

The Bell Shakespeare Company Limited

Financial Statements for the year ended
31 December 2013

Directors' Report

The Directors of The Bell Shakespeare Company Limited (Bell Shakespeare) present their Report together with the financial statements of the entity, being Bell Shakespeare (the Company) for the year ended 31 December 2013 and the Independent Audit Report thereon.

Principal activities

The principal activity of the company during the financial year was the presentation of theatrical productions and learning programs. There have been no significant changes in the nature of these activities during the year.

Vision

The Company's vision is to be Australia's preeminent national theatre company specialising in Shakespeare and the classics.

Long-term objectives

The Company's long-term objectives are to:

- Consolidate a national presence with a permanent home in Sydney.
- Perform a diverse a theatre program that respects and challenges Shakespeare and classic works.
- Deliver a learning programme that is the first choice for theatre knowledge/experience and is accessible for all Australians.
- Establish Mind's Eye, the Company's Creative Development arm, as an engine room, driving ideas and creativity through the organisation and broader industry.
- Be a high performance workplace that recognises, attracts and develops talent.
- Achieve long term financial sustainability through increased stakeholder and market engagement.

Short-term objectives

The Company's short term objectives are to:

- Work with all stakeholders for a permanent home at Pier 2/3, Walsh Bay, Sydney.
- Ensure a balanced and varied repertoire of work.
- Continue growing the reach of our learning activities.
- Recruit and develop an outstanding artistic and management team that works collaboratively.
- Increase our philanthropic and corporate sponsorship reach.

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company has adopted the following strategies:

- Initiate, develop and produce new works through Mind's Eye.
- Pursue a reserves policy of financial reserves above industry benchmark of 20% of revenue.
- Expand Learning programmes to increase the geographic and demographic reach of learning activities.
- Establish new and maintain existing positive and mutually beneficial relationships with all stakeholders.

The Company measures its performance (including any key performance indicators) by reference to financial and operating key performance indicators developed within the framework of the Company's Strategic Plan 2013-2017.

Director details

The following persons were directors of Bell Shakespeare during or since the end of the financial year:

Ilana Rachel Atlas

BJURIS (HONS) LLB (HONS) LLM

Chairman, Director since January 2004

Director, Suncorp Limited, Westfield holdings, Coca Cola Amatil Limited and Pro-Chancellor Australian National University. Previously, Company Executive, People and prior to that, Company Secretary and General Counsel, Westpac Banking Corporation. Before her roles at Westpac, Ilana was a partner at national law firm Mallesons Stephen Jaques.

John Anthony Bell AO

BA (HONS)

Artistic Director since inception July 1990

Performed with the Old Tote Theatre Company from 1963 to 1964. British Council Scholarship to Bristol Old Vic Drama School, UK in 1964; Associate Artist at Royal Shakespeare Company from 1965 to 1969; Company Director of the Nimrod Theatre, 1970 to 1984; Head of Acting, 1970; and freelance work as Director and Actor until 1991. In 1997 the National Trust of Australia named him as one of the 100 Australian National Living Treasures. In 2009 John was appointed as an Officer in the Order of Australia in recognition of his service to the performing arts.

Catherine Jane Caro

BA (ENG LIT)

Director since April 2009

Author, novelist, lecturer, mentor, social commentator, columnist, workshop facilitator, media broadcaster and award-winning advertising writer. Runs her own communications consultancy and lectures in Advertising Creative at The School of Communication Arts at UWS. Also sits on the Board of the NSW Public Education Foundation.

Antony De Jong

BSC LLB (HONS) MBA, GAICD

Director since February 2002

Director – Strategy & Business Development, Telstra. Previously, Partner with Accenture, a global technology and information services company. President of The Duldig Gallery Inc., a public museum, gallery and arts resource centre in Melbourne.

Graham Charles Froebel

BCOM LLB CA

Director since April 1998

Company Taxation Manager of Boral Limited. Previously a partner with the international accounting firm Arthur Andersen.

Kathryn Therese Greiner AO

BSOCWK

Director since October 2005

Chairman and/or Director of a number of listed, private and non-profit entities.

Gregory Phillip Hutchison AM

BA (HONS) MSc

Director since November 2013

Advisory Partner/Partner with strategy consulting firm Bain & Company in Europe and Asia since 1980. Voluntary roles with a range of not-for-profit organisations including current director of The Australian Charities Fund, ACF AskU, GoodStart Early Learning, ShareGift, Brandenburg Foundation, Women's Community Shelters.

Gene Thomas Tilbrook

BSC, DIP, COMP, MBA (UWA); AMP (HBS)

Director since May 2010

Non-executive director of Orica, Aurizon Holdings, GPT Group and Fletcher Building. Council member of Curtin University and AICD(WA). From 1985-2009 held roles at Wesfarmers in strategy, M & A, finance and projects; exec director 2002-2009.

Alden L Toevs

Ph.D. with Honours

Director since November 2013

Group Executive and Group Chief Risk Officer of the Commonwealth Bank Group since 2008, in addition to Director of Colonial Mutual Life Assurance Society Limited and Board member of the Centre for International Finance and Regulation. Prior to commencing with the Group, Alden was First Manhattan Consulting Group's risk lead consulting partner between 2000 and 2008. Former roles also include Head of Mortgage Research at Morgan Stanley and Professor of Economics at University of Oregon in the United States.

Janet Whiting

BA. LLB

Director since August 2013

Janet is a leading litigation lawyer and throughout her career has always held leading roles in both the arts and tourism sectors. Those positions, both past and present, include Director of Tourism Australia, Deputy Chair of Victorian Major Events, President Arts Centre Melbourne, Vice President Melbourne International Arts Festival, Founding Director L'Oreal Melbourne Fashion Festival, Director of St Martin's Youth Arts Theatre, Melbourne International Film Festival and National Australia Day Council. Janet is one of the pre-eminent litigators in Australia and widely regarded for her focus on providing strategic advice, detailed analysis and commercial solutions. Janet has recently resigned from Corrs Chambers Westgarth and will be establishing the litigation department in Melbourne for Gilbert & Tobin

Helen Rodda Williams AO

BA (HONS) FAIM

Director since June 2010

Recently retired from the Australian Public Service where she headed five departments (Education, Tourism, Immigration, Communications and the Arts, and Human Services) and was Public Service Commissioner. Has served on a wide range of government boards and committees, including the National Library Council and the Australia Council for the Arts. Is Chair of the Migration Agents Registration Authority Board, Deputy Chair of the National Archives Advisory Council and a member of the Origin Foundation Board.

Richard John Freudenstein

Director since May 2010 (Resigned July 2013)

Currently CEO of Foxtel and a Directors of Real Estate Group Limited. Previously CEO of The Australian newspaper and CEO of New Digital media. Has served as Chairman of the Royal Television Society and as a director of the English National Ballet.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

Director	eligible to attend	Board	eligible to attend	A&R committee	eligible to attend	Remuneration & Nominations Committee
Ilana Rachel Atlas	9	9	4	4	4	4
John Anthony Bell	9	6	-	-	4	4
Catherine Jane Caro	9	6	-	-	-	-
Antony de Jong	9	8	4	4	-	-
Richard John Freudenstein	4	1	-	-	-	-
Graham Charles Froebel	9	9	4	4	-	-
Kathryn Therese Greiner	9	6	-	-	-	-
Gene Thomas Tilbrook	9	8	4	1	4	4
Helen Rodda Williams	9	6	-	-	4	4
Janet Whiting	4	2	-	-	-	-
Alden Toevs	1	1	-	-	-	-
Greg Hutchison	0	0	-	-	-	-

Beneficial Interest in Ordinary Shares

The interests of the directors in the ordinary share capital of the company at the date of this report are:

Allocation of Shares	2013	2012
John Anthony Bell	5,001	5,001
Ilana Rachel Atlas	5,000	5,000
Catherine Jane Caro	5,000	5,000
Antony de Jong	5,000	5,000
Graham Charles Froebel	5,005	5,005
Kathryn Therese Greiner	5,000	5,000
Gene Thomas Tilbrook	5,000	5,000
Helen Rodda Williams	5,000	5,000

The above shares are deemed to have no commercial value. The Constitution of the company prohibits the distribution of income and property by way of dividend or bonus. The Constitution also prohibits the return of capital or of any other distribution to members on winding up .

Company Secretary

Marea Salisbury is a Chartered Accountant and the Chief Financial Officer. Marea has held senior positions within both the not for profit sector and commercial organisations. Marea has been the company secretary of Bell Shakespeare since joining the company in July 2013.

Indemnifying Officers or Auditors

No indemnities have been given or premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company with the exception of the following matter. During the financial year the company obtained insurance to indemnify directors and officers, as named in this report, for loss arising from any claims made against them by reason of any wrongful act.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Directors' Benefit

During or since the end of the previous financial year, no director has received or become entitled to receive a benefit because of a contract, other than benefits disclosed in the financial statements or the fixed salary of a full time employee of the company or a related corporation or with a firm of which a director is a member, or with a company in which a director has a substantial financial interest.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* is included in page 7 of this financial report and form part of the Director's report.

Signed in accordance with a resolution of the directors.



Director

Sydney, 26 March 2014

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au


**Auditor's Independence Declaration
To the Directors of The Bell Shakespeare Company Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of The Bell Shakespeare Company Limited for the year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance

Sydney, 26 March 2014

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Statement of Financial Position as at 31 December 2013

	Notes	2013 \$'000s	2012 \$'000s
ASSETS			
Current assets			
Cash and cash equivalents	3	2,614	498
Trade and other receivables	4	601	349
Other Receivables	4	127	217
Total current assets		3,342	1,064
Non-current assets			
Financial assets	6	1,343	4,372
Property, plant and equipment	5	91	106
Total non-current assets		1,434	4,478
Total assets		4,776	5,542
LIABILITIES			
Current liabilities			
Trade and other payables	7	1,969	1,508
Provisions	8	168	157
Total current liabilities		2,137	1,665
Non-current liabilities			
Provisions	8	16	24
Total non-current liabilities		16	24
Total liabilities		2,153	1,689
NET ASSETS		2,623	3,853
EQUITY			
Issued Capital		96	96
Reserves		139	1
Retained earnings		2,388	3,756
Total equity		2,623	3,853

The above Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013

	Notes	2013 \$'000s	2012 \$'000
Revenue	2	9,201	10,211
Employee benefits expense		(5,198)	(4,515)
Depreciation and amortisation expense		(67)	(78)
Production expenses		(593)	(803)
Venue expenses		(1,073)	(1,052)
Touring expenses		(1,639)	(1,347)
Marketing expenses		(971)	(1,090)
Fundraising expenses		(138)	(166)
Audit, legal & consulting expenses		(29)	(44)
Rent expense		(324)	(312)
Administration expenses		(469)	(439)
Other expenses		(68)	(80)
Surplus/(deficit) before income tax		<u>(1,368)</u>	<u>285</u>
Income tax expense		-	-
Surplus/(deficit) after income tax for the year		<u>(1,368)</u>	<u>285</u>
Other comprehensive income:			
Net changes in fair value of available-for-sale financial assets		138	116
Other comprehensive income for the year, net of tax		<u>138</u>	<u>116</u>
Total comprehensive income/(loss) for the year		<u>(1,230)</u>	<u>401</u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity for the year ended 31 December 2013

	Notes	Issued Capital \$'000s	Reserves \$'000s	Retained earnings \$'000s	Total equity \$'000s
Balance at 1 January 2013		96	1	3,756	3,853
Deficit for the year				(1,368)	(1,368)
Increase in fair value of AFS		-	138	-	138
Total comprehensive income for the year		-	138	(1,368)	(1,230)
Balance at 31 December 2013		96	139	2,388	2,623
Balance at 1 January 2012		96	(115)	3,471	3,452
Surplus for the year				285	285
Increase in fair value of AFS		-	116	-	116
Total comprehensive income for the year		-	116	285	401
Balance at 31 December 2012		96	1	3,756	3,853

This above Statement of Changes in Equity should be read in conjunction with the notes to the financial statements

Statement of Cash Flows for the year ended 31 December 2013

	Notes	2013 \$'000	2012 \$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from fundraising		2,190	2,684
Receipt of grants		2,966	2,239
Receipt from sales		4,530	4,971
Investment income received		242	282
Interest received		22	56
Other receipts		6	77
Payments to suppliers and employees		(10,955)	(10,140)
Net cash generated from operating activities	14	(999)	169
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(52)	(76)
Payment for available-for-sale investments		(93)	(498)
Proceeds from sale of available-for-sale investments		3,260	-
Net cash provided by/(used in) investing activities		3,115	(574)
Net change in cash and cash equivalents		2,116	(405)
Cash and cash equivalents at the beginning of the financial year		498	903
Cash and cash equivalents at the end of the financial year	3	2,614	498

This above Statement of Cash Flows should be read in conjunction with the notes to the financial statements

Notes to the financial statements for the year ended 31 December 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are for The Bell Shakespeare Company Limited as an individual entity, incorporated and domiciled in Australia.

The Bell Shakespeare Company Limited has elected to early adopt the pronouncements AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ACCOUNTING POLICIES

(A) REVENUE

Revenue from provision of theatrical and educational productions is recognised upon the provision of the service to customers. Revenue from the sale of programs and merchandise is recognised upon the delivery of goods to customers.

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds

Sponsorship revenue where the company incurs an obligation to deliver an equivalent economic value directly back to the contributor, is considered a reciprocal transaction and initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Sponsorship that is considered non-reciprocal is accounted for similarly to donations, and recognised as income upon receipt.

Donations are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Investment income comprises interest, dividends and investment trust distributions. Interest income is recognised as it accrues, using the effective interest method. Dividends and investment trust distributions are recognised when the right to receive a dividend or distribution has been established.

Notes to the financial statements for the year ended 31 December 2013 (cont.)

(B) PRODUCTIONS IN PROGRESS

Where the company has theatrical productions in progress, the practice is for the running costs for the tour of each activity to be accumulated and reduced by box office income until completion, at which time the result is determined and the company's share brought to account. All costs with respect to uncompleted seasons are carried forward at balance date on the basis that it is reasonably expected that future revenue sufficient to absorb the costs carried forward will be derived. Where this is not the case such costs are written off in the period in which they are incurred.

(C) PROPERTY, PLANT AND EQUIPMENT

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

PLANT AND EQUIPMENT

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

The carrying amount of plant and equipment is reviewed annually by directors 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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

DEPRECIATION

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity 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 - Production and theatre equipment Office furniture and equipment Leasehold improvements are all depreciated using 33.3%, straight line. Vehicles are depreciated using 20%, straight line. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

Asset classes 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 or losses are included in the Statement of Comprehensive Income.

(D) LEASES

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

(E) FINANCIAL INSTRUMENTS

INITIAL RECOGNITION AND MEASUREMENT

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Subsequent to initial recognition these instruments are measured as set out below.

Notes to the financial statements for the year ended 31 December 2013 (cont.)

(i) Available-for-sale financial assets

Available-for-sale financial assets comprise investments in listed and unlisted entities and any non-derivatives that are not classified as any other category of financial assets, and are classified as non-current assets (unless management intends to dispose of the investment within 12 months of end of the reporting period). After initial recognition, these investments are measured at fair value with gains or losses recognised as a separate component of equity (available-for-sale investments revaluation reserve). Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment) the full amount including any amount previously charged to equity, is recognised in the net profit for the period. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available for sale reserve. On sale, the amount held in available for sale reserves associated with that asset is removed from equity and recognised in the net profit for the period

(ii) Other financial assets

Other financial assets are reflected at fair market value and largely represent cash balances, which are not available for use.

(iii) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

FAIR VALUE

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

IMPAIRMENT

At each end of the reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit or loss.

(F) IMPAIRMENT OF ASSETS

At the end of each reporting period, the entity 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 recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Notes to the financial statements for the year ended 31 December 2013 (cont.)

(G) EMPLOYEE BENEFITS

ANNUAL LEAVE

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs

LONG SERVICE LEAVE

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Expected future payments are discounted using national government bond rates at Statement of Financial Position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(I) 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 Australian Taxation 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 expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST

(J) INCOME TAX

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

(K) PROVISIONS

Provisions are recognised when the entity 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.

(L) TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms of 30 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the company will not be able to collect all amounts due according to the original terms.

Notes to the financial statements for the year ended 31 December 2013 (cont.)

(M) TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the company prior to the year-end and which are unpaid. These amounts are unsecured and have 30 day payment terms

(N) COMPARATIVE FIGURES

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

(O) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

KEY ESTIMATES

General

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

Impairment

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

KEY JUDGEMENTS

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Notes to the financial statements for the year ended 31 December 2013 (cont.)

2 REVENUE

	2013	2012
	\$'000	\$'000
Revenue		
Government grants	2,417	2,359
Fundraising	2,228	2,572
Performance revenue	4,212	4,809
Programme & merchandising revenue	74	93
Investment income	242	292
Interest income	22	56
Other income	6	30
	9,201	10,211

3 CASH & CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash at the end of the financial year as shown in the Statement of Financial Position is made up as follows:

	2013	2012
	\$'000	\$'000
Cash on hand	2	3
Cash at bank	678	495
Short term deposits	1,934	-
Cash and cash equivalents	2,614	498

4 TRADE AND OTHER RECEIVABLES

	2013	2012
	\$'000	\$'000
Current		
Trade receivables	601	349
Provision for impairment	-	-
	601	349
Other receivables	127	217
	728	566

Notes to the financial statements for the year ended 31 December 2013 (cont.)

5 PROPERTY, PLANT AND EQUIPMENT

Details of the Company's property, plant and equipment and their carrying amount are as follows:

	Production equipment \$'000	Office Furniture & equipment \$'000	Leasehold improvements \$'000	Total \$'000
Gross carrying amount				
Balance 1 January 2013	72	234	139	445
Additions	30	22	-	52
Disposals	-	-	-	-
Balance 31 December 2013	102	256	139	497
Depreciation and impairment				
Balance 1 January 2013	49	174	116	339
Disposals	-	-	-	-
Depreciation	19	38	10	67
Balance 31 December 2013	68	212	126	406
Carrying amount 31 December 2013	34	44	13	91

6 FINANCIAL ASSETS

The carrying amounts presented in the statement of financial position relate to the following categories of assets:

	Notes	2013 \$'000	2012 \$'000
Financial assets			
AFS financial assets			
RIS Investment - Securities	6(a)	1,243	4,112
Other financial assets	6(c)	100	261
		1,343	4,373

(a) Available-for-sale financial assets comprise:

RIS Investments - Units in Investment Trust	6(b)	1,243	1,012
Managed Fixed Interest Portfolio	6(d)	-	2,945
Balanced Investment Fund		-	155
		1,243	4,112

(b) RIS Investments represent a part of the amount invested under the Reserve Incentive Scheme ('RIS'), an initiative of the two core Funding Bodies, the Australia Council and the NSW Ministry for the Arts. In accordance with the RIS Agreement between the company and the Funding Bodies, these funds may only be accessed with the express agreement of the Funding Bodies and under prescribed circumstances until 12 June 2018, after which date they are freed from any restrictions. RIS Funds have not been used to secure any liabilities of the Company.

Notes to the financial statements for the year ended 31 December 2013 (cont.)

- (c) Other financial assets are not considered accessible to the company for the purposes of this classification.
- (d) The Managed Fixed Interest Portfolio was an investment portfolio managed by Perpetual Trustees for the company. These investments were redeemed during the year and converted to cash term deposits.

7 TRADE AND OTHER PAYABLES

Trade and other payables recognised consist of the following:

	2013	2012
	\$'000	\$'000
Current		
Trade payables	291	317
Deferred revenue	1,678	1,191
Total trade and other payables	1,969	1,508

Deferred revenue consists of government grants and third party sponsorship revenue received in advance for services to be rendered by the Company. Revenue will be recognised as services are performed or conditions fulfilled.

8 PROVISIONS

The liabilities recognised for employee benefits consist of the following amounts:

	2013	2012
	\$'000	\$'000
Current:		
Annual leave	97	101
Long service leave	71	56
	168	157
Non-current:		
Long service leave	16	24

Notes to the financial statements for the year ended 31 December 2013 (cont.)

9 CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

The Company's future minimum operating lease payments are as follows:

	Minimum lease payments due			
	Within 1	1 to 5	After 5	Total
	year	years	years	
	\$'000	\$'000	\$'000	\$'000
31 December 2013	295	937	-	1,232
31 December 2012	-	99	44	143

The major part of the lease commitments reported above relates to the lease of rehearsal premises for the company which was renewed in March 2013 with an option to renew for a further 2 years. Included in the 2013 amount are lease commitments for office premises which continue on a month to month basis. A lesser part relates to the lease of office equipment which expires in June 2015; this lease carries an escalation clause which is expected to be in line with economic conditions.

(b) Capital Commitments

There were no capital commitments in relation to items of plant and equipment where funds have been committed but the assets not yet received.

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

During the year donations were received from certain Directors and Director-related parties and these are named amongst those private donors listed in the 2013 Annual Report.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Key Management Persons (KMP) has been taken to comprise the directors and members of the executive management responsible for the day to day financial and operational management of the entity.

The aggregate compensation of Key Management Persons during the year comprising amounts paid or payable or provided for was as follows:

	2013	2012
	\$'000	\$'000
Total key management personnel remuneration	761	737

Notes to the financial statements for the year ended 31 December 2013 (cont.)

11 CONTINGENT LIABILITIES

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2013	2012
	\$'000	\$'000
Bank guarantee – lease premises	70	70
Bank guarantee – autopay facility	30	30
	<u>100</u>	<u>100</u>

12 EVENTS AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

13 ISSUED CAPITAL

The company is incorporated under the *Corporations Act 2001* and is a company limited by shares. The shares are deemed to have no commercial value. The Constitution of the company prohibits the distribution of income and property by way of dividend or bonus. The Constitution also prohibits the return of capital or of any other distribution to members on winding up

14 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit after income tax

	2013	2012
	\$'000	\$'000
Profit/(loss) after income tax	(1,368)	285
Non cash flows		
Depreciation and amortisation	67	78
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(162)	(262)
Increase/(decrease) in trade and other payables	461	109
Increase/ (decrease) in provisions	3	(41)
Net cash provided by operating activities	<u>(999)</u>	<u>169</u>

Notes to the financial statements for the year ended 31 December 2013 (cont.)

15 FUNDRAISING

The Bell Shakespeare Company undertakes fundraising appeals throughout the year; it holds an authority to fundraise under the Charitable Fundraising Act 1991 (NSW). Additional information and declarations to be furnished under this Act are as follows:

(a) Details of aggregate fundraising income and expense from fundraising appeals

	2013	2012
	\$'000	\$'000
Donations:		
Capital Fund Campaign	5	-
Young Artists Fund campaign	42	112
Supporting Cast	456	438
Hearts In A Row	152	183
Bequests	-	12
<i>Donations – sub total</i>	655	745
Sponsorships	1,054	1,300
Events	98	-
Trusts & Foundations	421	527
Gross income raised by Appeals	2,228	2,572
Less direct costs of fundraising appeals	(138)	(166)
Net surplus from fundraising appeals	2,090	2,406

(b) Application of funds

Funds raised through the Capital Fund and bequests are designated for securing the future of the company. Funds raised through the Young Artists Fund are designated to subsidise a Creative Fellowship Program. All other funds raised support the current theatrical productions and educational work of the company.

(c) Forms of appeal

Appeals during the year included general appeals for sponsorship and donations

(d) Traders

Bell Shakespeare employs staff to manage and coordinate its fundraising activities and does not use commercial fundraising traders in any capacity.

Notes to the financial statements for the year ended 31 December 2013 (cont.)

(e) Comparative figures and ratios

	2013	2012
	\$'000	\$'000
Overall Breakdown of expenditure		
Production expenses	5,376	5,664
Marketing/Fundraising	1,110	693
Administration	4,083	3,569
Total expenditure	10,569	9,926

Fundraising Results

Cost of fundraising/gross income from fundraising (\$)	138/2,228	166/2,572
Cost of fundraising/gross income from fundraising (%)	6%	6%
Net surplus from fundraising/gross income from fundraising (\$)	2,090/2,228	2,406/2,572
Net surplus from fundraising/gross income from fundraising (%)	94%	94%
Total cost of services provided/total expenditure (\$)	5,376/10,569	5,664/9,926
Total cost of services provided/total expenditure (%)	51%	57%
Total cost of services provided/total income received (\$)	5,376/9,201	5,664/10,211
Total cost of services provided/total income received (%)	58%	55%

(f) Declaration by Chairman as required by the Charitable Fundraising Act 1991 (NSW)

I, Ilana Atlas, Chairman of The Bell Shakespeare Company Limited, declare that in my opinion:

- (i) The Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013 gives a true and fair view of all income and expenditure with respect to fundraising appeals.
- (ii) The Statement of Financial Position as at 31 December 2013 gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (iii) The provisions of the Charitable Fundraising Act 1991 (NSW) and the regulations under the Act and the conditions attached to the authority have been complied with; and
- (iv) The internal controls exercised by Bell Shakespeare are appropriate and effective in accounting for all income received and applied by Bell Shakespeare from any of its fundraising appeals.

Signed



Ilana Rachael Atlas

Chairman

Sydney, 26 March 2014

Directors' declaration

In the opinion of the directors of Bell Shakespeare Company Ltd:

- (a) the financial statements and notes of Bell Shakespeare Company Ltd are in accordance with the *Corporations Act 2001*, including
 - (i) giving a true and fair view of its financial position as at 31 December 2013 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards-Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 200*
- (b) there are reasonable grounds to believe that Bell Shakespeare Company Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Ilana Rachael Atlas

Director

Dated this 26th day of March 2014

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report To the Members of The Bell Shakespeare Company Limited

We have audited the accompanying financial report of The Bell Shakespeare Company Limited (the "Company"), which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company .

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001, and the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2008. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- (a) the financial report of The Bell Shakespeare Company is in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001;
- (b) the financial report agrees to the underlying records of The Bell Shakespeare Company, that have been maintained, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations for the year ended 31 December 2013; and
- (c) monies received by The Bell Shakespeare Company, as a result of fundraising appeals conducted during the year ended 31 December 2013, have been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance
Sydney, 26 March 2014