
Deposits to investments		(1,786,226)	(1,581,709)
Withdrawal from investments		2,081,709	581,501
Net cash provided by (used in) operating activities		223,223	(1,118,659)
Net increase (decrease) in cash and cash equivalents			
		62,335	(989,405)
Cash and cash equivalents at the beginning of the financial year		1,887,071	2,876,476
Cash and cash equivalents at the end of the financial year	8	1,949,406	1,887,071

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

Statement of Changes in Equity

for the year ended 31 December 2023

	Accumulated Reserves 2023 \$	Accumulated Surplus 2023 \$	Total Equity 2023 \$
2023			
Balance at beginning of the financial year	1,225,796	941,868	2,167,664
Surplus/ (deficit) for the year	-	(485,950)	(485,950)
Transfer to Reserves	136,114	(136,114)	-
Balance at end of the financial year	1,361,910	319,804	1,681,714

	Accumulated Reserves 2022 \$	Accumulated Surplus 2022 \$	Total Equity 2022 \$
2022			
Balance at beginning of the financial year	-	2,154,346	2,154,346
Surplus/ (deficit) for the year	-	13,318	13,318
Transfer to Reserves	1,225,796	(1,225,796)	-
Balance at end of the financial year	1,225,796	941,868	2,167,664

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

Notes to the Financial Report

Note 1 Reporting entity

- (a) The Theatre Royal Management Board was established on 17th April 1986 and is a body corporate with perpetual succession and a common seal. The Board is a statutory authority established under *Theatre Royal Management Act 1986*.
- The Theatre Royal Management Board's main office is located at 29 Campbell Street, Hobart Tasmania.
- (b) The purpose of the Board as defined by the *Theatre Royal Management Act 1986* is to:
- enable the provision to the community of culturally enriching performing arts;
 - provide entertaining, educational, or thought-provoking live performances;
 - promote the profile of the Theatre Royal as a contemporary and historic performing arts venue;
 - assist the development of local technical, production and performance skills;
 - operate the Theatre Royal as a venue for hire;
 - assist to define the strategic asset maintenance needs of the Theatre Royal in keeping with its heritage values.

Note 2 Basis of accounting

These financial statements are a general purpose financial report that consists of the Statements of Comprehensive Income, Financial Position, Changes in Equity and Cash Flows, Notes accompanying these financial statements and has been prepared in accordance with the Australian Accounting Standards -Simplified Disclosures 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.

This financial report has been prepared on an accrual and going concern basis. All amounts are presented in Australian dollars.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Note 3 Use of judgements and estimates

In the application of Australian Accounting Standards, the Board is required to make judgements, estimates and assumptions about carrying values of assets and liabilities. The estimates and associated assumptions are based on historical experience and various other 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.

EMPLOYEE ENTITLEMENTS

Assumptions are utilised in the determination of the Board's employee entitlement provisions. These assumptions are discussed in Note 16.

PLANT & EQUIPMENT

Assumptions and judgements are utilised in determining the fair value of the Board's plant and equipment including useful lives and depreciation rates. These assumptions are discussed in Note 13.

Note 4 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*.

Note 5 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.

Subsidy income denotes financial support received from Arts Tasmania as a safeguard against potential losses during a performance season. This assistance covered extra expenses arising from the Tasmanian Government's sudden implementation of a last-minute lockdown due to COVID-related issues.

The decrease in funding is attributed to the inclusion in 2022 of both a funding uplift and the final payment of 10% the prior year's grant. In 2023, there was no uplift, and the timing of grant payments was altered, resulting in the funds received in 2023 being designated solely for the 2023/2024 year.

Notes to the Financial Report (continued)

Note 5 Revenue and other income (continued)

	2023 \$	2022 \$
Grant and subsidy income		
Grants were received in respect of the following:		
Grant Income included in Program Income		
City of Hobart Grant	28,700	35,000
Arts Tasmania – NAIDOC youth activity	37,978	–
Total Grant Income included in Program	66,678	35,000
Grant Income included in Administration Income		
State funded grant – Annual Administration funding	1,020,000	1,000,000
Funding uplift received	–	79,000
Payment of prior year funding (10%)	–	89,700
Total Grant income included in Administration income	1,020,000	1,168,700
Subsidy Income		
State Government subsidy – Snap Lock Down Support	–	5,593

ACCOUNTING POLICY

Administration grant funding received from the State Government is recognised as income upon receipt. Funding from the Hobart City Council and Arts Tasmania are program specific and recognised as income once the performance obligations for the funded project are completed. Subsidy income is recognised as income upon receipt.

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

Note 6 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.

Note 7 Other expenses

	2023 \$	2022 \$
External Auditors' remuneration (Tasmanian Audit Office)	20,000	12,050

Note 8 Cash and cash equivalents

	2023 \$	2022 \$
Cash on hand	3,325	3,325
Cash at bank	1,946,081	1,883,746
Total cash and cash equivalents	1,949,406	1,887,071

ACCOUNTING POLICY

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments. Cash at bank includes cash held in trust for consumers until the event is held.

Notes to the Financial Report (continued)

Note 9 Trade and other receivables

	2023 \$	2022 \$
Trade debtors	36,297	39,943
Instalment payment debtors	16,176	20,639
Other debtors	54,036	80,251
Total trade and other receivables	106,509	140,833

ACCOUNTING POLICY

All receivables are due within fourteen (14) days and are earned as amounts due. The collectability of debts is assessed at balance date. No provision for impairment has been raised as all debts are deemed collectible.

Note 10 Financial assets

	2023 \$	2022 \$
Term Deposit	1,286,227	1,581,709
Total financial assets	1,286,227	1,581,709

ACCOUNTING POLICY

Term deposits are valued at fair value, being market value, at balance date. In accordance with the conditions of the Board's merchant facility, it is mandatory for the Board to maintain a term deposit as collateral as security against any chargebacks arising from the use of our merchant facility. This precaution is implemented to address situations where refunds exceed the available cash balance of the Board. While the Board maintains cash in trust for such scenarios, the provision of this security is a stipulated requirement by the bank.

Note 11 Inventories

	2023 \$	2022 \$
Inventories	15,565	20,014
Total inventories	15,565	20,014

ACCOUNTING POLICY

Inventories are measured at the lower of cost and net realisable value. Inventories include food and beverage items for sale at the Theatre Royal bar.

Note 12 Other assets

	2023 \$	2022 \$
Prepayment settlement fees	9,996	37,500
Prepaid insurance	14,063	9,586
Other prepayments	16,836	11,220
Total other assets	40,895	58,306

Note 13 Plant and equipment

	2023 \$	2022 \$
Plant and equipment		
at cost	377,658	330,850
Less accumulated depreciation	(203,837)	(157,817)
	173,819	173,033
Leasehold Improvements		
at cost	189,038	179,699
Work-in-progress	10,900	-
Less accumulated depreciation	(135,716)	(126,140)
	64,222	53,559
Total plant and equipment	238,041	226,592

Notes to the Financial Report (continued)

Note 13 Plant and equipment (continued)

The recognition of the carrying amount of plant and equipment on 31 December is as follows:

	Plant and equipment \$	Leasehold improvements \$	Total \$
2023			
At 1 January 2023	173,033	53,559	226,592
Additions	52,020	20,239	72,259
Disposals	(5,213)	–	(5,213)
Depreciation charge for the year	(51,234)	(9,576)	(60,810)
Depreciation written back on disposal	5,213	–	5,213
At 31 December 2023 Net of accumulated depreciation	173,819	64,222	238,041

2022			
At 1 January 2022	98,990	56,720	155,710
Additions	110,259	8,190	118,449
Disposals	(2,454)	(509)	(2,963)
Depreciation charge for the year	(36,216)	(11,351)	(47,567)
Depreciation written back on disposal	2,454	509	2,963
At 31 December 2022 Net of accumulated depreciation	173,033	53,559	226,592

ACCOUNTING POLICY

Recognition and measurement of assets

Plant and equipment and leasehold improvements are measured at the cost of the asset, less depreciation and impairment.

Acquisitions of assets are initially recorded at cost. Cost is determined as the consideration plus costs incidental to the acquisition. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation. Where the replacement of part of an asset is considered significant this is recognised as a separate asset with a specific useful life. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Work-in-progress refers to the Hedberg foyer reactivation project that is yet to be completed.

Theatre Royal and Hedberg Lease Arrangements

Under a new Hedberg Strata Title, the Theatre Royal is identified as Lot 1 and the Studio Theatre is identified as Lot 3.

With regard to Lot 1, a lease agreement exists for the Theatre Royal between the Board and the Crown at a nominal rent. This lease is classified as an operating lease and as such the Board does not recognise it in the Statement of Financial Position in this report.

With regard to Lot 3, a Sublease with the Crown, subject to a Head Lease with the University of Tasmania, is in draft form, subject to execution by all parties.

Impairment of assets

Subsequent to the initial recognition 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.

Impairment losses are recognised in the statement of comprehensive income under other expenses.

Reversals of impairment losses are recognised in the statement of comprehensive income under other revenue.

Derecognition of assets

An item of plant and equipment, leasehold improvements and any significant part initially recognised is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Depreciation and amortisation expense

Plant and equipment and leasehold improvements are depreciated to their estimated residual values over their estimated useful lives using the straight-line method of depreciation 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 life of the improvements. Estimates of remaining useful lives and residual values are reviewed annually and necessary adjustments are recognised in current, or current and future reporting periods as appropriate.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Period
Plant and equipment	4 – 10 years
Leasehold Improvements	10 – 40 years

Notes to the Financial Report (continued)

Note 14 Trade and other payables

	2023 \$	2022 \$
Trade payables	88,898	163,652
GST payable	43,753	52,432
Accrued expenses	496,153	40,376
Payroll liabilities	51,041	41,545
Total trade and other payables	679,845	298,005

ACCOUNTING POLICY

Recognition and Measurement

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.

The notable increase in trade and other payables can be linked to the additional expenses incurred by The Hedberg Body Corporate, still to be invoiced to owners of occupants of the relevant Lots. Specifically, the considerable rise in payables relates to strata insurance and rates, including the necessary back payment of rates to 2021.

Note 15 Deferred revenue

	2023 \$	2022 \$
Program support	45,000	28,700
Strategic Touring Fund support	372,092	425,000
Total deferred revenue	417,092	453,700

ACCOUNTING POLICY

Recognition and Measurement

Program support has been received from the Hobart City Council, MONA and Performing Lines to support the Theatre Royal's program through payment of artist fees and production costs in 2024 for RAWspace and the Staycation program. Funds will be recognised as income at the time of the production. Funds have also been received from Arts Tasmania to enable the Theatre Royal to collaborate with the Tasmanian Performing Arts Centres to develop, implement and manage the Strategic Touring Fund.

Note 16 Provisions

	2023 \$	2022 \$
(a) Employee benefits		
(i) Current		
Annual leave	97,290	92,564
Long service leave	117,695	87,370
	214,985	179,934
(ii) Non-current		
Long service leave	24,450	26,237
	24,450	26,237
Total Provisions	239,435	206,171

ACCOUNTING POLICY

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.

EMPLOYEE BENEFITS

Provision is made for the Board's liability for employee benefits arising from services rendered by the employee to the end of the reporting period.

i) Short term obligations

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.

ii) Other long term employee benefit obligations

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. Eligible casualties are included where applicable. These cash flows are discounted using market yields on national government bonds with terms to mature that match the expected timing of cash flows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

The Theatre Royal contributes 10.50% (11% from July 2023) of employee's gross income to their nominated superannuation funds as it accrues. There is no outstanding superannuation liability at the end of the financial year.

Notes to the Financial Report (continued)

Note 17 Other liabilities

	2023 \$	2022 \$
Current		
Advanced ticket sales	458,071	429,064
Payable to State Government	-	183,942
Gift vouchers	123,038	144,257
Student subscriptions	1,050	250
Deposits collected	31,500	30,000
Ticketek clearing	1,464	1,464
Tunapri kani professional development Fund	2,640	-
Union Fees Payable	-	8
Industry Service Fee Payable	794	-
Total Other liabilities - Current	618,557	788,985

PAYABLE TO STATE GOVERNMENT

The amount payable to State Government represents the Theatre Royal's contribution towards the cost to integrate the existing theatre's heating and air-conditioning with that of the new centre. Contributions commenced in 2019 and will cease in 2023.

Note 18 Capital commitments

The Board did not have any capital expenditure commitments at balance date (2022: \$11,727).

Note 19 Operating leases

	2023 \$	2022 \$
Operating Lease Commitments		
Non-Cancellable operating leases contracted for but not payable - minimum lease payments:		
— not later than 12 months	2,020	2,424
— between 12 months and 3 years	-	2,020
	2,020	4,444

ACCOUNTING POLICY

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. The operating lease payments are in relation to a photocopier. A new lease agreement was entered into for a period of 3 years on the 28th October 2021.

Note 20 Reserves

	2023 \$	2022 \$
Reserves		
Minimum Reserves	1,281,910	1,047,002
Committed Reserves	80,000	178,794
Total Reserves	1,361,910	1,225,796

ACCOUNTING POLICY

A minimum reserve balance has been established in 2022 to isolate funds that the Board deems are necessary to ensure the ongoing sustainability of the organisation. Reserves are the accumulation of prior years' budget surpluses with the minimum reserve balance calculated based on the Theatre Royal's Reserves Policy. The policy, which is based on international industry standards and the organisation's experience of COVID-19, allows for a minimum reserve balance equal to the greater of 3 months of budgeted operating costs, or 6 months of obligatory expenditure were the organisation winding up. For the current year, the balance has been calculated as 6 months of obligatory expenditure (2022: 3 months of budgeted operating costs).

Committed Reserves refer to the Board approved use of prior year surpluses in order to fund a foyer decoration and interpretation project.

Notes to the Financial Report (continued)

Note 21 Related party transactions

i) Responsible Persons

Names of persons holding the position of a Director of the Board are:

Board	2023	2022
Chair	Tania Price	Tania Price
Directors	Bronwyn Edinger Anthea Pritchard Ann Cunningham Craig Limkin Anthony Bonney Benjamin Avanzi (from 1 February 2023)	Bronwyn Edinger Anthea Pritchard Ann Cunningham Craig Limkin Anthony Bonney
Chief Executive Officer	Simon Wellington	Simon Wellington

(ii) Director Remuneration

	Directors Fees ¹ \$	Superannuation ² \$	Total \$
2023			
Chair	7,753	833	8,586
Directors	25,414	2,734	28,148
Total	33,167	3,567	36,734
2022			
Chair	7,781	799	8,580
Directors	20,752	1,141	21,893
Total	28,533	1,940	30,473

1 Directors fees includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice arrangements. As a representative of the Crown, Craig Limkin does not receive remuneration. Craig was previously employee by the Department of Premier and Cabinet and from 31 October 2023 Craig has been employed as Secretary of State Growth.

2 Superannuation means the contribution to the superannuation fund of the individual.

(iii) Key Management Personnel Remuneration

Position	Remuneration band	Number of employees	Salary ¹ \$	Superannuation ² \$	Termination benefits ³ \$	Non-monetary benefits ⁴ \$	Total \$
2023							
Chief Executive	\$180,000 – \$200,000	1	173,255	18,635	–	(117)	191,773
	Total	1	173,255	18,635	–	(117)	191,773
2022							
Chief Executive	\$180,000 – \$200,000	1	164,996	16,912	–	2,538	184,446
	Total	1	164,996	16,912	–	2,538	184,446

1 Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

2 Superannuation means the contribution to the superannuation fund of the individual.

3 Termination Benefits include all forms of benefits paid or accrued as a consequence of termination

4 Non-monetary benefits include annual and long service leave movements.

Notes to the Financial Report (continued)

Note 21 Related party transactions (continued)

(iv) Remuneration Principles

Directors

Directors' remuneration is set by the Arts Minister in line with Tasmanian Government policy for the remuneration of Boards.

Executives

Remuneration levels for key management personnel are set by the Board.

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave.

The performance of the Chief Executive Officer is reviewed annually which includes a review of the remuneration package.

(v) Transactions with related parties

During the year the Board made sales of goods and services totalling \$4,400 (2022: nil) to a related party. All other transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Note 22 Economic dependency

The Board's operations have been assisted through funding received from the Minister for the Arts. As at the date of this report, the Board expect future funding to be made available.

Note 23 Events occurring after balance date

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

Note 24 Change in Accounting Policy

During the year, the Board opted to restate an account previously disclosed as a financial asset, as cash at bank. The Board holds a liquid interest bearing investment account that has previously been disclosed as a financial asset. Its complete liquidity led to a decision to more accurately reflect the balance under cash at bank. This adjustment has resulted in a \$1,387,267 increase in cash at bank (2022: \$1,115,822) and a corresponding reduction in financial assets.

Note 25 Other significant accounting policies and pending accounting standards

OPERATIONAL COSTS

The operational costs of the Board have experienced a notable rise compared to the previous year, primarily due to additional costs and expenses incurred by The Hedberg Body Corporate, for which contributions are sought from Lot owners and occupants under The Hedberg By-laws. Specifically, the substantial increase in costs is largely attributed to strata insurance and rates, including the necessary back payment of rates to 2021.

LEASE OF PROPERTY

The Board currently leases the premises known as the Theatre Royal from the Crown. Under section 52 of the *Theatre Royal Precinct Redevelopment Act 2016*, the Minister must lease to the Board the Theatre Royal pre-development land, or the Theatre Royal lot, to enable the Board to use that land or lot:

- (a) for the presentation of theatrical performances and performing arts; and/ or
- (b) to perform the Board's functions or obligations, or to exercise the Board's powers or rights, under this Act or the *Theatre Royal Management Act 1986*.

Under a new Hedberg Strata Title, the Theatre Royal is identified as Lot 1 and the Studio Theatre is identified as Lot 3.

As per the terms of the Board's lease for the Theatre Royal with the Crown, following registration of The Hedberg Strata Plan on 24 October 2023, the lease is now in a hold over period, while a new lease is negotiated with the Crown through the Tasmanian Department of Natural Resources and Environment (NRE).

Under the lease agreement determined by the Minister, rent of \$1 is payable annually in advance. In accordance with accounting standards, the Board has elected to record the lease of property from the Crown at cost.

With regard to Lot 3, a Sublease with the Crown, subject to a Head Lease with the University of Tasmania, is in draft form, subject to execution by all parties.

Resolution of the agreements with the premises also include clarification of previous water utility charges with NRE.

Our Partners

The Theatre Royal thanks all our partners for their support in 2023.

Government partner



Program partner



Season partner

For The People

Production partners



Business partners



Media partners



Supporters



Our Donors

The Theatre Royal thanks all our generous donors in 2023.

RAWspace Giving Circle

Founding Patron: Belinda Kendall-White

Ovation (\$5,000+)

Chrysanthemum Foundation

Friends of the Theatre Royal

Bravo (\$500+)

Suzanne and Martin Betts

Jacqui Allen and Tony Bonney

Clorinda Burgess

Antionietta Di Saia

Bronwyn Edinger

Julia Farrell

Jenny Gale

Sir Guy and Lady Green

Sandy Gumley

Diane Matthews

Chris Spiegel

Tony Stacey AM and Jeanette Stacey

Michelle Warren

Sanjeev Kumar and Simon Wellington

Applause (\$50-\$499)

Elizabeth Allan

Jim Anderson

Sharron Baird

Dr Martin Bicevskis

Justin Bowman-Shaw

Dr Nicholas Brodie

Jane Coatman

John Cooke

Ann Cunningham

Barb Dunford on behalf of Helen Dunford

Peter Fay

Michelle Folder

William Grosvenor

Sylvia Harman

Bridget Hayde

Greg Hurford

Carol Hurst

Sue Kremer

Tonia Kohl

Koula Kotsias

Sue Kremer

Craig Limkin

Sandra Lo

Judith Longhurst

Sarah Morrisby

Therese Mulford

Diana Murdoch

Heather Nash

Robert Peterson

Jennifer Reid

Anne Riley

Clare Roberts

Julie Schmidt

Dawn Sharif

Therese Taylor

Toni-Lee Taylor

Johanna Van Heijster

Dr Victoria Von Witt

Fay Wellington

Margaret Whiteside

Sarah Wilcox

Cathryn Williams

Sue Wilson

Margaret Zantuck

Anonymous x 2

2023 Team

THEATRE ROYAL MANAGEMENT BOARD

Tania Price
Anthony Bonney
Ann Cunningham
Bronwyn Edinger
Craig Limkin
Anthea Pritchard
Benjamin Avanzi

CHIEF EXECUTIVE OFFICER

Simon Wellington

FINANCE MANAGER

Jo Macgill

FINANCE OFFICER

Paula Franklin

BUSINESS DEVELOPMENT MANAGER

Andrée Hurburgh

MARKETING AND COMMUNICATIONS MANAGER

Kim Jaeger

MARKETING AND BUSINESS DEVELOPMENT COORDINATOR

Zoe Cooney
(from February 2023
to October 2023)
Sophia Di Venuto
(from December
2023)

PROGRAM MANAGER

Steve Mayhew

VENUE AND EVENTS COORDINATOR

Mark Brooks

OPERATIONS MANAGER

Nick Toll
(until November 2023)

TECHNICAL COORDINATOR

Aron Webb

SENIOR TECHNICIAN

Chris McBride

CUSTOMER SERVICES MANAGER

Nicole Winspear

CUSTOMER SERVICES COORDINATOR

Erica Campbell-
Graham

BOX OFFICE MANAGER

Meyrick Harris

BOX OFFICE SUPERVISORS

Matt Coyle
Alice Moss



Staycation workshop: *The Future of Toys* with Benjamin Paul. Photo: Brad Harris

THEATRE ROYAL

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