

GRIFFIN THEATRE COMPANY LIMITED

ABN 98 001 991 153

FINANCIAL STATEMENTS

for the year ended 31 December 2017

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GRIFFIN THEATRE COMPANY LIMITED – ABN 98 001 991 153

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

CORPORATE INFORMATION

ABN 98 001 991 153

Directors of the Company

The following Directors were in office at the date of this report:

Bruce Meagher (Chair)

Lee Lewis

Simon Burke AO

Lyndell Droga

Tim Duggan

Kate Mulvany

Mario Philippou

Sue Procter

Lenore Robertson

Simone Whetton

Company Secretary

Simone Whetton

Registered office and principal place of business

13 Craigend Street

KINGS CROSS NSW 2011

Auditors

Rosenfeld, Kant & Co

Business & Financial Solutions

Level 24, Tower 2

101 Grafton Street

BONDI JUNCTION NSW 2022

Phone: 02 9375 1200

Gary Williams – Partner

Bank

Commonwealth Bank – Potts Point Branch

Shop 1 50-58 Macleay Street

POTTS POINT NSW 2011

Legal representatives

Marque Lawyers

Level 4 343 George Street

SYDNEY NSW 2000

DIRECTORS' REPORT

The Directors of Griffin Theatre Company (the Company) submit the annual financial report for the financial year ended 31 December 2017. The Directors are as follows:

DIRECTORS DETAILS

The names of each person who has been a Director during the year and to the date of this report are:

Name of Director	Board Meetings		Finance Committee		Fundraising Committee	
	A	B	A	B	A	B
Bruce Meagher (Chair)	7	7			5	4
Lee Lewis	7	6				
Simon Burke	4	4				
Lyndell Droga	7	7			3	3
Tim Duggan	7	6			5	4
Patrick Guerrero	7	5			5	3
Kate Mulvany	7	2				
Mario Philippou	7	6	7	7		
Sue Procter	7	6	7	7		
Lenore Robertson	7	7				
Simone Whetton	7	6				

- A. Number of applicable meetings convened during the time the Director held membership in 2017
 B. Number of meetings attended

SHORT AND LONG-TERM STRATEGIES AND OBJECTIVES

Griffin Theatre Company's current Strategic Plan covers the period 2016 – 2020.

The plan's Executive Summary highlights the following strategic priorities:

Griffin has built a reputation for artistic excellence, innovation, creative risk and audience engagement. For a small stage, it is a major player in shaping the future of Australian theatre. In this five-year plan we set the framework to continue to build on the successful growth of the last five years: to discover new audiences and new artists; to question, challenge, innovate and explore the Australian way of making theatre; to adapt to the changing cultural environment; and to forge ahead, capturing the imagination of Australia for the world to see.

This plan reflects the company's short-term imperative to respond to the Federal funding parameters in such a way that necessary efficiencies still reflect our longer-term goals.

The overarching objective of the company over the period of this Strategic Plan is to amplify the voice of Griffin as the leading exponent of new Australian writing in the country. We need to reach larger, more diverse, regional and national audiences, and we need to do it with less governmental support. Our programming must be unique, innovative and exciting enough to attract significantly increased support from, and partnerships with, the wider theatre community, other theatre companies, private donors, sponsors, philanthropists and foundations.

The 2017 season, when programmed, reflected the optimum producing scale for a company of Griffin's size and function in the performing arts community. 2017 has seen the company structure reviewed, the developmental projects refined, and the number of works produced reduced. However, strategic management of the contraction of the company will allow us to create a new structure for anticipated re-expansion in 2020. When we return to our optimum producing scale in 2020, we will be doing so with a company structure that is better suited to engage with contemporary audiences. This is a chance to re-examine, rejuvenate and redefine the way we make professional theatre so that we are better able to communicate with modern changing audiences.

1. Programming

We are conscious of the role Griffin plays in the artistic community as a champion of riskier playwrights and plays. We will continue to provide a platform for work that would not otherwise find a place on a main stage.

In 2017 we presented three new main stage works and one revival, with the intention to increase the producing model back to five works over the course of the plan. We will continue to look to our successful presenting and co-producing relationships with Major Performing Arts companies, as was evident in 2017 with *The Homosexuals*, a co-production with Malthouse Theatre, and *Rice*, a co-production with Queensland Theatre, as well as partnerships with regional and other small to medium organisations to allow for further development and growth in this area.

The Main Season in 2017 was complemented by two special events: *Smurf in Wanderland*—a work produced in association with National Theatre of Parramatta—and a cabaret season featuring the legendary Robyn Archer.

We continued to program a number of works from independent artists and companies. While our capacity to financially support these companies is diminished, we are still in a position to mentor them artistically and encourage their professional development.

2017 also saw a hugely successful return season of Angus Cerini's *The Bleeding Tree* presented by the Sydney Theatre Company and a national tour of Roald Dahls' *The Witches*.

The development initiatives in place at Griffin create a flow of new influences into the company and a dissemination of ideas out into the community. The support for emerging artists with an interest in new Australian writing is fundamental to the continued growth of the company, bringing new artists, audiences and ideas to the work. These initiatives provide a vital platform for artists and a vibrant cultural hub for audiences. They create pathways for artists to transition to mainstage career opportunities. This is a priority area for Griffin. While the program was reviewed in 2017 to reflect current resources, we plan to explore philanthropic and sponsorship opportunities to make up any shortfall in the delivery of artistic development programs including Griffin Studio, the Griffin Award, The Lysicrates Prize and the Griffin Ambassadors program.

2. Audience

Our commitment to maintaining our current audience confidence in experiencing new work is strong. Our audience will always be our most valuable stakeholder.

The quality of our productions is of the utmost importance. Over the last five years, Griffin has invested significantly more financial resources in the production of mainstage works. Artist salaries and production design budgets have been increased (although remaining troublingly lower than other mainstage companies). Griffin had increased the length of the rehearsal process from four to five weeks, however this was reverted back to four weeks for the 2017 program with the plan to return back to five weeks over the course of this Strategic Plan. Increased audience numbers, steady subscriber numbers, consistently positive critical response, and the willingness of the best actors and designers to work with Griffin is all evidence that our investment is paying off for new Australian play making.

We will continue to invite new audiences into our theatre. We are building on our commitment to younger and more diverse programming including new CALD works. We will inspire new audiences to discover Griffin by engaging in developmental seasons of works by artists with crossover audiences, which in 2017 was achieved in both comedy and cabaret genres.

3. Collaboration with local, regional and interstate companies and artists

The current funding environment has necessitated greater engagement with audiences and artists beyond Sydney through further collaborations, co-productions and tours. Griffin will leverage the strong relationships that have been successfully established with companies around the state and across the country. Diverse voices that speak so powerfully on the Stables stage will reach both regional and national audiences.

inner city boundaries. The ability of Griffin to create and co-create excellent theatre— whether on large or small scale— that is both appealing and accessible to audiences, has never been stronger. This strength will allow the company to lead the industry conversation about the stories that belong on our mainstages over the next five years.

4. The company

Griffin is a well-managed company. To this point, Griffin has a stable and effective staff, a dynamic Artistic Director and a committed, active Board representing a diversity of skills and networks that extend the reach of the organisation and guarantee good governance.

In line with the new core funding parameters and in response to the Australia Council funding cap for small to medium companies, we have consolidated Griffin's organisational capacity through a structural review. Griffin is endeavouring to use these forced efficiencies to explore a new business model focused on creating interesting, diverse and challenging pathways for administrative staff. This involves investigating a model where individuals develop skills across various platforms including development, marketing and producing.

Griffin will continue to focus on organisational viability via effective Board governance and planning, realistic funding diversification and innovative stakeholder management and communications strategies. Over the next five years, these priorities—in keeping with available resources and the focus upon increased regional and national activity—will strengthen the financial foundations of the company, facilitating the ongoing pursuit of artistic excellence. New fundraising and sponsorship opportunities will be investigated with an eye to continue to diversify revenue streams.

REVIEW OF OPERATIONS 2017

Major achievements for the year have included:

Main Season

The company completed an artistic program in 2017 of a four-show main stage subscription season at the SBW Stables Theatre, under Artistic Director Lee Lewis and General Manager Karen Rodgers.

The company's productions were:

<i>Production</i>	<i>Details</i>	<i>Dates</i>
<i>A Strategic Plan</i>	Written by Ross Mueller Directed by Chris Mead	27 January to 11 March
<i>The Homosexuals or 'Faggots'</i>	Written by Declan Greene Directed by Lee Lewis A Co-production with Malthouse Theatre	17 March to 29 April
<i>Rice</i>	Written by Michele Lee Directed by Lee Lewis A Co-production with Queensland Theatre	21 July to 26 August
<i>Diving for Pearls</i>	Written by Katherine Thomson Directed by Darren Yap	8 September to 28 October

The company also produced the following special events:

<i>Production</i>	<i>Details</i>	<i>Dates</i>
<i>Smurf in Wonderland</i>	Written by David Williams Directed by Lee Lewis Co-produced with National Theatre of Parramatta	2 – 13 May 2017
<i>Robyn Archer</i>		4 – 15 July 2017

Griffin Independent

The company continued its Griffin Independent program— curating five productions from some of the most exciting independent producers in Australia. These productions reflect Griffin's philosophy of

featuring contemporary writing that is exciting, engaging, visceral and compelling. Griffin Independent productions during 2017 were:

<i>Production</i>	<i>Details</i>	<i>Dates</i>
<i>Nosferatutu</i>	Written by Tommy Bradson Directed by Sheridan Harbridge	7 – 21 January
<i>The Ham Funeral</i>	Written by Patrick White Directed by Kate Gaul	17 May – 10 June
<i>Sunset Strip</i>	Written by Suzie Miller Directed by Anthony Skuse	14 June – 1 July
<i>Merciless Gods</i>	Written by Christos Tsiolkas Adapted by Dan Giovannoni Directed by Stephen Nicolazzo	1 – 25 November
<i>Virgins & Cowboys</i>	Written by Morgan Rose Directed by Dave Sleswick	30 November – 16 December

Griffin Studio

The aim of the Studio is to establish career pathways for artists and to further contribute to the canon of great Australian plays developed and staged at Griffin.

In 2017, Griffin trialled a new version of the Studio that saw Phil Spencer (a Studio Artist in 2016) become a Senior Studio Artist for a year. Phil spent two days a week at the company and assisted with programming, script assessment, our Up Late series of events and the Griffin Award. Importantly, he also ran a new component of the Studio Program, titled Scratch, which enabled us to bring six new artists into the company to take part in a development and presentation of new comedy writing.

Griffin Award

Griffin continued its commitment to accepting and assessing scripts from around the nation, awarding its 2017 Griffin Award for new playwrighting to David Finnigan for *Kill Climate Deniers*.

Griffin Ambassadors

Griffin Ambassadors continued to be a fundamental and treasured part of the company's growth. Griffin Ambassadors introduced 71 year 10, 11 and 12 students from a wide range of metropolitan and regional schools to the company. These students became part of Griffin's creative life for a year, with free tickets to shows and workshops from our associate artists.

PRINCIPAL ACTIVITIES

Griffin Theatre Company is Australia's leading new writing theatre. The resident at the historic SBW Stables Theatre, Griffin develops and stages the best Australian stories, in a vital cultural hub, for the widest possible audience.

As the only professional theatre company in Australia solely dedicated to the development and production of new Australian plays, Griffin has been shaping the future of Australian theatre for over 30 years, continuing to provide Australia's most promising artists a place to explore and create.

Griffin's home venue, the SBW Stables Theatre, has an outstanding reputation as one of the great birthplaces of contemporary Australian theatre, and as Sydney's most intimate and engaging professional stage.

Presenting four or five productions each year, Griffin also tours across Australia. The company acts as a hub for artists and audiences alike: harnessing the talents of the country's best emerging writers and directors through our resident artist scheme, the Griffin Studio providing a platform for Sydney's best independent artists; running workshops and masterclasses for emerging and experienced actors, writers and directors; and nurturing the theatre makers of tomorrow through our education program, the Griffin Ambassadors.

On behalf of the SBW Foundation, Griffin manages and maintains the SBW Stables Theatre in Darlinghurst in a way that is supportive of the work and aspirations of the city's theatre culture.

There was no significant change in the nature of the activities of Griffin during or since the end of the financial year.

CORPORATE GOVERNANCE

Overview

Robust corporate governance is essential to ensuring the protection and enhancement of the Company. The Board of Directors (the Board) maintains, and requires the Executive Team to maintain, the highest level of corporate ethics.

The Board is comprised of the CEO / Artistic Director and Independent Non-Executive Directors who, together with Management, have the appropriate balance of skills, knowledge, experience and independence to meet the obligations of the Company.

The Board lays a solid foundation for management and oversight

The Board is responsible for setting and reviewing the strategic direction of the Company, as well as monitoring the implementation of that strategy by Management. The Board is also responsible for:

- The appointment and removal of the Chief Executive Officer (CEO)
- Monitoring the performance of the CEO and Senior Management
- Monitoring ongoing compliance with relevant laws, tax obligations, regulations, and applicable accounting standards
- Approving the annual operating and capital expenditure budget
- Monitoring the operating and financial performance of the Company
- Maintaining oversight of the integrity of accounting and financial reporting systems

The CEO is responsible for the day-to-day management of Griffin Theatre Company with all the powers, discretions and delegations authorised by the Board.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The Board holds six to seven formal meetings a year, one of which serves to review and approve the strategic and financial plans for the next financial year. Additional meetings are held as required.

Details of current Directors, their qualifications, skills, and experience can be found on page 11 of this report. The Board considers that the current Directors have an appropriate mix of skills to enable the Board as a collective to effectively discharge its responsibilities.

Attendance at the 2017 Board and Committee Meetings can be found on page 4 of this report.

The Board is structured to add value

The Board currently comprises 10 Directors. Their biographical details can be found on page 11 of this report.

All Directors are Independent Non-Executive Directors elected by the Members of the Company and possess a range of skills summarised in the table below.

Skills & Experience	Performing Arts	Finance	Fundraising	Legal	Marketing
Simon Burke	X				
Lyndell Droga			X		
Tim Duggan			X		X
Lee Lewis	X				
Patrick Guerrera					X
Bruce Meagher			X	X	
Kate Mulvany	X				
Mario Philippou		X			
Sue Procter		X			
Lenore Robertson	X		X		
Simone Whetton				X	

When appointing new Directors, the Board seeks to ensure an appropriate balance of skills, knowledge, experience and independence is maintained.

An informal induction program is provided to new Directors to ensure they have a working knowledge of the Griffin Theatre Company and the performing arts sector generally.

Directors have open access to all relevant information, including discussions with Management, and regular site visits. Directors may meet independently with Management at any time to discuss areas of interest or concern.

The Board self-assesses its performance and intends to implement a structured annual review of its performance, and that of its Committees, in 2018.

The Board promotes ethical and responsible decision-making

The Board has a code of conduct which sets out expectations in a number of areas including:

- Conflicts of interest
- Compliance with laws, regulations and ethical standards
- Continuous disclosure
- Giving and receiving of gifts
- Confidentiality
- Treating people with respect

Griffin Theatre Company encourages employees to report concerns relating to illegal, unethical or improper conduct.

The Board safeguards the integrity of the corporate financial reporting

The Board oversees a Finance and Audit Committee which:

- Comprises of two Members who are Independent Non-Executive Directors
- Includes Members who are financially literate
- Is responsible for assisting the Board in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management, including:
 - Ensuring the integrity of the Griffin Theatre Company's financial reporting
 - Maintaining compliance with legal and regulatory obligations
 - Monitoring the effectiveness of the risk management and internal control framework
 - Overseeing the independence of the external audits

The experience and qualifications of members of the Finance and Audit Committee can be found on page 11 of this report. Membership and attendance of the 2016 Finance and Audit Committee can be found on page 4 of this report.

The Board recognises and manages risk

Griffin Theatre Company is committed to embedding risk management practices to support the achievement of strategic objectives and fulfil corporate governance obligations. The Board is responsible for developing the risk management strategy for the Company and for ensuring the Company has an appropriate corporate governance structure. Within this overall framework, Management has designed and implemented a risk management and internal control system to manage material risks.

Griffin operates within the performing arts sector and is exposed to a range of strategic, financial and operational risks.

Risks that can potentially affect performance and results include:

- Negative financial impact arising from a change in government policy – particularly in regards to funding at both State and Federal government levels
- Increased competition from other performing arts organisations
- Cultural shifts / downturn in demand for new Australian theatre

Material risks and Management responses to managing these risks are escalated to Management, Board Committees, and the Board as appropriate. Risk management is also incorporated into key business decision-making activities, including strategy development, projects and change initiatives.

Management self-assessments, audits, and risk management reviews are regularly undertaken to confirm risks are being effectively managed.

MEMBERS' GUARANTEE

The Company is a public company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

As at 31 December 2017, the number of members was 10 with a total of \$10 available to meet outstanding on obligations of the company.

AUDITORS' INDEPENDENCE

The auditor's declaration of independence appears on page 14 and forms part of the Directors' Report for the year ended 31 December 2017.

Signed in accordance with a resolution of the Directors made pursuant to s. 298 (2) of the Corporations Act.

On behalf of the Directors



Bruce Meagher

Chair

Sydney

23 April 2018

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Bruce Meagher	
Qualifications:	BA LLB (Syd)
Experience:	Bruce has 25 years' professional experience in law, public policy, media and business. He is currently Group Director, Corporate Affairs at Foxtel. Bruce is a Director of Australians for Equality and has previously served as Chair of Legs on the Wall and as a Director of Playwriting Australia.
Special Responsibilities	Chair
Lee Lewis	
Qualifications:	MFA in Acting (Columbia University); Masters in Directing (NIDA)
Experience:	Lee is the Artistic Director of Griffin Theatre Company. She is one of Australia's leading directors, having worked for numerous main stage companies including Sydney Theatre Company, Belvoir, Bell Shakespeare and Melbourne Theatre Company, and was part of the World Stages International Arts Festival in 2016. She has taught at NIDA, Sydney University and NYU. Lee worked for ten years in New York on Broadway and Off-Broadway with directors as diverse as Julie Taymor, Andrei Serban, Anne Bogart, Andre Gregory and Robert Woodruff.
Special Responsibilities	
Simon Burke AO	
Qualifications:	
Experience:	Simon made his acting debut at the age of 13 in the feature film The Devil's Playground, winning the Australian Film Institute Best Actor award, and has since appeared in over 130 stage productions in Australia and in London's West End. Simon was President of Actors Equity Australia from 2004-2014 and Vice-President of FIA (International Federation of Actors) from 2012-2016. He was made an honorary life member of Actors Equity in March 2015. In June 2015 he was awarded the AO (Officer of the Order of Australia) in the Queen's Birthday Honours for distinguished service to the performing arts as an actor, singer and producer. He also currently serves on the board of ATYP (Australian Theatre for Young People).
Special Responsibilities	
Lyndell Droga	
Qualifications:	BCom
Experience:	Lyndell has over 20 years' experience in marketing and project management, both with large multinational companies and arts organisations. She has previous experience in fundraising, development and project and event management with the Sydney Opera House, the Australian Chamber Orchestra and Bell Shakespeare. She has been a Foundation Member of the Museum of Contemporary Art, and has previously served on the boards of Autism Awareness Australia and Holdsworth Community Centre & Services.
Special Responsibilities	Fundraising Committee

Tim Duggan	
Qualifications:	BA
Experience:	Tim has worked for over 15 years in the digital and online media space. He is the Co-Founder and Publisher of Junkee Media, one of Australia's most innovative new media companies. Junkee's titles include its flagship Junkee.com, inthemix, travel title AWOL in partnership with Qantas, and lifestyle title The Cusp, in partnership with Westpac. Tim also sits on the board of Hello Sunday Morning, the largest online movement for alcohol change in the world.
Special Responsibilities	Fundraising Committee
Kate Mulvany	
Qualifications:	BA
Experience:	Kate is an award-winning playwright, actor, screenwriter, librettist and dramaturg. She has written over 30 plays and her work has been performed internationally. Kate has sat on various selection panels of several major Arts organisations, including Belvoir, Sydney Theatre Company and the Australia Council. She is a mentor to several emerging playwrights around the world and currently holds a writing fellowship at Bell Shakespeare Company.
Special Responsibilities	
Mario Philippou	
Qualifications:	BCom, MAppFin (Master of Applied Finance), CPA, Member of Australian Institute of Company Directors, Certified Finance and Treasury Professional
Experience:	Mario is a senior executive with a career spanning 25 years in ASX Top 100 listed corporations. His background includes corporate and operations experience with Asciano, Pacific National, Toll Holdings and TNT. He currently holds the role of Executive General Manager Transformation with Toll Global Express.
Special Responsibilities	Finance Committee
Sue Procter	
Qualifications:	BA, CPA, MBA, Member of the Governance Institute
Experience:	Sue has worked for 25 years in the not-for-profit arts industry including four years as Chief Operating Officer and Company Secretary of the National Art School. Prior to this, she ran an Accounting Practice providing Financial Controller and Strategic Management support to arts organisations including the Australian Chamber Orchestra, Sydney Symphony, Belvoir, Performing Lines, Performance Space, Playwriting Australia, Artspace, Legs on the Wall, The Song Company and Australian Theatre for Young People. She has also worked for the Australia Council as the Major Performing Arts Board Business Analyst.
Special Responsibilities	Treasurer, Finance Committee
Lenore Robertson	
Qualifications:	BA (USyd), Dip Ed (CSU), ATCL (Trinity College London)
Experience:	Having initially trained as a secondary school teacher, Lenore is a Board member of <i>Milk Crate Theatre Company</i> and a member of the Australia Committee for <i>Human Rights Watch</i> . She is also the Chair of the Robertson Foundation, which she and her husband Paul established in 2007 to support educational, arts and social justice

initiatives. As the former Artistic Director of *Epicentre Theatre Company*, Lenore directed multiple pieces for the company including *Daylight Saving*, *Harbour*, *Money and Friends*, and *Midnite* (Zenith Theatre). For *Nautanki Theatre*, she directed the premiere of *Indian Embrace* and *Last Dance at Dum Dum* (Riverside Theatre). For *Oriel Productions*, she was the Associate Producer on *I Am My Own Wife* (Old Fitz). Originally a singer, she has performed over the years with numerous companies including *Willoughby Theatre Company* and *Soulfood*. She has also devised many community concerts and was the inaugural Festival Director of *Short + Sweet Voices*.

Simone Whetton

Qualifications:

BEC LLB

Experience:

Simone is a partner in the M&A Corporate Advisory group at national law firm Colin Biggers & Paisley. Simone also has a strong performing arts background and is an arts broadcaster on ABC Radio Sydney with a regular weekend radio program, reviewing and discussing theatre, art, music, festival and exhibitions in Sydney. Simone is the Chair of Sydney-based physical theatre company Legs on the Wall. As a qualified speech and drama teacher, Simone is a regular adjudicator at the Sydney Eisteddfod in the speech and drama sections. Simone has a long history with the not for profit sector and was the former Chair of one of Sydney's largest community radio stations, Radio 2RPH, and former Chair of music and dance scholarship organisation, Ars Musica.

Special Responsibilities

Company Secretary

AUDITORS' INDEPENDENCE STATEMENT

To the Directors of the Griffin Theatre Company

I declare that, to the best of my knowledge and belief, for the year ended 31 December 2017, there have been no contraventions of:

- (i) The auditors independence requirements of the *Corporations Act 2001* in relation to the audit
- (ii) Any applicable code of professional conduct in relation to the audit.



Gary Williams FCA
Rosenfeld Kant & Co
Partner

BONDI JUNCTION

24 April 2018

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2017

INCOME	Note	2017 \$	2016 \$
Income			
Box office income		611,836	678,261
Performance fees		301,006	148,000
Sponsorship & donations	3	949,918	875,132
Theatre income	4	264,234	258,001
Other income	5	152,624	46,173
Subsidies & grants	6	601,000	860,996
Total Income		2,880,618	2,866,563
Expenditure			
Artistic salaries & fees		884,458	933,813
Administrative salaries & fees		774,927	747,671
Program costs		437,822	399,636
Marketing costs		357,002	364,861
Theatre costs		213,007	174,916
Infrastructure costs		195,112	240,735
Total expenditure		2,862,328	2,861,632
Net Surplus / (Loss)		18,290	4,931
Interest received on SBW fund		-	263
less Repairs on behalf of SBW		-	-
Total Comprehensive Income / (Loss)		18,290	5,194

This statement should be read in conjunction with the notes to the financial statements.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

ASSETS	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	7	1,119,351	1,193,028
Trade and other receivables	8	15,882	40,111
Prepayments		67,500	73,322
Inventory		3,791	3,599
Total current assets		1,206,524	1,310,060
Non-current assets			
Property, plant and equipment	9	44,202	74,862
Intangible assets	10	26,730	-
Total non-current assets		70,932	74,862
TOTAL ASSETS		1,277,456	1,384,922
LIABILITIES			
Current liabilities			
Trade and other payables	11	178,871	190,649
Provisions	12	41,024	67,008
Income in advance	13	401,399	505,618
Funding in advance	14	319,500	313,810
Total current liabilities		940,794	1,077,085
Non-current liabilities			
Provisions	12	29,171	18,636
Total non-current liabilities		29,171	18,636
TOTAL LIABILITIES		969,965	1,095,721
NET ASSETS		307,491	289,201
EQUITY			
Accumulated funds / (deficit)		307,491	289,201

This statement should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY
 for the year ended 31 December 2017

	Note	Member contribution \$	Maintenance Reserve	Retained earnings	Total equity \$
As at 1 January 2016		8	30,104	253,895	284,007
Net (deficit) for the year		-	263	4,931	5,194
As at 31 December 2016		8	30,367	258,826	289,201
Net surplus for the year		-	-	18,290	18,290
As at 31 December 2017		8	30,367	277,116	307,491

This statement should be read in conjunction with the notes to the financial statements

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Cash received in the course of operations		2,321,518	1,825,780
Receipts from appropriations/grants		667,359	1,024,048
Interest received		8,313	24,743
Payments made to suppliers and employees		-3,035,618	-2,625,637
Net cash from operating activities		-38,428	248,935
Cash flows from investing activities			
Payments for property, plant & equipment		-35,249	-10,259
Net cash used in investing activities		-35,249	-10,259
Net increase / (decrease) in cash held		-73,677	238,676
Cash and cash equivalents at beginning of the financial year		1,193,028	954,352
Cash and cash equivalents at the end of the financial year	7	1,119,351	1,193,028

This statement should be read in conjunction with the notes to the financial statements.

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1 Corporate information

The financial statements of the not-for-profit Company, Griffin Theatre Company, (the Company) for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 23rd April 2018

The Griffin Theatre Company is a Company Limited by Guarantee, incorporated and domiciled in Australia.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2 Summary of Accounting Policies

(A) Statement of compliance

These financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, *Charitable Fundraising Act 1991*, Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a not-for-profit public sector entity. Therefore, the consolidated financial statements for the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs).

(B) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(C) Basis of preparation

Historical cost convention

The financial report has been prepared on the basis of historical cost convention.

It does not take into account changing money value, or except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest dollar.

Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(D) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is

revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgments

The Company has received a number of government grants during the year. Once the Company has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payments for services rendered) in which case it is accounted for under AASB 118 *Revenue* or a non-reciprocal grant in which case it is accounted for under AASB 1004 *Contributions*.

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

Provision for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures, and periods of service, as discussed in Note 2(M). The amount of these provisions would change should any of these factors change in the next 12 months.

(E) *Revenue recognition*

Revenue is recognised when the Company is entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue in the year in which the donation benefits are bestowed.

Sponsorship

Sponsorship commitments are brought to account as income in the year in which sponsorship benefits are bestowed.

Box Office income

Box Office income is recognised once the performance has occurred.

Sale of goods

Revenue from sales of goods comprises revenue earned (net of returns, discounts and allowances) from the sale of goods purchased for resale. Sales revenue is recognised when the control of goods passes to the customer.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Asset sales

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

In-kind sponsorship

Services provided on an in-kind basis, including legal advice and marketing support, have been included at fair value to the Company where this can be quantified and a third party is bearing the cost.

(F) *Expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Wages, salaries & fees include all employment related costs such as wages, superannuation, and provisions for annual leave, long service leave, and workers compensation. This category also includes all contracts for labour costs.

Production costs include all direct costs associated with the delivery of theatrical work.

Marketing costs include all direct costs associated with marketing both the theatrical program and the Company.

Theatre costs includes the costs associated with premises, including repairs, water usage and other utilities, security etc.

Other infrastructure costs includes all other indirect costs include governance costs, IT running costs, insurance, travel and office expenses.

(G) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(H) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to 90 days.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(I) Inventories

Inventories consist of bar stock available for resale and are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(J) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Any plant and equipment donated to the Company or acquired for nominal cost is recognised at fair value at the date the Company obtains control of the assets.

Depreciation

Items of property, plant and equipment are depreciated over their useful lives to the Company commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	2017 % pa	2016 % pa
Plant & equipment	20.0 - 33.3	20.0 - 33.3
Intangible assets	33.3	

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. 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.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

De-recognition and disposal

An item of property, plant and equipment is de-recognised upon disposal, when the item is no longer used in the operations of the Company or when it has no sale value. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year the asset is de-recognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

(K) Trade creditors and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(L) Deferred income

The liability for deferred income is the unutilised tuition fees received on the condition that specified education services are delivered. The services are usually provided within 12 months of receipt of the fee. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, the liability is discounted and presented as non-current.

(M) Employee benefits

Employee benefits comprise wages and salaries, and annual, non-accumulating sick and long service leave.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months of balance date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures, and periods of service.

(N) Leased assets and liabilities

Operating leases

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the term of the lease.

(O) Taxation

Income tax

The Company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The Company holds deductible gift recipient status.

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 this case, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

	2017	2016
	\$	\$
3 Sponsorship & donations		
Donations	321,361	367,932
Foundations & Trusts	176,966	76,200
Fundraising & corporate events	18,591	-
Sponsorship - cash	105,000	87,000
Sponsorship - in-kind	328,000	344,000
	949,918	875,132

4 Theatre income

Bar sales	119,470	111,718
Booking fees	94,282	92,268
Griffin Independent	50,482	54,015
	264,234	258,001

5 Other income

Course income	7,066	3,627
Interest	15,702	21,423
Membership income	385	440
Program income	7,292	15,709
Originating producer royalties	73,194	3,470
Other miscellaneous income	48,985	1,504
	152,624	46,173

6 Subsidies & grants

<i>Australia Council</i>		
Triennial grant	300,000	417,706
<i>Arts NSW</i>		
Triennial grant	300,000	280,000
Project funding	-	58,190
<i>Other funding</i>		
City of Sydney	-	50,100
Other funding	1,000	55,000
	601,000	860,996

	2017	2016
	\$	\$
7 Cash and cash equivalents		
Cash on hand	1,250	3,634
Cash at call	1,115,242	1,185,402
Short-term deposits	2,859	3,992
	1,119,351	1,193,028

8 Trade and other receivables		
Trade receivables	15,882	32,722
Accrued income	-	7,389
	15,882	40,111

9 Property, plant & equipment

	Capital works in progress	Furniture & fittings	Office equipment	Theatre equipment	Leasehold improvement	Total
Gross carrying amount						
At 1 January 2016	490,340	57,220	79,719	128,155	55,509	810,943
Additions / (Disposals)	-	-	366	9,893	-	10,259
At 31 December 2016	490,340	57,220	80,085	138,048	55,509	821,202
Additions / (Disposals)	-	-	6,806	1,713	-	8,519
At 31 December 2017	490,340	57,220	86,891	139,761	55,509	829,721
Depreciation						
At 1 January 2016	-405,963	-57,220	-56,206	-119,043	-55,509	-693,941
(Additions) / Disposals	-34,673	-	-10,745	-6,981	-	-52,399
At 31 December 2016	-440,636	-57,220	-66,951	-126,024	-55,509	-746,340
(Additions) / Disposals	-19,462	-	-11,349	-8,368	-	-39,179
At 31 December 2017	-460,098	-57,220	-78,300	-134,392	-55,509	-785,519
Carry amount						
As at 31 December 16	49,704	-	13,134	12,024	-	74,862
As at 31 December 17	30,242	-	8,591	5,369	-	44,202

10 Intangible assets

Gross carrying amount

As 1 January	-	-
Additions / (Disposals)	26,730	-
At 31 December	26,730	-

Depreciation

As 1 January	-	-
Additions / (Disposals)	-	-
At 31 December	-	-

Net carrying amount	26,730	-
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	2017	2016
	\$	\$
11 Trade and other payables		
Trade creditors	134,564	129,365
Net ATO liabilities	-	12,186
Superannuation payable	1,175	2,254
Sundry creditors & accruals	43,132	46,844
	178,871	190,649

12 Employee Benefits		
Current employee benefits	26,921	24,504
Non-current employee benefits	13,032	11,436
	39,953	67,008

13 Income in advance		
Co-production income	20,579	50,330
Gift vouchers	15,126	22,386
Sponsorship & development income	97,400	127,958
Subscription income	268,294	304,944
	401,399	505,618

14 Funding in advance		
Aust Council - Triennial grant	151,500	-
Arts NSW - Triennial grant	-	150,000
Grant - Girgensohn Foundation	118,000	132,000
Grant - University of Sydney	5,000	2,500
<i>Smallest Hour</i>		
Grant - City of Sydney	30,000	29,310
Grant - Girgensohn Foundation	15,000	-
	319,500	313,810

15 Related parties and related party transactions

a) Directors' compensation

No remuneration was paid to the Chair, or the independent Directors from the company for their membership of the Board.

b) Key management personnel compensation

The remuneration paid to Management for the period consists of salaries and superannuation paid under individual contracts and under Awards. No other kind of remuneration was received by Management.

The aggregate compensation made to key management personnel of the company is set out below:

	2017	2016
	\$	\$
Short-term benefits	182,555	186,233
Other long-term benefits	11,901	10,444
	194,455	196,677

16 Contingent liabilities

The Company had no contingency liabilities as at 31 December 2017 and 31 December 2016

17 Commitments

The Company had no commitments for expenditure as at 31 December 2017 and 31 December 2016.

18 Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years

19 Economic dependency

The Company is dependent upon the ongoing receipt of grants from the NSW and Federal Government to ensure the continuance of its delivery of theatrical work. At the date of this report management has no reason to believe that this financial support will not continue.

INDEPENDENT AUDIT REPORT

Report on the Financial Report

We have audited the accompanying financial report of Griffin Theatre Company Limited, which comprises the statement of financial position as at 31 December 2017, 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.

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 for 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 that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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. 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Griffin Theatre Company Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

GRIFFIN THEATRE COMPANY – ABN 89 140 179 111

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDIT REPORT

Opinion

In our opinion the financial report of Griffin Theatre Company Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



Gary Williams FCA
Rosenfeld Kant & Co
Partner

BONDI JUNCTION

24 April 2018

CHAIR'S DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT

I, Bruce Meagher, Chair of the Board of Directors of the Griffin Theatre Company declare that in my opinion:

- (a) The financial statements (accounts) give a true and fair view of all income and expenditure of the Griffin Theatre Company with respect to fundraising appeals;
- (b) The Statement of Financial Position (balance sheet) gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (c) The provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with ; and
- (d) The internal controls exercised by Griffin Theatre Company are appropriate and effective in accounting for all income received and applied by Griffin Theatre Company from any of its fundraising appeals.



Bruce Meagher

Chair

Sydney

23 April 2018

RESPONSIBLE ENTITIES' DECLARATION

In the opinion of the Responsible Entities' of Griffin Theatre Company:

- (a) The financial statements and notes of Griffin Theatre Company are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* including:
 - (i) Giving a true and fair view of the its financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profit Commission Regulations 2013*, and
- (b) There are reasonable grounds to believe that Griffin Theatre Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities:



Bruce Meagher

Chair

Sydney

23 April 2018

DIRECTORS' DECLARATION

The Directors declare that:

- (a) the financial statements and notes set out in pages 14 to 29 are 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 2017 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting interpretations) and Corporations Regulations 2001; and
- (b) 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 a resolution of the Directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors



Bruce Meagher

Chair

Sydney

23 April 2018