

annual report

2014



THEATRE
ROYAL

Strategic Plan



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Mission

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

Vision

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

Values

The Theatre Royal is committed to:

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

Strategic Priorities

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

Chairman's Report



Craig Stephens

In 2014 Theatre Royal employed 70 Tasmanians and welcomed over 71,000 patrons

On behalf of the Theatre Royal Management Board, I am pleased to present the Chairman's Report for the 2014 season, in a year that has seen the Theatre again produce a financial surplus from its activities presenting an expanded and exciting season of works.

The financial result for the year consolidates the balance sheet of the Theatre and places it in an improved position as we move towards the development, in conjunction with the University of Tasmania, of a multipurpose performing arts and education centre on the land adjoining the Theatre Royal.

Our focus during the year has by necessity been split between ensuring the Theatre's program is successful and operations are running smoothly, and working with the State Government and the University of Tasmania to ensure the best outcome in the ongoing preparations for that development.

As part of our consideration of future requirements the Board and management undertook a facilitated workshop to consider opportunities for us in programming, especially at a time when we will have expanded performance facilities available in the new centre. The aim of the workshop was to identify the best, and most ambitious, programming opportunities that might be able to be delivered. In the coming months we will consider how this program opportunity may be implemented in the medium to longer term in a sustainable way for the Theatre.

The development will present us with an exciting future however, as with all such things, it will take some time for it to come to fruition and during that time will require significant input and resources from our small team.

With that in mind, we have continued expanding our operational and management capabilities, as a priority identified from our strategic planning, to ensure we are able to manage and present successful seasons in the Theatre Royal's existing and new spaces.

We have also focused on growing audiences and program and have continued working to develop presenting partnerships with local and interstate producers of work to enhance our abilities in this area.

It was tremendously exciting for the Theatre to be the recipient of the prestigious Drover Award for Performing Arts Centre of the Year during the 2014 season. There are also numerous instances of positive feedback we receive from artists and producers that give testimony to the fine work undertaken by our team in assisting all the producers and performers who work in the Theatre and the audiences who attend.



“We have also focused on growing audiences and program and have continued working to develop presenting partnerships with local and interstate producers of work to enhance our abilities in this area.”



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The Board continues to expand its role in Corporate Governance and has during the year been actively working towards a broader Risk Review of the organisation. I would particularly like to thank Kate Cuthbertson for her work as Chair of the Audit and Risk Committee in facilitating that process.

To our Partners and Sponsors, the Board again expresses its gratitude for your support and the assistance you provide. It goes a long way to ensuring a successful season for the Theatre.

We also welcome the support and investment from the State Government through the Minister for the Arts, The Tasmanian Arts Advisory Board and Arts Tasmania. This critical investment enables and encourages the Board to continue to present exciting and diverse programs for audiences.

I would also like to thank the Friends of the Theatre Royal for their continued support, across many areas of the Theatre’s activity – hosting public tours of the Theatre Royal in particular. It is pleasing to note the Board and the Friends have recently signed a new Memorandum of Understanding and we look forward to continuing our good work together in future years.

The Board would particularly like to thank our Chief Executive, Tim Munro, Management Team and staff who together make the Theatre the special place it is. Their efforts are much appreciated.

To my fellow Board members, thank you for your ongoing support and tireless efforts in contributing to the operations and governance of the Theatre.

Finally, I would like to thank our audiences, without whom the Theatre would feel like an empty space. It is you who bring life to the works that are performed and we appreciate your continued attendance and support as we move into the 2015 season.

Craig Stephens

Chairman

16 February 2015

Chief Executive's Report



Tim Munro

In 2014 Theatre Royal received the National award for Performing Arts Centre of the year

I am pleased to report that the Theatre Royal enjoyed another successful season in 2014. We have seen the trend of increasing audience numbers, and expanding program activity continue and, as a result, the Theatre Royal's cultural and economic value to the Tasmanian community continues to grow. On top of these areas of growth, it is encouraging to report that the strong surplus in the financial statements will enhance the Theatre's ability to invest further in cultural programs and organisational capacity.

The Theatre Royal hosted a total of 170 performances on its main stage – an increase of 12% over 2013. In addition, 36 performances were held in the refurbished Theatre Royal Backspace Theatre and a further 120 events, including 84 tours of the Theatre, run by Friends of the Theatre Royal, were held. Over 70,500 people attended a performance, tour or event at the Theatre Royal in 2014.

In July 2014, the Theatre Royal won the National 'Drover Award' for best presenting theatre in the country. This award, voted for by national theatre producers, acknowledges the experience they have when touring productions to the Theatre Royal. Our organisation's delivery of technical requirements, marketing and front of house services alongside audience attendance and response were rated the highest in the country.

ARTISTIC REPORT

In line with its artistic policy and programming aims, the Theatre Royal Management Board invests in the presentation of a diverse range of high quality theatre that provides the cornerstone of its season. The Board commits its grant from the Minister for the Arts (through the Tasmanian Arts Advisory Board) to these works. In

order to ensure that the Theatre can offer season programs of the breadth and depth that our audiences deserve, the organisation continues to develop co-presenting partnerships with theatre producers, festivals and touring agencies. Whilst benefitting the Theatre and its audiences, these arrangements also assist those presenting partners to manage their exposure to financial risk, which provides greater opportunity for artists' work to be seen by audiences. The Board particularly seeks to ensure that a wide range of Tasmanian theatre works are presented to Theatre Royal audiences.

SUBSCRIPTION SEASON AND SUBSCRIBERS

The 2014 Season brochure was launched in November 2013 offering patrons a choice of 37 productions. The Board carried or shared the financial risk (the table on page 8 reports on these productions) in 15 of these productions. In 2014 the number of patrons subscribing to the season increased substantially over already strong numbers in 2012. The Theatre had 842 subscribers, 121 of those being student subscribers.

2014 PROGRAM

The Theatre Royal aims to present a diverse program featuring not only a full range of theatre genres, but work appealing to a wide range of audience members. The 2014 program included works ranging from contemporary text, traditional drama, dance, physical theatre and circus, multi-media, opera, contemporary music, music theatre, comedy and more.

The Theatre brings productions to Tasmania and presents productions made in Tasmania. We seek to present some work from the edges of current theatre practice and work



“In addition to the program of performances, the Theatre aims to deepen visiting artists’ connection with our community, and to offer a range of engagement and training opportunities. This includes 12 workshops by touring theatre companies for Tasmanian performers, audiences and students.”



THEATRE ROYAL PRESENTATIONS AND CO-PRESENTATIONS COMPARISON

	2009	2010	2011	2012	2013	2014
Productions Presented on the mainstage	13	16	12	15	11	14
Productions Co-Presented on the mainstage		6	6	5	4	9
Performances	36	70	49	55	41	60
Total Attendances	13,036	22,579	14,531	15,358	11,243	20,985
Average attendance per performance	362	341	297	313	274	350
Productions Presented in the Backspace						1
Productions Co-Presented in the Backspace						1
Performances						13
Total Attendances						1079
Average attendance per performance		69		76	55	83
Total Income	\$409,180	\$936,148	\$602,931	\$759,528	\$556,634	\$1,014,857

in the mainstream. We have many factors to consider in achieving and, importantly, balancing these program dimensions and match those to the capacity of the market in which we operate. Through fostering strong co-presenting relationships the Theatre Royal has been able to expand the opportunities for its audiences to experience a more diverse program in recent years.

In 2014 these co-presenting and risk-sharing arrangements meant Theatre Royal audiences enjoyed; *Orlando* from upstate New York’s Glimmerglass Festival during Hobart Baroque, Piers Lane and Patricia Routledge’s *Admission One Shilling*, The Australian Ballet’s *Triple Bill*, and the Perth Theatre Company’s *It’s Dark Outside* as part of Dark MOFO. These arrangements also assisted fantastic Tasmanian productions from artists such as Tasdance, Terrapin, Blue Cow Theatre, Craig Wellington and the Tasmanian Theatre Unit Trust, and Glen Murray’s Mature Artist Dance Experience.

The 2014 season featured

- 15 drama works
- 2 circus pieces
- 4 events with Mona Foma and Dark Mofo
- 8 dance pieces
- 23 music events including 2 operas and 2 music theatre productions
- 8 Comedy events
- 7 children and family seasons
- 2 revues/pantos

In 2014, 61 seasons comprising 170 performances were presented on the Theatre Royal main-stage. Of those, 60 performances were presented or co-presented by the Theatre Royal, 51 presented by Tasmanian community organisations and a further 59 by commercial producers. An additional 36 performances and events were held in the Theatre Royal Backspace. The scale of the program

precludes detailed commentary on each piece, however highlights included:

- *Henry V* – The Bell Shakespeare Company. Director Damien Ryan’s highly creative production received critical and popular acclaim. This fine ensemble and fantastic production elements would have shone in any play, but coupled with the fabulous production concept and direction made for a truly memorable night at the theatre.
- Hobart Baroque brought us Glimmerglass Festival’s striking production of Handel’s Opera, *Orlando*. *Orlando* featured very high production values - with a clever staging concept and great scenic, lighting and costume design. The Orchestra complemented the production perfectly. Vocal performances were very good and young Tasmanian performer Tom Hawkey, cast in the role of Amor, God of Love, received great ovations and wonderful reviews.
- Circus company This Side Up Acrobatics’ *Controlled Falling Project* played 3 popular shows for families in our season. The 4 performers gave well-judged acrobatic, clown and juggling performances - particularly considering that the company had to rework the piece for its Hobart season due to an injury to one of the performers.
- Shake & Stir Theatre’s fine adaptation of Orwell’s *1984* brought a much loved classic to the stage. The piece featured excellent large-scale production and fine performances, Bryan Proberts in the role of Winston was exceptional in particular. *1984* enjoyed a very successful season with audiences and critics.
- *Lake*, from independent choreographer Lisa Wilson, was stimulating dance production exploring complex relationships between three performers. The work created a striking visual combination and attracted good audience numbers of dance and theatre audiences.
- Jeff Achtem’s wonderfully conceived shadow-puppet work *Swamp Juice*, delighted full houses in the Theatre Royal Backspace. *Swamp Juice* was low-tech high value theatre, stimulating the student audiences and family audiences alike. The stage was filled with carefully crafted shadow puppets and cleverly adapted objects, which Jeff used in a variety of scales to tell simple stories about a series of swamp ‘critters’.
- The Theatre Royal also assisted the presentation of many new works created by Tasmanian Artists:
 - *Threefold* – Tasdance
 - *Big Baby Boss of the World* – Terrapin Puppet Theatre
 - *Born from Animals* – Tasmanian Theatre Company
 - *The State of the Tasmanian Economy* – Blue Cow Theatre
 - *Sing for Me* – Mature Artists Dance Experience

Full details of performances and attendances are included on page 8 and 9.

WORKSHOPS AND EXTRA EVENTS

The Theatre aims to deepen visiting artists’ connection with our community, and to offer a range of engagement and training opportunities for Tasmanian theatre-goers, students, performers and theatre makers. A series of workshops, question and answer sessions and ‘In Conversation’ style presentations for patrons were offered in 2014.

These included:

- Meet the Artist events which were held in conjunction with:
 - Lisa Wilson, creator of *Lake*, and
 - The Bell Shakespeare Company
- 11 Workshops were held:
 - Shake & Stir ran a performance workshop for students and one for drama teachers whilst here with their season of *1984*
 - Lisa Wilson’s *Lake* company ran a movement workshop for SPACE (Salamanca Performing Arts Certificate in Entertainment) dance students
 - Mixed abilities company No Strings Attached ran a workshop for the Second Echo Ensemble
 - Patch Theatre and Monkey Baa Theatre each ran community events with Kingston LINC
 - Belvoir/Force Majeure ran an industry workshop for the Theatre Council of Tasmania
 - Opera Australia ran several workshops and events for Exit Left students
 - This Side Up Productions ran workshops for SPACE dance students and also one for Colony 47 clients
 - Three Student work experience placements were taken up by students from Hobart Secondary schools

The Friends of the Theatre Royal conducted 84 public tours of the Theatre and a further nine Tours (and discussion sessions) were run for secondary and tertiary education groups by the Theatre Royal Operations team.

I wish to record my gratitude to the many organisations and individuals who have given so much to the Theatre Royal in 2014. I applaud the contribution made by our funding partners, business partners, artists and arts companies, audiences 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, RACT, Xsquared Architects, Friends of the Theatre Royal and Board Members. Finally, I wish to thank the skilled and devoted staff of the Theatre Royal for helping make 2014 a great success.



Tim Munro

Chief Executive

16 February 2015

Performance & Other Events Summary

Performance	Producer	TR Presents & Co-Presents No of Perf Mainstage	Community No of Perf Mainstage	Professional No of Perf Mainstage	Attendance	% of Capacity
Pirates to Pinafore	Promac Productions	1			318	44%
Topp Twins	Fleming Artists	1			437	64%
Lake	Lisa Wilson	2			784	62%
Melbourne International Comedy Festival Roadshow	Melbourne International Comedy Festival	1			657	94%
Controlled Falling Project	This Side Up Acrobatics	3			1,042	75%
Still Awake Still	Jump Leads and Jessica Wilson	2			644	47%
Both Sides	Promac Productions	1			566	83%
It's Dark Outside	Perth Theatre Company	3			980	47%
Mr. McGee and the Biting Flea	Patch Theatre Company	4			1,519	55%
1984	Shake & Stir	5			1,390	40%
Big Baby Boss of the World	Terrapin Puppet Theatre	4			760	28%
Classical Triple Bill	The Australian Ballet	3			1,826	89%
Bob Brown on Optimism	The Wheeler Centre	1			624	91%
Pete the Sheep	Monkey Baa Theatre Company	5			1,497	44%
The Thirty Nine Steps	Hit Productions	2			977	70%
Circus Oz	Circus Oz	5			2,388	70%
Threefold	Tasdance	3			511	22%
Henry V	Bell Shakespeare Company	4			1,701	61%
Hell Aint A Bad Place To Be	Wander Productions	2			513	37%
The Magic Flute	Opera Australia	2			872	62%
Food	Force Majeure and Belvoir	2			384	28%
Sons and Mothers	No Strings Attached Theatre of Disability	2			339	25%
Once Were Leaders	Wander Productions	2			256	19%
Australian Art Orchestra	Mona Foma Festival			1	677	87%
ACO Quartet/Mural	Mona Foma Festival			2	449	56%
Peppa Pig	Life Like Touring Australia			12	7,260	87%
John Cleese	Adrian Bohm Presents			5	3,364	97%
The Idea Of North	The Idea Of North			1	646	94%
X and Wellington	Craig Wellington Productions			1	406	55%
Orlando	Hobart Baroque			4	2,367	74%
The State of the Tasmanian Economy	Blue Cow Theatre			4	1,441	52%
Celtic Illusion	Nelatar Pty. Ltd.			1	679	99%
ABBA the Concert	The Harbour Agency			1	520	76%
Admission One Shilling	Andrew McKinnon Presentations			3	1,452	69%
Perfect Tripod	Anti Semantic and Tripod Entertainment			2	946	66%
Alex Williamson	More Comedy			1	313	46%
Diamanda Galas	Dark Mofo Festival			1	649	87%
Little Red Riding Hood	Festival of Voices			4	1,417	50%
Doug Anthony Allstars	DAAS			2	975	71%
The Ten Tenors	Frog in a Sock Pty. Ltd.			3	1,360	64%
Buddy The Concert	The Harbour Agency			1	248	36%
Roy and Del Together in Concert	Ben Maiorana Entertainment			1	215	29%
Potted Potter	Lunchbox Theatrical Productions			5	1,071	30%
Johnny Cash the Concert	The Harbour Agency			1	227	31%
Sydney Comedy Festival Showcase	Century Entertainment Australia			1	393	53%
Beatles 50th Anniversary Tour	The Harbour Agency			1	319	45%
Fleetwood Mac Experience	The Harbour Agency			1	228	31%
The Habbott	The Old Nick Company		12		6,294	77%
Craig Wellington and Friends	Festival of Voices		1		503	68%
Wotopera	Artology		2		539	33%
Croon	Croon		3		982	48%
Jesus Christ Superstar	Craig Wellington Productions and Tasmanian Theatre Unit Trust		15		4,580	43%
Throbbin' Hood	Bawdy Pantos		4		1,726	61%
Sing For Me	MADE		5		292	67%
Black and Gold	Body Language Dance		1		448	64%
Ken Short and Friends	Ken and Jane Short		1		285	36%
MyState Student Film Festival	MyState Financial		1		580	84%
Destinations	Hobart Dance Academy		2		781	56%
Summer Madness	Centre Stage Dance Company		2		726	51%
Fahan School Speech Night	Fahan School		1		580	84%
Christmas With The Stars	ExitLeft		1		449	62%
Total Mainstage performance and audience numbers		60	51	59	67372	59%

Performance & Other Events Summary

Performance	Producer	No of Perf Backspace	Attendance	% of Capacity
Venus in Fur	LoudMouth Theatre	7	299	30%
Not About Heroes	Roger Gimblett Productions	3	194	46%
The Country	Next Stage Theatre	3	86	20%
Born From Animals	Tasmanian Theatre Company	8	460	41%
Josh Earl	Upstart Productions	4	106	19%
Grigorian Brothers	Raz Music	1	64	46%
Swamp Juice	Bunk Puppets	5	605	86%
Me, My Art and You (APACA Conference)	Tasmania Performs	5	391	56%
Total Backspace performance and audience numbers		36	2,205	35%

Other Events	Producer	Number of Events	Attendance
Tours			
Public Tours of the Theatre	Friends of the Theatre Royal	84	565
Tour for 1st year students	SPACE	1	10
Tour for audio design students	The Friends' School	1	15
Tour for VET Tourism students	Rosny College	1	25
Tour for Tech Theatre Students	Rosny College	2	40
Tour for UTas Architecture Students	University of Tasmania	3	90
Tour for Tech Theatre Students	Elizabeth College	1	25
Tour for Tech Theatre Students	Fahan School	1	15
Open House (public tours)	Australian Institute of Architects	1	167
Show and Tour package	Drama Tas Conference	1	54
Corporate Activities			
Ben's Menu Film Shoot	Network Ten	1	
Film Shoot	Roar Film	1	
Student and Teacher Activities			
Declaration of Geneva	University of Tasmania	1	550
Student workshops	The Bell Shakespeare Company	3	135
SPACE Dance Student workshop	Controlled Falling Project	1	20
Colony 47/FOTR community access	Controlled Falling Project	1	16
SPACE Dance Student workshop	Lake	1	20
Student workshop	Shake & Stir	1	30
Teacher professional development	Shake & Stir	1	30
Second Echo Ensemble workshop	No Strings Attached	1	20
ExitLeft Children's Choir	Opera Australia	2	23
Kingston LINC workshop	Patch Theatre Company	1	20
Kingston LINC workshop	Monkey Baa Theatre Company	1	20
TCT industry workshop	Belvoir/Force Majeure	1	4
Cast Rehearsal	Bell Shakespeare	1	
Events and Launches			
Theatre Royal Season 2015 Launch	Theatre Royal	1	270
Helpmann awards nominations	The Helpmann Academy and Theatre Royal	1	15
Premium Subscribers Event	Theatre Royal	1	120
Meet the Artist Events			
Lake	Lisa Wilson	1	60
Bell Shakespeare Company	Bell Shakespeare Company	1	30
Sons and Mothers Documentary	No Strings Attached	1	12
Work Placements			
Work Placement	The Friends' School		
Work Placement	Tarremah Steiner School		
Work Placement	Elizabeth College		
Total Other Events		120	2401
Total Performances and Events		326	
Total Audience and Participants		71,978	



Independent Auditor's Report

To Members of the Tasmanian Parliament

Theatre Royal Management Board

Financial Report for the Year Ended 31 December 2014

Report on the Financial Report

I have audited the accompanying financial report of the Theatre Royal Management Board (the Board), which comprises the statement of financial position as at 31 December 2014 and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of compliance by the members of Board.

Auditor's Opinion

In my opinion the Board's financial report:

- (a) presents fairly, in all material respects, its financial position as at 31 December 2014, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Theatre Royal Management Act 1986* and Australian Accounting Standards – Reduced Disclosure Requirements.

The Responsibility of the Members for the Financial Report

The Members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Section 10 of *Theatre Royal Management Act 1986*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

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

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

Tasmanian Audit Office



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

Hobart
16 February 2015

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THEATRE ROYAL MANAGEMENT BOARD

Financial Report

For the year ended 31 December 2014

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THEATRE ROYAL MANAGEMENT BOARD

DECLARATION BY THE BOARD

FOR THE YEAR ENDED 31 DECEMBER 2014

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

1. The financial report and notes:
 - (a) Comply with the Australian Accounting Standards (including Australian Accounting Interpretations) as they relate to Not For Profit entities, and with the provisions of the *Theatre Royal Management Act 1986*; and
 - (b) Presents fairly the Board's financial position as at 31 December 2014 and its performance for the year ended on that date.
 - (c) In the Board's opinion, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they become due and payable.

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



Chairman
C Stephens



Chief Executive Officer
T Munro

Dated this tenth day of February 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
Income		
Program income	1,443,341	1,018,142
Bar income	194,873	175,669
Box office income	360,081	358,972
Administration income	193,668	191,319
Operations income	93,551	92,393
Business development income	69,793	46,058
Interest income	53,971	58,458
Donations	1,216	1,582
Total income	2,410,494	1,942,593
Less: Expenses		
Program expenses	867,399	643,760
Bar cost of sales	70,498	65,601
Bar expenses	26,841	22,659
Box office expenses	240,697	211,900
Administration expenses	656,734	638,148
Operations expenditure	237,303	229,004
Business development expenses	89,523	50,556
Depreciation	21,624	22,055
Projects expenses	44,499	8,888
Total Expenses	2,255,118	1,892,571
Net Surplus/(Deficit)	155,376	50,022
Other comprehensive income for the year	0	0
Total comprehensive income for the year	155,376	50,022

The accompanying notes form part of these Financial Statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	334,398	217,194
Trade and other receivables	4	181,728	154,937
Inventories	5	6,531	5,843
Financial assets	6	1,624,052	2,244,161
Other assets	7	244,003	88,840
TOTAL CURRENT ASSETS		2,390,714	2,710,975
NON-CURRENT ASSETS			
Property, plant and equipment	8	237,084	205,597
TOTAL NON-CURRENT ASSETS		237,084	205,597
TOTAL ASSETS		2,627,798	2,916,572
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	171,941	95,715
Provisions	10	160,524	70,855
Other Liabilities	11	762,196	1,305,586
TOTAL CURRENT LIABILITIES		1,094,661	1,472,156
NON-CURRENT LIABILITIES			
Provisions	12	24,936	91,591
TOTAL NON-CURRENT LIABILITIES		24,936	91,591
TOTAL LIABILITIES		1,119,597	1,563,747
NET ASSETS		1,508,201	1,352,825
EQUITY			
Accumulated Surpluses		1,508,201	1,352,825
TOTAL EQUITY		1,508,201	1,352,825

The accompanying notes form part of these Financial Statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

CASH FROM OPERATING ACTIVITIES

Receipts from customers	
Payments to suppliers and employees	
Grants received	
Interest received	

Net cash provided by (used in) operating activities**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments for property, plant and equipment	
Payments for leasehold improvements	
Deposits to investments	
Withdrawals from investments	

Net cash used by investing activities**CASH FLOWS FROM FINANCING ACTIVITIES****Net cash used by financing activities****Net cash increase (decreases) in cash and cash equivalents****Cash and cash equivalents at beginning of year****Cash and cash equivalents at end of financial year**

Notes	2014 \$	2013 \$
	1,581,455	2,695,595
	(2,482,620)	(2,059,111)
	396,616	364,200
	54,593	52,281
11	(449,956)	1,052,965
	(31,828)	(4,223)
	(21,121)	0
	(932,098)	(3,157,674)
	1,552,207	2,135,000
	567,160	(1,026,897)
	0	0
	117,204	26,068
	217,194	191,126
3	334,398	217,194

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

Balance at 1 January 2013	
Net Surplus/(deficit) for the year	
Balance at 31 December 2013	
Net Surplus for the year	
Balance at 31 December 2014	

Accumulated Surpluses	Total Equity
1,302,803	1,302,803
50,022	50,022
1,352,825	1,352,825
155,376	155,376
1,508,201	1,508,201

The accompanying notes form part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

(b) Comparative Figures

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

(c) Cash and Cash Equivalents

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

(d) Trade and Other Receivables

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

(e) Inventories

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

(f) Property, Plant and Equipment

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

Plant and equipment

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

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

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

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

The Theatre Royal building, land and certain items of plant and equipment have been vested in the Crown in accordance with Section 12 of the *Theatre Royal Management Act 1986*.

During the 2013 financial year certain leasehold improvements that formed part of the Theatre Royal building were transferred back to the Crown, refer Note 8.

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

A lease agreement exists between the Board and the Minister at a nominal rent, in accordance with Section 15 of that Act.

This lease is classified as an operating lease and as such the Board does not have control of the assets and therefore they are not recognised in the Statement of Financial Position in this report.

Depreciation

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

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

Class of Fixed Asset	
Plant and Equipment	4 - 10 years
Leasehold improvements	10 - 40 years

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of Assets

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

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

(h) Trade and other payables

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

(i) Employee Benefits

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

(j) Provisions

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

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

(k) Leases

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

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

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

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

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

(l) Critical Accounting Estimates and Judgments

Key estimates - Impairment

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

(m) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial Instruments (continued)

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

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

(i) Loans and receivables

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

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

(ii) Held to maturity investments

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

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

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

(iii) Financial liabilities

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

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(o) Revenue and Other Income

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

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

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

(p) Income Tax

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

2. GRANT INCOME**Income included in Program Income**

Tasmanian Government - Arts Tasmania Program Grant

Income included in Administration Income

Tasmanian Government - Administration Grant

City of Hobart Grant

	2014	2013
	\$	\$
	174,200	144,950
	178,000	178,000
	8,360	8,141
	360,560	331,091

3. CASH AND CASH EQUIVALENTS**Current**

Cash on hand

Cash at bank

	\$	\$
	3,065	3,700
	331,333	213,494
	334,398	217,194

4. TRADE AND OTHER RECEIVABLES

Trade debtors

Instalment payments clearing

Other

	\$	\$
	34,706	35,008
	104,639	107,098
	42,384	12,831
	181,729	154,937

5. INVENTORIES

At cost:

Inventory

	\$	\$
	6,531	5,843
	6,531	5,843

6. FINANCIAL ASSETS

Term Deposits

	\$	\$
	1,624,052	2,244,161
	1,624,052	2,244,161

7. OTHER ASSETS

Prepaid settlement fees

Prepaid insurance

Other prepayments

	\$	\$
	220,915	74,065
	11,510	1,083
	11,578	13,692
	244,003	88,840

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

8. PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	\$	\$
Plant and Equipment	130,035	226,876
Less : Accumulated Depreciation	(90,005)	(214,831)
	40,030	12,045
Leasehold Improvements	286,271	280,293
Less : Accumulated Depreciation	(89,217)	(86,741)
	197,054	193,552
Total Property Plant and Equipment	237,084	205,597

Reconciliations

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

	Capital Work in Progress	Plant and Equipment	Leasehold Improvement	Total
	\$	\$	\$	\$
2014				
At 1 January 2014	0	12,045	193,552	205,597
Additions	0	31,989	21,122	53,111
Disposals	0	(128,670)	0	(128,670)
Depreciation charge for the year	0	(4,004)	(17,620)	(21,624)
Depreciation written back on disposal	0	128,670	0	128,670
At 31 December 2014	0	40,030	197,054	237,084
net of accumulated depreciation	0	40,030	197,054	237,084
2013				
At 1 January 2013	70,282	12,787	140,360	223,429
Additions	0	4,224	70,282	74,506
Disposals	(70,282)	0	0	(70,282)
Depreciation charge for the year	0	(4,966)	(17,090)	(22,056)
Depreciation written back on disposal	0	0	0	0
At 31 December 2013	0	12,045	193,552	205,597
net of accumulated depreciation	0	12,045	193,552	205,597

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

9. TRADE AND OTHER PAYABLES (CURRENT)

Trade payables
 GST Payable
 Accrued expenses
 Payroll liabilities

2014	2013
\$	\$
75,874	45,452
64,791	18,071
9,778	15,880
21,498	16,312
171,941	95,715

10. EMPLOYEE BENEFITS (CURRENT)

Employee benefits

\$	\$
160,524	70,855

11. OTHER LIABILITIES (CURRENT)

Advanced ticket sales
 Applause donation clearing
 Gift vouchers
 Sub-season show functions
 Student subscriptions
 Program sales clearing
 Industry service fee clearing
 Deposits collected
 Ticketek clearing

\$	\$
698,810	1,259,625
14,271	0
17,892	13,057
8	12
0	144
1,284	0
195	218
25,900	26,000
3,836	6,530
762,196	1,305,586

The movement in Advanced ticket sales reflects significant ticket sales at the end of 2013 for shows programmed for early 2014. The timing of these impacts the cash from operating activities disclosed in the cash flow statement.

12. EMPLOYEE BENEFITS (NON CURRENT)

Employee benefits

\$	\$
24,936	91,591

13. CAPITAL AND LEASING COMMITMENTS

The Theatre Royal Management Board has not committed to any capital expenditure in 2015 at the date of writing this report (2014: \$16,191).

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial report

Payable - minimum lease payments:

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

\$	\$
5,415	5,400
5,835	11,250
11,250	16,650

The operating lease payments are in relation to a photocopier.

14. RELATED PARTY TRANSACTIONS

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

15. ECONOMIC DEPENDENCY

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

Entrepreneurial Ventures

	2014	2013
	\$	\$
Income	559,593	432,554
Arts Tas Grant	174,200	122,000
Less : Program Expenses	(530,790)	(469,991)
Less : Proportion of Administration expenses (40%)	(262,694)	(255,259)
Less : Proportion of Theatre Operation Expenses (40%)	(94,921)	(91,602)
Surplus/(Deficit) on entrepreneurial ventures	(154,611)	(262,298)

16. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

Our Partners

The Theatre Royal gratefully acknowledges the support of our partners in 2014



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

Principal Partner



Major Partner of the 2014 Theatre Season

Program Partners



Business Partners



PERSONNEL 2014

Theatre Royal Management Board

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

Chief Executive

Tim Munro

Program and Operations Manager

Don Hopkins

Marketing and Business Development Manager

Maria Pate

Marketing and Business Development Coordinator

Thesspina Donopoulos

Finance Manager

Jo Macgill

Accounts Manager

Margaret Wood

Box Office Manager

Mark Brooks

Box Office Supervisor

Meyrick Harris

Technical Manager

Sandy Campbell

Customer Services Manager

Nicole Winspear

Administration Officer

Kathryn van Dal



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