

# **The Bell Shakespeare Company Limited**

Financial Statements for the year ended  
31 December 2015

## The Bell Shakespeare Company Limited Financial Statements

For the year ended 31 December 2015

### Directors' Report

The Directors of The Bell Shakespeare Company Limited (the "Company") present their Report together with the financial statements of the entity, for the year ended 31 December 2015.

### 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.
- 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:

- 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.

## The Bell Shakespeare Company Limited Financial Statements

For the year ended 31 December 2015

### Director details

The following persons were Directors of the Company during or since the end of the financial year:

#### **Ilana Rachel Atlas**

BJURIS (HONS) LLB (HONS) LLM

Chairman, Director since January 2004

Ilana Atlas is a non-executive director of ANZ Banking Group Limited, Coca-Cola Amatil Limited, Westfield Corporation Limited and Treasury Corporation of New South Wales. She is Chairman of The Bell Shakespeare Company and on the boards of the Human Rights Law Centre and Jawun. She is also a Fellow of the Senate of Sydney University.

Her last executive role was Group Executive, People, at Westpac, where she was responsible for human resources, corporate affairs and sustainability. Prior to that role, she was Group Secretary and General Counsel. Before her 10 year career at Westpac, Ilana was a partner in law firm Mallesons Stephen Jaques (now known as King & Wood Mallesons). In addition to her practice in corporate law, she held a number of management roles in the firm including Executive Partner, People and Information, and Managing Partner.

#### **John Anthony Bell AO**

BA (HONS)

Artistic Director since inception July 1990 (resigned 31 December 2015)

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 NIDA, 1970; and freelance work as Director and Actor until 1991. Founded the Bell Shakespeare Company in 1990. 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. Also sits on the Board of the NSW Public Education Foundation.

#### **Antony de Jong**

BSC LLB (HONS) MBA, GAICD

Director since February 2002 (resigned 20 May 2015)

Head of Belong, Telstra Corporation. 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.

#### **Peter Evans**

Director since September 2014

Peter Evans is Bell Shakespeare's Artistic Director. He has also directed with Sydney Theatre Company, Melbourne Theatre Company, Queensland Theatre Company, New Zealand's Court Theatre and Red Stitch Actors Theatre among others.

#### **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.

**Anne Loveridge**

BA (HONS) French and Economics

Director since August 2014

Non-Executive Director at National Australia Bank and a Member of Nominations Committee International Federation of Accountants.

Until she retired from the partnership in November 2015 Anne was a Partner and Deputy Chairman at PwC Australia. Anne held various roles at PwC in UK and Australia from 1984-2015

**Gene Thomas Tilbrook**

BSC, DIPL. COMP, MBA (UWA); AMP (HBS)

Director since May 2010

Non-executive director of Orica, GPT Group and Woodside. Member of Council of Curtin University and Board of AICD. From 1985 to 2009 held roles at Wesfarmers in strategy, M & A, finance and projects; including as an executive director from 2002 to 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, he is a Director of the Centre for International Finance and Regulation. Prior to commencing with the Group, Alden was First Manhattan Consulting Group's 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 heads the litigation department in Melbourne for Gilbert & Tobin.

**Helen Rodda Williams AO**

BA (HONS) FAIM

Director since June 2010

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.

**Philip Crutchfield QC**

Director since June 2015

Philip holds Commerce and Honours Law Degrees from the University of Melbourne and a Master of Laws from the London School of Economics and Political Science. He was admitted to the Mallesons Stephen Jaques partnership on 1 January 1996 and signed the Victorian Bar roll in November 2008. He took silk in 2009. He is a Senior Fellow in the Law Faculty of the University of Melbourne, a member of the Melbourne

## The Bell Shakespeare Company Limited Financial Statements

For the year ended 31 December 2015

University Law School Foundation Board, Fellow of the Australian Academy of Law and President of the Commercial Bar Association of Victoria.

### 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	No. of board meetings eligible to attend	Board	A&R committee	Development Committee	Remuneration & Nominations Committee
Ilana Rachel Atlas	7	7	-	-	4
John Anthony Bell	7	5	-	-	4
Catherine Jane Caro	7	5	-	-	-
Antony de Jong	4	4	3	-	-
Anne Loveridge	7	6	5	4	-
Graham Charles Froebel	7	6	5	-	-
Kathryn Therese Greiner	7	5	-	-	-
Gene Thomas Tilbrook	7	6	5	-	4
Helen Rodda Williams	7	4	-	-	4
Janet Whiting	7	6	-	-	-
Alden Toevs	7	5	-	4	-
Greg Hutchison	7	5	-	-	-
Peter Evans	7	6	-	-	-
Philip Crutchfield	4	3	-	-	-

The Company Secretary is John Henderson, appointed 3 December 2014.

### Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 6 of this financial report.

Signed in accordance with a resolution of the Directors (Responsible Entities).



Director

Sydney, 15 April 2016

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

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as auditor of The Bell Shakespeare Company Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012, in relation to the audit; and
2. 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, 15 April 2016

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**Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015**

	Notes	2015 \$'000	2014 \$'000
Revenue	2	9,724	9,375
Employee benefits expense		(5,018)	(5,355)
Depreciation and amortisation expense		(47)	(61)
Production expenses		(849)	(877)
Venue expenses		(899)	(1,055)
Touring expenses		(951)	(1,041)
Marketing expenses		(821)	(892)
Fundraising expenses		(179)	(103)
Audit, legal & consulting expenses		(29)	(26)
Rent expense		(310)	(313)
Administration and other expenses		(395)	(331)
<b>Surplus/(deficit) for the year</b>		<b>222</b>	<b>(679)</b>
<b>Other comprehensive income:</b>			
Net changes in fair value of available-for-sale financial assets		(92)	43
<b>Other comprehensive income for the year</b>		<b>(92)</b>	<b>43</b>
<b>Total comprehensive income/(deficit) for the year</b>		<b>130</b>	<b>(636)</b>

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 Financial Position as at 31 December 2015**

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	3,023	1,876
Trade and other receivables	4	592	506
Other current assets	4	190	149
<b>Total current assets</b>		<b>3,805</b>	<b>2,531</b>
<b>Non-current assets</b>			
Financial assets	6	1,471	1,437
Property, plant and equipment	5	24	66
Intangible assets		10	16
<b>Total non-current assets</b>		<b>1,505</b>	<b>1,519</b>
<b>Total assets</b>		<b>5,310</b>	<b>4,050</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	1,291	1,391
Deferred grant revenue		1,709	454
Provisions	8	148	188
<b>Total current liabilities</b>		<b>3,148</b>	<b>2,033</b>
<b>Non-current liabilities</b>			
Provisions	8	45	30
<b>Total non-current liabilities</b>		<b>45</b>	<b>30</b>
<b>Total liabilities</b>		<b>3,193</b>	<b>2,063</b>
<b>NET ASSETS</b>		<b>2,117</b>	<b>1,987</b>
<b>Funds</b>			
Issued Capital	13	96	96
Reserves		90	182
Accumulated Funds		1,931	1,709
<b>Total Funds</b>		<b>2,117</b>	<b>1,987</b>

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

**Statement of Changes in Funds for the year ended 31 December 2015**

	Notes	Issued Capital \$'000	Available For Sale Revaluation Reserve \$'000	Accumulated Funds \$'000	Total Funds \$'000
<b>Balance at 1 January 2014</b>		<b>96</b>	<b>139</b>	<b>2,388</b>	<b>2,623</b>
Balance at 1 January 2014		96	139	2,388	2,623
Deficit for the year		-	-	(679)	(679)
Increase in fair value of AFS		-	43	-	43
Total comprehensive income for the year		-	43	(679)	(636)
<b>Balance at 31 December 2014</b>		<b>96</b>	<b>182</b>	<b>1,709</b>	<b>1,987</b>
Balance at 1 January 2015		96	182	1,709	1,987
Surplus for the year		-	-	222	222
Decrease in fair value of AFS		-	(92)	-	(92)
Total comprehensive income for the year		-	(92)	222	130
<b>Balance at 31 December 2015</b>		<b>96</b>	<b>90</b>	<b>1,931</b>	<b>2,117</b>

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

## Statement of Cash Flows for the year ended 31 December 2015

	Notes	2015 \$'000	2014 \$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from fundraising and sponsorships		2,834	2,545
Receipt of grants		3,236	2,496
Receipt from sales		4,855	5,086
Investment income received		-	69
Interest received		176	74
Payments to suppliers and employees		(9,954)	(10,905)
<b>Net cash flow from operating activities</b>	14	<b>1,147</b>	<b>(635)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	(36)
Purchase of intangibles assets		-	(16)
Payment for available-for-sale investments		-	(51)
Proceeds from sale of available-for-sale investments		-	-
<b>Net cash provided by/(used in) investing activities</b>		<b>-</b>	<b>(103)</b>
Net change in cash and cash equivalents		1,147	(738)
Cash and cash equivalents at the beginning of the financial year		1,876	2,614
<b>Cash and cash equivalents at the end of the financial year</b>	3	<b>3,023</b>	<b>1,876</b>

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 2015

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The financial statements are for The Bell Shakespeare Company Limited a company limited by shares, incorporated and domiciled in Australia. The company is a not-for-profit entity registered with the Australian Charities and Not-for-profits Commission.

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 in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and its Regulations.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board 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 2015 (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 less, where applicable, 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 directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

#### **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 2015 (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 2015 (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 Company is exempt from income tax under Division 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 2015 (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 2015 (cont.)

**2 REVENUE**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Government grants	2,281	2,351
Fundraising	2,750	2,451
Performance revenue	4,389	4,340
Programme & merchandising revenue	94	82
Investment income	190	69
Interest income	20	74
Other income	-	8
	<b>9,724</b>	<b>9,375</b>

**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:

Cash on hand and at bank	607	776
Short term deposits	2,416	1,100
	<b>3,023</b>	<b>1,876</b>

**4 TRADE AND OTHER RECEIVABLES**

Trade receivables	592	506
Provision for impairment	-	-
	<b>592</b>	<b>506</b>
Other – prepayments	190	149
	<b>782</b>	<b>655</b>

**Notes to the financial statements for the year ended 31 December 2015 (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	Motor vehicles \$'000	Total \$'000
<b>Gross carrying amount</b>					
Balance 1 January 2015	102	266	139	27	534
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance 31 December 2015	102	266	139	27	534
<b>Depreciation and impairment</b>					
Balance 1 January 2015	84	244	135	5	468
Disposals	-	-	-	-	-
Depreciation	15	17	4	6	42
Balance 31 December 2015	99	261	139	11	510
<b>Carrying amount 31 December 2015</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>16</b>	<b>24</b>

**6 FINANCIAL ASSETS**

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

	Notes	2015 \$'000	2014 \$'000
<b>Financial assets</b>			
AFS financial assets			
RIS Investment - Securities	6(a)	1,371	1,337
Other financial assets	6(b)	100	100
		1,471	1,437

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

RIS Investments - Units in Investment Trust	6(c)	1,371	1,337
		1,371	1,337

(b) Other financial assets are not considered accessible to the company for the purposes of this classification.

(c) 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 2015 (cont.)**

**7 TRADE AND OTHER PAYABLES**

Trade and other payables recognised consist of the following:

	2015 \$'000	2014 \$'000
<b>Current</b>		
Trade payables	125	119
Other creditors	1,166	1,272
	<u>1,291</u>	<u>1,391</u>

**8 PROVISIONS**

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

**Current:**

Annual leave	117	123
Long service leave	31	65
	<u>148</u>	<u>188</u>

**Non-current:**

Long service leave	<u>45</u>	<u>30</u>
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**9 CAPITAL AND LEASING COMMITMENTS**

**(a) Operating lease commitments**

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

	<b>Minimum lease payments due</b>			
	<b>Within 1 year</b>	<b>1 to 5 years</b>	<b>After 5 years</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>31 December 2015</b>	202	96	-	298
<b>31 December 2014</b>	307	949	-	1,256

The major part of the lease commitments reported above relates to the lease of rehearsal premises for the Company which expires in June 2016. Included in the amounts 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 May 2019; this lease carries an escalation clause which is expected to be in line with economic conditions. This note includes amounts expected to be paid within five years. No current lease extends beyond five years.

**(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.

## Notes to the financial statements for the year ended 31 December 2015 (cont.)

### 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 2015 Annual Report.

Key Management Personnel (KMP) 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 Personnel 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:

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Key Management Personnel remuneration	<b>691</b>	<b>664</b>

### Share Issued to Directors

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

<b>Shares held by directors</b>	<b>2015</b>	<b>2014</b>
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
Graham Charles Froebel	5,000	5,005
Kathryn Therese Greiner	5,000	5,000
Gene Thomas Tilbrook	5,000	5,000
Helen Rodda Williams	5,000	5,000
Anne Loveridge	5,000	-
Janet Whiting	5,000	-
Alden Toevs	5,000	-
Peter Evans	5,000	-
John Henderson	5,000	-
Philip Crutchfield	5,000	-
Greg Hutchinson	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.

**Notes to the financial statements for the year ended 31 December 2015 (cont.)**

**11 CONTINGENT LIABILITIES**

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

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank guarantee – lease premises	70	70
Bank guarantee – auto-pay 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 the Australian Charities and Not-for-profits Commission Act 2012 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

<b>Operating surplus/(deficit)</b>	<b>222</b>	<b>(679)</b>
<b>Non cash flows</b>		
Depreciation and amortisation	47	61
Distribution income reinvested	(126)	-
<b>Change in assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(75)	118
Increase/(decrease) in trade payables	(152)	(122)
Increase/(decrease) in deferred revenue	1,256	(47)
Increase/(decrease) in provisions	(25)	34
<b>Net cash provided by operating activities</b>	<b><u>1,147</u></b>	<b><u>(635)</u></b>

**Notes to the financial statements for the year ended 31 December 2015 (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**

	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Donations:</b>		
Capital Fund Campaign	-	-
Young Artists Fund campaign	-	-
Supporting Cast	594	646
Sharing Shakespeare	205	150
<i>Donations – sub total</i>	<u>799</u>	<u>796</u>
Syndicates	66	-
Sponsorships	838	829
Events	489	226
Trusts & Foundations	558	600
<b>Gross income raised by Appeals</b>	<u>2,750</u>	<u>2,451</u>
Less direct costs of fundraising appeals	<u>(180)</u>	<u>(103)</u>
<b>Net surplus from fundraising appeals</b>	<u>2,570</u>	<u>2,348</u>

**(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.

**(e) Comparative figures and ratios**

Overall breakdown of expenditure

Production expenses	5,479	5,603
Marketing/Fundraising	1,000	995
Administration	3,022	3,456
Total expenditure	<u>9,501</u>	<u>10,054</u>

**Fundraising Results**

Cost of fundraising/gross income from fundraising (\$)	179/2,750	103/2,451
Cost of fundraising/gross income from fundraising (%)	7%	4%
Net surplus from fundraising/gross income from fundraising (\$)	2,570/2,750	2,348/2,451

Net surplus from fundraising/gross income from fundraising (%)	93%	96%
Total cost of services provided/total expenditure (\$)	5,479/9,501	5,603/10,054
Total cost of services provided/total expenditure (%)	58%	56%
Total cost of services provided/total income received (\$)	5,479/9,724	5,603/9,375
Total cost of services provided/total income received (%)	56%	60%

## 16 COMPANY DETAILS

The registered office of the Company is:

'Cleland Bond' Level  
1, 7 – 33 Playfair Street  
THE ROCKS NSW 2000

**Notes to the financial statements for the year ended 31 December 2015 (cont.)**

**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 2015 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 2015 gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (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

A handwritten signature in black ink that reads "Ilana Atlas". The signature is written in a cursive, flowing style.

**Ilana Rachael Atlas**

Chairman

Sydney, 15 April 2016

## Responsible Entities' Declaration

The Responsible Entities of The Bell Shakespeare Company Limited declare that:

- 1) The financial statements and notes of the Company are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:
  - a. giving a true and fair view of its financial position as at 31 December 2015 and of its performance for the financial year ended on that date;
  - b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the Board of The Bell Shakespeare Company Limited.



**Ilana Rachael Atlas**

Director

Dated 15 April 2016

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Sydney NSW 2000

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## **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 2015, the statement 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 to the financial report and the Responsible Entities' declaration of the Company.

### **Responsible Entities' responsibility for the financial report**

The Responsible Entities of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012, the NSW Charitable Fundraising Act 1991 and the NSW Charitable Funding Regulation 2015. This responsibility includes such internal controls as the Responsible Entities determine are necessary to enable the preparation of the financial report to be 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 which 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 and fair presentation of the financial report 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 Responsible Entities, 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

### **Auditor's opinion**

In our opinion:

- 1) the financial report of The Bell Shakespeare Company Limited is in accordance with the Australia Charities and Not-for-Profits Commission Act 2012, including:
  - a. giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the year ended on that date;
  - b. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013;
- 2) the financial report agrees to the underlying records of the 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 2015; and
- 3) monies received by the Company, as a result of fundraising appeals conducted during the year ended 31 December 2015, 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, 15 April 2016