



 annual report  
**2020**



THEATRE  
ROYAL

## Our vision

The Theatre Royal is a dynamic, contemporary place in which the community enjoys experiences every day of the year. It inspires Tasmanians and visitors to engage in diverse performing arts and to participate in all parts of a vibrant local theatre industry.

## Our mission

Our mission is to engage, entertain and educate the Tasmanian community by presenting a diverse program of community and professional performing arts from all over the world while fostering Tasmanian content and creativity.

## Our values and how we work

We are a values-based organisation which recognises that the way we work is just as important as what we work on.

In 2019, the Theatre Royal commenced work to review its values. At the time of this plan we have identified the following draft set of values:

- Excellence, professionalism and best practice
- Social inclusion, access and diversity
- Integrity, trust and respect.

Over the next 12 months we will refine these in consultation with the many people who work here, identify the behaviours that support or undermine the values, and take the actions necessary to make sure they characterise our culture. This includes considering the diversity on our board and undertaking an organisational culture survey of our staff to better understand the experience of working in our organisation.



# Contents

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Chairman’s Report .....	4
Chief Executive’s Report.....	6
2020 Performance and Other Events Summary .....	9
Summary of events cancelled due to COVID-19.....	10
Independent Auditor’s Report.....	11
Financial Report .....	15
Declaration by the Board.....	16
Statement of Comprehensive Income.....	17
Statement of Financial Position .....	18
Statement of Cash Flows.....	19
Statement of Changes in Equity.....	19
Notes to the Financial Report .....	20
Strategic Plan.....	28
Our Partners.....	29
Our Personnel .....	30



Credit: Alistair Bett



# Chairman's Report

CRAIG STEPHENS

**When I wrote the Chairman's Report for the 2019 season our 2020 program was up and running on the main stage, and we were excited to have the Theatre Royal ready for a full season after two seasons of disruption due to the construction of The Hedberg facility.**

I was boasting of the improved facilities being provided to patrons and looking forward with keen anticipation to the opening of the new Studio Theatre, which was expected to start hosting audiences in April 2020. What a difference the year has been to the one expected.

Shortly thereafter we, like every organisation, were shifting our focus to the unfolding situation and trying to deal with events as they were occurring and changing on a daily basis. Travel restrictions started to impact touring shows and very quickly that moved into lockdowns, social distancing and all the other restrictions we are all now so familiar with. Our 2020 season, so carefully curated and planned, was effectively gone and the Board had to quickly focus on the necessities of the new environment.

We were in the fortunate position of having a strong financial position as our starting point and a supportive government and Arts Minister who maintained our core funding over the full year. On this basis, the Board was

able to make decisions around cancelling and postponing shows, refunding previous ticket sales, and staffing and opening issues, in a measured and considered way as events unfolded.

Our primary areas of focus in the early days were to ensure artists whose shows were unable to proceed did not incur financial penalties, that our audiences and premium subscribers who support us through advance bookings and season subscriptions were not out of pocket, and that our staff were looked after.

Unlike many in the Arts sector, we were fortunate to receive the Federal Government Jobkeeper subsidy, which enabled us to keep permanent and part-time staff, along with many of our long-term casual staff, employed and engaged with the Theatre over the year. This allowed us to maintain sufficient staff levels to deal with audience enquiries, ticket refunds, booking deferrals and the transfer of bookings to donations. We were able to maintain key personnel from our technical and front-of-house areas to undertake the significant work required to ensure we were ready and able to reopen when it was safe to do so. Our administration team worked tirelessly to move, rearrange and reschedule bookings, prepare Covid-safe plans and update financial budgets to help us make informed decisions. In addition, the team programmed the 2021 season and moved to rethink and redevelop our communications to enable a more flexible approach to our marketing. This gave us the ability quickly account for changes to programs and audience capacity that occurred throughout the year.

In last year's report I also spoke of the Strategic Plan for



**Our 2020 season, so carefully curated and planned, was effectively gone and the Board had to quickly focus on the necessities of the new environment.**



the Theatre that had been developed the prior year and was being implemented at the start of last year. This has, by necessity, been placed on hold by the Board and I expect it to be reinvigorated in 2021.

We are fortunate to have been able to reopen the Theatre to audiences in the latter part of 2020, albeit with a much-reduced capacity of 50%. We are working closely with the Government to expand that capacity in the near future. Finalisation of the new Studio Theatre development was also delayed due to the pandemic, although we are now pleased to be presenting in the space and expect final set-up to be completed soon.

Our financial results for the year show a surplus that is a credit to all involved, given the environment we operated in, and that puts us in a great position to support the industry, in particular Tasmanian producers, as the sector returns to some form of normality. I note that the 2020 result does not reflect the Board's commitment to contributing financially to the air-conditioning of the main auditorium in 2020. That expense was recognised in full in our 2019 financial results, however, is payable over three years.

On behalf of the Board, I would once again like to express our gratitude to the State Government for its support of the Theatre in this most difficult year and throughout the development of The Hedberg. This support ensures that, when circumstances allow, the Theatre Royal will be able to fulfill its promise to provide both an excellent audience experience and opportunities for practitioners in our state. We are as always most grateful to the Minister for the Arts and the Treasurer for their support.



Credit: Alistair Bett

The Board again expresses its heartfelt thanks to sponsors and season partners who have stuck with us; you are an important component of the presentation of our season. In addition, we note our appreciation to the Friends of the Theatre Royal for their support and enthusiasm for the Theatre.

A special thanks from the Board and me goes to our Chief Executive, Tim Munro, his management team and all the staff of the Theatre. Their work through the year, some of which I have previously outlined, has been essential in managing us through the year, responding to issues arising and getting us ready for presenting again.

My thanks to my fellow Board Members for their hard work and considered application to the issues arising at the Theatre Royal – it is much appreciated. A special thanks to Jane Haley who departed the Board during the year – her contributions and knowledge will be missed. I would also like to welcome recently appointed Board members, Tania Price and Tony Bonney, whose contribution already has been invaluable.

Finally, our thanks to you, our audience who, through the ups and downs of the year, have heartened us with your continued support. Your willingness to defer tickets rather than obtain refunds, in some cases to convert previously purchased tickets to donations, and then to return to the Theatre when we were able to have performances available has been much appreciated.

**Craig Stephens**  
Chairman  
13 March 2021



# Chief Executive's Report



TIM MUNRO

## The Theatre Royal's 2020 season was severely affected by the impacts of COVID-19 in 2020.

Like many organisations working in the performing arts sector, our performance programs closed down in March 2020 and, whilst we were able to re-open in a limited capacity in October 2020, as I write, 11 months on from the onset of COVID-19 related closure, the theatre's performance program remains severely affected.

We had planned an exciting theatre season of music, drama, dance featuring 31 pieces from national, local and international artists. The Theatre Royal Mainstage was to host 20 of those productions whilst 11 pieces were to play in the new Studio Theatre.

Tasmanian works featuring in the season were scheduled to play 63 performances of the total program of 124 performances.

The season opened with the smash hit Mamma Mia! The show company's production played to strong houses with 8351 people attending. By the time American Story played in February, nervousness around COVID-19 had begun to sweep through the country and audiences were lower than anticipated.

In mid-March, government regulations prohibiting gatherings required the theatre to close its doors and postpone or cancel all public programs.

Following the closure, our box office team contacted ticket holders and commenced the process of refunding tickets purchased, whilst our Program Manager began working to reschedule performances where possible. This cycle of programming and rescheduling replayed several times during the year as productions were postponed and initial assessments of re-opening dates proved somewhat optimistic.

Most of our staff commenced working from home at this time. Thankfully, we had previously undertaken IT upgrades to move our business systems and servers to cloud-based hosts and we were able to ensure access to files and systems for staff working remotely.

As the Chairman has noted in his report, the Tasmanian Government confirmed its support and, along with the Job Keeper subsidy, the organisation was able to continue employing 27 staff. We retrained front-of-house staff to be redeployed to meet staff demands in the Box Office, and escalated maintenance programs in our technical areas.

Work to complete the Theatre Royal's facilities in the Hedberg Building was slowed significantly due to contractors needing to return to the UK and other parts of Australia as we entered lockdown. However, front-of-house staff were able to continue sufficient activity to enable the commissioning of some facilities such as the new bars in the Hedberg Building, and technical staff were able to train in, and test, some of the studio theatre systems.



**Although the Theatre remained closed for the majority of the year, 17,520 patrons attended the 52 performances held at the theatre in 2020.**



Credit: Alistair Bett

As well as the performance program, the series of engagement activities including our education programs, young ambassador program, artist development and community development programs had to be cancelled.

As the opportunity to re-open began to look possible, we began working in earnest to program activity for the Theatre Royal. John and Cassie Xintavelonis proposed a dance competition and together we developed COVID-safe procedures to enable the Hobart City Dance Challenge to be held successfully in October 2020. This was followed by Archipelago Productions' The Bleeding Tree which played an extended season in November 2020.

In both cases, Theatre Royal costs were carefully managed, and a subsidy was offered to the producers to assist in making the events viable.

Although the Theatre remained closed for most of the year, 17,520 patrons attended the 52 performances held in 2020. An additional 496 people attended the 9 functions that were held.

I would like to thank our funding partners, business partners, artists, arts companies and volunteer groups who contribute much to the life and the success of the

Theatre Royal. In particular, I wish to thank the Minister for the Arts and the team at Arts Tasmania, Xsquared Architects, Ian Gurner Dental Care, Fuller Bookshop, Digital Ink, The Mercury, Southern Cross Austereo, The Old Woolstore Apartment Hotel, Magnolia Flowers, Dr Di Stow, Tasmania 40 Degrees South, Typeface, Friends of the Theatre Royal and the City of Hobart.

I am grateful to our loyal audience members, partners and the Friends of the Theatre Royal, who remained positively engaged with us over the most complex of years and, in closing, I would like to thank the wonderful staff who work at the Theatre Royal. Their commitment to the organisation and willingness to adapt to the very challenging set of circumstances we confronted was simply outstanding.

**Tim Munro**  
**Chief Executive**  
13 March 2021







# 2020 Performance and Other Events Summary

Mainstage Performance	Producer	TR Presents & Co-Presents No of Perf Mainstage	Professional No of Perf Mainstage	Community No of Perf Mainstage	Attendance	% of Capacity
American Song	Critical Stages	2			268	20%
50 Shades! The Musical Parody	David Venn Enterprises	4			595	22%
Kitty Flanagan & Sam Pang In Conversation About 488 Rules For Life	A-List Entertainment		1		684	99%
Marty Sheargold A New Live Stand Up Show	A-List Entertainment		1		383	56%
The Spirit of Elvis Gordon Hendricks	Colonel Col Presents		1		255	37%
Ian Moss Matchbook 30th Anniversary Tour	The Harbour Agency		1		586	85%
Sooshi Mango FIFTY SHADES OF ETHNIC	Mango Productions		1		440	64%
The Bleeding Tree	Archipelago Productions		13		2,601	83%
Mamma Mia!	The Show Company Tasmania			17	8,351	73%
Hobart City Dance Challenge	John X Presents			9	2,992	88%
2020 Celebration Concert	TC Vocal			1	118	54%
Musical Theatre Crew's 10 Year Anniversary Concert	Tasmanian Musical Theatre Crew			1	247	98%
<b>Total Mainstage performance and audience numbers</b>		<b>6</b>	<b>18</b>	<b>28</b>	<b>17,520</b>	<b>65%</b>

Other Events	Number of Events	Attendance
<b>Corporate Activities</b>		
Destination Southern Tasmania AGM	1	85*
Friends of the Theatre Royal AGM	1	33
<b>Tours</b>		
Probus Club	1	52
Friends' School IB Theatre Students	1	3
<b>Student and Teacher Activities</b>		
MyState Students Film Festival Awards Ceremony (Live Streamed event from Theatre Royal Stage)	1	6
<b>Events and Launches</b>		
Forty South Website Launch	1	100*
Cultural & Creative Industries Recovery Strategy Launch	1	70*
Premier's Youth Advisory Council Meeting	1	17
Theatre Royal Subscribers Function	1	130*
<b>Total number of Other Events and audience numbers</b>	<b>9</b>	<b>496</b>
<b>Total Performances and Other Events</b>	<b>61</b>	
<b>Total Audience and Participants</b>		<b>18,016</b>

\* estimated attendance

# Summary of events cancelled due to COVID-19

Production	Producer	No of Perf Mainstage	No of Perf Studio
Antarctica Song Cycle	Sundog Productions	1	
ANZ Conference	Cievents	1	
Armistead Maupin	Fane Productions	1	
Night Fever - Bee Gees Revival	DAPS Entertainment	1	
The Comedy of Errors	Bell Shakespeare Company	4	
Celtic Illusion	Gee Base Entertainment	1	
Humans	Circa	5	
Echoes of the Jazz Age	Cinque Artist Management	1	
The Coronation Music and Arts Concert	The Coronation Music and Arts Festival	1	
Roy - Damien Leith	The Harbour Agency	1	
Entire festival program cancelled	Festival of Voices		
Into the Woods	Bijou Creative		8
James Reyne & Mark Seymour: Never Again 2020	The Harbour Agency	1	
Melbourne Comedy Roadshow	Melbourne International Comedy Festival	1	
My Robot	Barking Gecko		4
Mission Songs Project	Performing Lines		3
MyState Student Film Festival	MyState Financial	1	
Paul McDermott and Gatesy go Solo	Penny and Logan	1	
Rotary Club District Conference	The Rotary Club of Claremont	2	
SCOMO INFERNO: Uni Revue	The Old Nick Company	12	
Brian the Bitch and the Bathrobe	Bawdy Pantos	4	
Beep	Windmill Theatre Company		3
Sydney Comedy Festival Showcase	Century Entertainment	1	
The Listies ROFLSHALBOWCO	Critical Stages		5
Swan Lake	Victorian State Ballet	2	
The Chasers War on 2020	Chaser Quarterly	1	
Society for Mental Health Conference	Waldron Smith Management	1	
Edward the Emu	Monkey Baa Theatre Company	4	
The Australian Ballet Regional Tour 40th Anniversary Gala	The Australian Ballet	3	
The Appleton Ladies Potato Race	Blue Cow		4
The Pied Piper	Tasmanian Symphony Orchestra & Victorian Opera	3	
Sleeping Beauty	Moscow Ballet 'La Classique'	2	27
		<b>56</b>	<b>54</b>
<b>Total cancelled productions 2020</b>			<b>18</b>
<b>Total cancelled performances 2020</b>			<b>110</b>

## REFUNDS

<b>Total number of refunded tickets</b>	<b>19,683</b>
<b>Total amount of refunded tickets</b>	<b>around \$795,000</b>
<b>Total number of TR donations</b>	<b>440</b>
<b>Total amount of donations</b>	<b>\$23,487</b>
<b>Total number of TR gift vouchers</b>	<b>1,295</b>
<b>Total amount of TR gift vouchers</b>	<b>\$201,080</b>



# Tasmanian Audit Office

## 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 2020 and 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 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 2020 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 – Reduced Disclosure Requirements.

#### 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.

...1 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.  
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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **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 the Section 10 of *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 they either intend to liquidate the Board or to cease operations, or have 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

...2 of 3

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continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My 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 represents 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.



Ric De Santi  
**Deputy Auditor-General**  
**Delegate of the Auditor-General**

**Tasmanian Audit Office**

15 February 2021  
Hobart

...3 of 3

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Credit: Nick Osborne

THEATRE ROYAL MANAGEMENT BOARD

# Financial Report

for the year ended 31 December 2020



Declaration by the Board.....	16
Statement of Comprehensive Income.....	17
Statement of Financial Position .....	18
Statement of Cash Flows.....	19
Statement of Changes in Equity .....	19
Notes to the Financial Report .....	20

Credit: Alistair Bett



# Declaration by the Board

FOR THE YEAR ENDED 31 DECEMBER 2020

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

The financial report and notes:

- (a) Comply with the Australian Accounting Standards – Reduced 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 2020 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:



**C Stephens**

Chairman of the Board

Dated this 12th day of February 2021



**T Munro**

Chief Executive Officer



# Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>Income</b>			
Program income		288,986	1,001,818
Bar income		95,088	184,745
Box office income		84,677	447,022
Administration income		883,173	873,566
Subsidy income	8	809,200	-
Operations income		51,938	100,488
Business development income		-	37,045
Interest income		30,824	61,680
Donation income		-	310
<b>Total income</b>		<b>2,243,886</b>	<b>2,706,674</b>
<b>Expenses</b>			
Program expenses		(282,865)	(709,248)
Bar cost of sales		(41,636)	(70,799)
Bar expenses		(36,748)	(40,704)
Box office expenses		(187,062)	(347,959)
Administration expenses		(1,039,782)	(699,360)
Operations expenses		(356,228)	(219,185)
Business development expenses		(891)	(54,074)
Depreciation	14	(29,008)	(22,775)
Development project expenses	7	(108,646)	(661,254)
<b>Total expenses</b>		<b>(2,082,866)</b>	<b>(2,825,358)</b>
<b>Total Comprehensive result</b>		<b>161,020</b>	<b>(118,684)</b>

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

# Statement of Financial Position

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	1,355,484	280,236
Trade and other receivables	10	110,366	162,284
Financial assets	11	1,902,698	3,502,245
Inventories	12	8,294	4,524
Other assets	13	82,094	146,063
<b>TOTAL CURRENT ASSETS</b>		<b>3,458,936</b>	<b>4,095,352</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	129,603	128,979
<b>TOTAL NON-CURRENT ASSETS</b>		<b>129,603</b>	<b>128,979</b>
<b>TOTAL ASSETS</b>		<b>3,588,539</b>	<b>4,224,331</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	119,471	219,146
Deferred revenue	16	9,250	3,000
Provisions	17	213,659	173,197
Other liabilities	18	902,036	1,554,891
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,244,416</b>	<b>1,950,234</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	17	36,055	35,030
Other liabilities	18	275,942	367,961
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>311,997</b>	<b>402,991</b>
<b>TOTAL LIABILITIES</b>		<b>1,556,413</b>	<b>2,353,225</b>
<b>NET ASSETS</b>		<b>2,032,126</b>	<b>1,871,106</b>
<b>EQUITY</b>			
Accumulated surplus		2,032,126	1,871,106
<b>TOTAL EQUITY</b>		<b>2,032,126</b>	<b>1,871,106</b>

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

# Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	<b>2020</b> Inflows/ (Outflows) \$	<b>2019</b> Inflows/ (Outflows) \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		601,225	2,385,007
Payments to suppliers (inclusive of GST) and employees		(2,098,893)	(2,492,863)
Grants received		969,870	988,460
Interest received		33,130	65,365
<b>Net cash provided by (used in) operating activities</b>		<b>(494,668)</b>	<b>945,969</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(29,632)	(32,688)
Proceeds from sale of property, plant and equipment		-	-
Deposits to investments		(4,013,077)	(6,141,652)
Withdrawal from investments		5,612,624	5,282,591
<b>Net cash provided by (used in) investing activities</b>		<b>1,569,915</b>	<b>(891,749)</b>
Net increase (decrease) in cash and cash equivalents		1,075,248	54,220
Cash and cash equivalents at the beginning of the financial year		280,236	226,016
<b>Cash and cash equivalents at the end of the financial year</b>	9	<b>1,355,484</b>	<b>280,236</b>

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

# Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2020

	<b>2020</b> Total \$	<b>Accumulated</b> Surplus 2020 \$
Balance at beginning of the financial year	1,871,106	1,871,106
Surplus / (deficit) for the year	161,020	161,020
<b>Balance at end of the financial year</b>	<b>2,032,126</b>	<b>2,032,126</b>
	<b>2019</b> Total \$	<b>Accumulated</b> Surplus 2019 \$
Balance at beginning of the financial year	1,989,790	1,989,790
Surplus / (deficit) for the year	(118,684)	(118,684)
<b>Balance at end of the financial year</b>	<b>1,871,106</b>	<b>1,871,106</b>

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



# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 1 - REPORTING ENTITY

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

## NOTE 2 - BASIS OF ACCOUNTING

These financial statements are a general purpose financial report that consists of a Statement of Comprehensive Income, Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes accompanying these financial statements and 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 Theatre Royal Management Board is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The Theatre Royal Management Board has elected to 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 on or after 1 July 2013.

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 Theatre Royal Management 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 Theatre Royal Management Board's employee entitlement provisions. These assumptions are discussed in Note 17.

### *Fair value of property, plant & equipment*

Assumptions and judgements are utilised in determining the fair value of the Theatre Royal Management Board's property, plant and equipment including useful lives and depreciation rates. These assumptions are discussed in Note 14.

## NOTE 4 - INCOME TAX

No provision for income tax has been raised as the Theatre Royal Management 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 includes Federally funded Job Keeper and Cash Flow Boost payments received during 2020. Job Keeper is recognised when employees meet the criteria to be eligible employees for the relevant period and Cash Flow Boost is recognised on 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 - DEVELOPMENT PROJECT EXPENSES

Development project expense items principally relate to the Theatre Royal Management Board's involvement in the development of the cultural and performance precinct in Hobart being constructed adjacent to the Theatre Royal. The expense includes estimated salary and other costs incurred by the Board relating to our assistance with the project design and management. During 2019, expenses included a contribution to the State Government of \$551,942 to assist in aligning the existing theatre's heating and air-conditioning with that of the new centre. The development was substantially complete during 2020.

# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 8 - GRANT AND SUBSIDY INCOME

Grants were received in respect of the following:

### Grant Income included in Program Income

State funded grants – Arts Tasmanian Program Grant

City of Hobart Grant

### Grant Income included in Administration Income

State funded grant – Administration Grant

### Subsidy Income

Federal funded subsidy – Job Keeper Subsidy

Federal funded subsidy – Cash Flow Boost

### Total

	<b>2020</b>	<b>2019</b>
	\$	\$
	-	15,000
	-	15,000
	881,700	868,600
	709,200	-
	100,000	-
	<u>1,690,900</u>	<u>898,600</u>

### Accounting policy

Grant income is recognised as revenue upon receipt of funds.

## NOTE 9 - CASH AND CASH EQUIVALENTS

Cash on hand

Cash at bank

### Total cash and cash equivalents

	\$	\$
	3,670	2,650
	1,351,814	277,586
	<u>1,355,484</u>	<u>280,236</u>

### 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.

## NOTE 10 - TRADE AND OTHER RECEIVABLES

Trade debtors

Instalment payment debtors

Job Keeper Receivable

Other debtors

### Total trade and other receivables

	\$	\$
	11,821	26,415
	1,851	90,298
	77,700	-
	18,994	45,571
	<u>110,366</u>	<u>162,284</u>

### 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 11 - FINANCIAL ASSETS

Interest bearing accounts

Term Deposit

### Total financial assets

	\$	\$
	997,698	2,302,245
	905,000	1,200,000
	<u>1,902,698</u>	<u>3,502,245</u>

### Accounting policy

Term deposits are valued at fair value, being market value, at balance date.

# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 12 - INVENTORIES

Inventories

**Total inventories**

<b>2020</b>	<b>2019</b>
\$	\$
8,294	4,524
<b>8,294</b>	<b>4,524</b>

**Accounting policy**

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

## NOTE 13 - OTHER ASSETS

Prepayment settlement fees

Prepaid insurance

Other prepayments

**Total other assets**

\$	\$
52,439	109,650
15,571	13,426
14,084	22,987
<b>82,094</b>	<b>146,063</b>

## NOTE 14 - PROPERTY, PLANT AND EQUIPMENT

**Plant and equipment**

at cost as at 31 December

Less accumulated depreciation

\$	\$
181,075	168,060
(119,127)	(117,671)
<b>61,948</b>	<b>50,389</b>

**Leasehold Improvements**

at cost at 31 December

Less accumulated depreciation

172,017	172,017
(104,362)	(93,427)
<b>67,655</b>	<b>78,590</b>
<b>129,603</b>	<b>128,979</b>

**Total property, plant and equipment**

The reconciliation of the opening and closing balances of property, plant and equipment at 31 December is as follows:

	<b>Plant and Equipment \$</b>	<b>Leasehold Improvement \$</b>	<b>Total \$</b>
<b>2020</b>			
At 1 January 2020	50,389	78,590	128,979
Additions	29,632	-	29,632
Disposals	(16,617)	-	(16,617)
Depreciation charge for the year	(18,073)	(10,935)	(29,008)
Depreciation written back on disposal	16,617	-	16,617
<b>At 31 December 2020 Net of accumulated depreciation</b>	<b>61,948</b>	<b>67,655</b>	<b>129,603</b>
<b>2019</b>			
At 1 January 2019	29,541	89,525	119,066
Additions	32,688	0	32,688
Disposals	(2,865)	(6,691)	(9,556)
Depreciation charge for the year	(11,840)	(10,935)	(22,775)
Depreciation written back on disposal	2,865	6,691	9,556
<b>At 31 December 2019 Net of accumulated depreciation</b>	<b>50,389</b>	<b>78,590</b>	<b>128,979</b>

# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 14 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 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.

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. 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.

#### Impairment of assets

Subsequent to the initial recognition of assets, at the end of each reporting period, the Theatre Royal Management 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 property, 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

Property, plant and equipment, and leasehold improvements, excluding any assets under construction, 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:

	<b>Period</b>
Plant and equipment	4 – 10 years
Leasehold Improvements	10 – 40 years

# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 15 - TRADE AND OTHER PAYABLES

	<b>2020</b>	<b>2019</b>
	\$	\$
Trade payables	56,074	98,307
GST payable	16,094	64,387
Accrued expenses	16,374	22,908
Payroll liabilities	30,929	33,544
<b>Total trade and other payables</b>	<b>119,471</b>	<b>219,146</b>

### 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.

## NOTE 16 - DEFERRED REVENUE

	<b>2020</b>	<b>2019</b>
	\$	\$
Partner Support Income	9,250	3,000
<b>At 31 December (current)</b>	<b>9,250</b>	<b>3,000</b>

### Accounting Policy

#### Recognition and Measurement

Funds received from Theatre Royal partners supporting 2021 season productions have been received in 2020. Funds will be recognised as income at the time of the relevant production.

## NOTE 17 - PROVISIONS

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>(a) Employee benefits</b>		
<b>(i) Current</b>		
Annual leave	44,998	38,125
Long service leave	168,661	135,072
	<b>213,659</b>	<b>173,197</b>
<b>(ii) Non-current</b>		
Long Service Leave	36,055	35,030
	<b>36,055</b>	<b>35,030</b>
<b>Total Provisions</b>	<b>249,714</b>	<b>208,227</b>

### Accounting policy

Provisions are recognised when the Theatre Royal Management Board has a legal or constructive obligation, as a result of past events, for which it is probably 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 Theatre Royal Management 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.



# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 17 - PROVISIONS (CONTINUED)

### 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 casuals 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 9.50% 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.

### iii) Sick leave

No accrual is made for sick leave as Board experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Board does not make payment for untaken sick leave.

## NOTE 18 - OTHER LIABILITIES

### Current

	2020 \$	2019 \$
Advanced ticket sales	405,098	1,289,476
Payable to State Government	276,000	183,981
Applause donation clearing	18,065	-
Gift vouchers	172,200	35,467
Student subscriptions	1,080	162
Deposits collected	29,500	45,500
Ticketek clearing	-	191
Union Fees Payable	93	114
<b>Total Other liabilities – Current</b>	<b>902,036</b>	<b>1,554,891</b>

### Non-Current

	2020 \$	2019 \$
Payable to State Government	275,942	367,961
<b>Total Other liabilities – Non Current</b>	<b>275,942</b>	<b>367,961</b>

### Total Other liabilities

1,177,978	1,922,852
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## NOTE 19 - CAPITAL COMMITMENTS

The Theatre Royal Management Board has committed to spend \$41,640 on capital upgrades to the Theatre Royal website during the 2021 year (2019:NIL).

# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 20 - OPERATING LEASES

### Operating Lease Commitments

Non Cancellable operating leases contract for but not payable – minimum lease payments:

- not later than 12 months
- between 12 months and 5 years.

<b>2020</b>	<b>2019</b>
\$	\$
2,016	2,688
-	2,016
<u>2,016</u>	<u>4,704</u>

### 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 on the 17 October 2016.

## NOTE 21 - RELATED PARTY TRANSACTIONS

### (i) Responsible Persons

Names of persons holding the position of a Director of the Theatre Royal Management Board at any time during the year are:

Directors	Chairman – Craig Stephens Bronwyn Edinger Anthea Pritchard Ann Cunningham Craig Limkin (commenced 17th February 2020) Tania Price (commenced 1st April 2020) Anthony Bonney (commenced 17th Aug 2020) Kim Evans (resigned 17th Feb 2020) Jane Haley (resigned 24th June 2020)
Chief Executive Officer	Tim Munro

### (ii) Director Remuneration

	<b>Directors Fees <sup>1</sup></b>	<b>Super-annuations <sup>2</sup></b>	<b>Total <sup>3</sup></b>
	\$	\$	\$
<b>2020</b>			
Chairman	7,412	704	8,116
Directors	23,063	-	23,063
Total	<u>30,475</u>	<u>704</u>	<u>31,179</u>
<b>2019</b>			
Chairman	7,412	704	8,116
Directors	22,238	-	22,238
Total	<u>29,650</u>	<u>704</u>	<u>30,354</u>

<sup>1</sup> Directors fees includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice arrangements. Kim Evans does not receive remuneration.

<sup>2</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>3</sup> The table is presented to meet the disclosure requirements of AASB 124 *Related Party Disclosures*

# Notes to the Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2020

## NOTE 21 - RELATED PARTY TRANSACTIONS

### (iii) Key Management Personnel Remuneration

	Number of employees	Salaries <sup>1</sup> \$	Super-annuations <sup>2</sup> \$	Non-monetary Benefits <sup>3</sup> \$	Totals \$
<b>2020</b>					
\$140,001 - \$160,000	1	140,891	13,378	1,248	155,517
Total	1	140,891	13,378	1,248	155,517
<b>2019</b>					
\$140,001 - \$160,000	1	134,208	12,750	12,721	159,679
Total	1	134,208	12,750	12,721	159,679

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

<sup>2</sup> Superannuation means the contribution to the superannuation fund of the individual.

<sup>3</sup> Other non-monetary benefits include annual and long service leave movements.

### (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 Theatre Royal Management 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

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

## NOTE 22 - ECONOMIC DEPENDENCY

The Theatre Royal Management Board's operations have been assisted through funding received from the Minister for the Arts. As at the date of this report the Theatre Royal Management 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 - OTHER SIGNIFICANT ACCOUNTING POLICIES AND PENDING ACCOUNTING STANDARDS

### a) Pending Accounting Standards – AASB 1058 Income of Not-for-Profit Entities

This standard has been deferred. During the 2019 Financial year, the Theatre Royal has elected to apply AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-use- Assets of Not for Profit Entities. Accordingly, the lease of property to the Theatre Royal Management Board from the Crown is recorded at cost.

#### Lease of Property

The Theatre Royal Management 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 the lease agreement, rent of \$1 is payable annually in advance.

# Strategic Plan 2019-2024



Credit: Alistair Bett

## Our Key Strategies

The Theatre Royal will adopt six key strategies over the next five years to pursue our mission in an environment of change, opportunity and disruption:

- Make an active contribution to the cultural health of Tasmania and to Tasmania's growing cultural brand.
- Develop the diversity, quality and quantity of the performing arts program to ensure it is stimulating and appealing for the Tasmanian community.
- Turn our new facility into a community experience and destination, partnering with organisations such as the University of Tasmania to realise the opportunity for our site to be a place that people experience 365 days a year.
- Strengthen the Theatre Royal's engagement through audience development, the use of technology and working closely with our stakeholders.
- Build the organisation's technical, managerial, service and governance capabilities to ensure we are operating in a contemporary and sustainable way.
- Grow the Theatre Royal's brand and take a leadership role in the performing arts sector to help facilitate its development.

Credit: Alistair Bett

# Our Partners

The Theatre Royal thanks our partners for their support in 2020



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

Assistance has been provided by the Australian Government through the Australia Council, its arts funding and advisory body

## PROGRAM PARTNERS



## BUSINESS PARTNERS



## SUPPORTERS



# Personnel 2020

## Theatre Royal Management Board

Craig Stephens (Chairman)  
Tony Bonney (from August 2020)  
Ann Cunningham  
Bronwyn Edinger  
Kim Evans (until January 2020)  
Jane Haley (until June 2020)  
Craig Limkin (from February 2020)  
Tania Price (from April 2020)  
Anthea Pritchard

## Chief Executive

Tim Munro

## Program and Operations Manager

Don Hopkins

## Finance Manager

Jo Macgill

## Marketing and Business Development Manager

Tom Schoon

## Marketing and Business Development Coordinator

Danielle Ross

## Project Manager

Greg Thompson

## Technical Manager

Sandy Campbell

## Customer Services Manager

Nicole Winspear

## Accounts Manager

Margaret Wood

## Box Office Manager

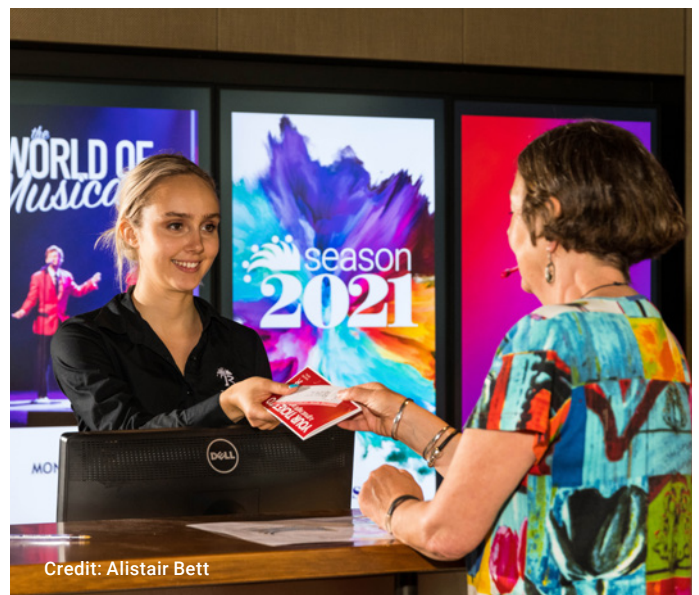
Meyrick Harris

## Box Office Supervisor

Matt Coyle

## Executive Support Officer

Rachael Johnston



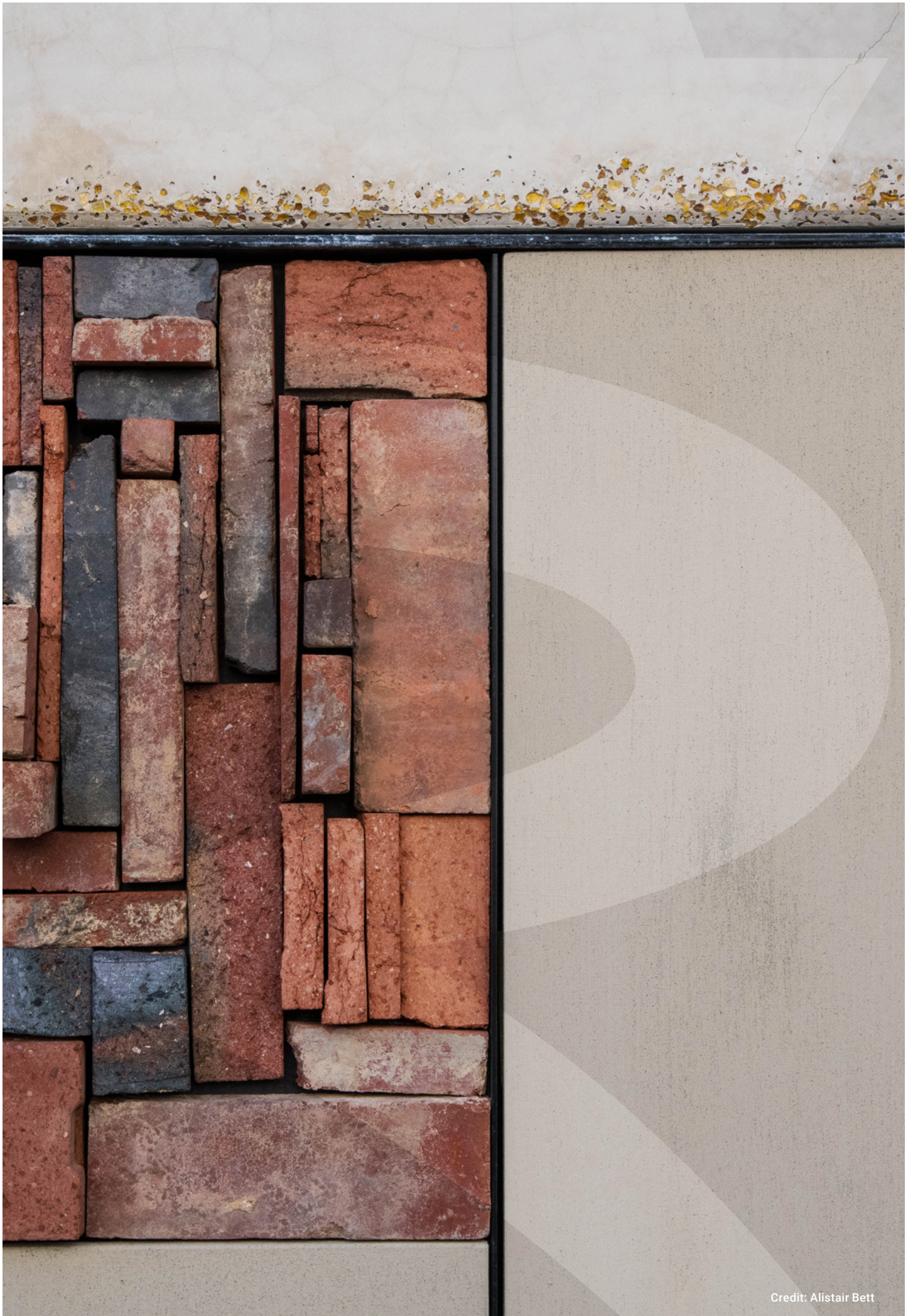
Credit: Alistair Bett



Credit: Alistair Bett



Credit: Alistair Bett






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**Email:**  
boxoffice@theatreroyal.com.au

[theatreroyal.com.au](http://theatreroyal.com.au)

 [facebook.com/theatreroyalhobart](https://facebook.com/theatreroyalhobart)

 [@theatreroyalhobart](https://instagram.com/theatreroyalhobart)

 [@TheatreRoyalHob](https://twitter.com/TheatreRoyalHob)

 [youtube.com/TheatreRoyalHobart](https://youtube.com/TheatreRoyalHobart)