

GRIFFIN THEATRE COMPANY LIMITED

ABN 98 001 991 153

FINANCIAL STATEMENTS

for the year ended 31 December 2018

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GRIFFIN THEATRE COMPANY LIMITED – ABN 98 001 991 153

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Mario Philippou

Julia Pincus

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 2018. 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
Simon Burke	7	4			8	5
Lyndell Droga	7	7			8	8
Tim Duggan	7	4			8	1
Lee Lewis	7	7				
Bruce Meagher	7	6			8	7
Kate Mulvany	7	2				
Mario Philippou	7	6	7	7		
Julia Pincus	2	2				
Sue Procter	2	2	4	4		
Lenore Robertson	7	5				
Simone Whetton	7	6			3	3

- A. Number of applicable meetings convened during the time the Director held membership in 2018
 B. Number of meetings attended

SHORT AND LONG-TERM STRATEGIES AND OBJECTIVES

Griffin Theatre Company's current Strategic Plan covers the period 2017 – 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 continue to be a vital cultural force as the leading exponent of new Australian work. We want to reach larger, more diverse, more regional, national and international audiences. We must build our core staff and core program so we can deliver the engagement and experience that our artists and audiences expect. Our programming must continue to be unique, creative and exciting to attract significantly increased support from, and partnerships with, the wider theatre community, other theatre companies, private donors, sponsors, philanthropists and foundations.

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 2018 we presented five new main stage works, including a coproduction with Bell Shakespeare Company at the Sydney Opera House. We will continue to look to our successful presenting and co-producing relationships with Major Performing Arts companies, as was evident with Bell Shakespeare

in 2018, 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 2018 was complemented by four special events: *Fag Stag*, *Hello Beautiful*, *Shabbat Dinner* and *The Smallest Hour* — works that provided opportunity to collaborate with various independent artists and companies, including The Last Great Hunt and Performing Lines.

We continue to pursue pathways for participation through our innovative development projects. Our Griffin Studio program welcomes new influences into the company and creates vital pathways for emerging artists entering professional practice. Artist development programs including the Griffin Ambassadors (for high school students), Griffin Award, and Batch Festival are seminal to the future of Australian playwriting, offering vibrant platforms for cultivating the voices of the future. This remains a priority area for Griffin. While the program was reviewed in 2018 to reflect current resources, we plan to explore philanthropic and sponsorship opportunities to make up any shortfall in the delivery of artistic development programs into the future.

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.

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. Increased paid attendance, 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 through the inaugural Batch Festival that was included in the 2018 program. We will inspire new audiences to discover Griffin by engaging in developmental seasons of works by artists with crossover audiences, which in 2018 was achieved with our inaugural Batch Festival.

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. Reciprocally, artists across Australia will find Griffin to be one of the most inviting entry points into a relationship with Sydney audiences.

In 2018 Griffin collaborated with the Bell Shakespeare Company on *The Misanthrope* and toured *The Bleeding Tree* to Canberra Theatre Centre and Melbourne Arts Centre and both *The Bleeding Tree* and *The Almighty Sometimes* to Geelong Performing Arts Centre.

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

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

Major achievements for the year have included:

Main Season

The company completed an artistic program in 2018 of a five-show main stage subscription season, 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>Kill Climate Deniers</i>	Written by David Finnigan Directed by Lee Lewis	23 February to 7 April
<i>Good Cook. Friendly. Clean.</i>	Written by Brooke Robinson Directed by Marion Potts	4 May to 16 June
<i>The Almighty Sometimes</i>	Written by Kendall Feaver Directed by Lee Lewis	27 July to 8 September
<i>The Misanthrope</i>	Written by Justin Fleming after Molière Directed by Lee Lewis A co-production with Bell Shakespeare Company	28 August to 28 September
<i>The Feather in the Web</i>	Written by Nick Coyle Directed by Ben Winspear	5 October to 17 November

The company also produced the following special events:

<i>Production</i>	<i>Details</i>	<i>Dates</i>
<i>Fag Stag</i>	The Last Great Hunt	10 – 27 January
<i>Hello Beautiful</i>	Performing Lines	9 – 14 July
<i>Shabbat Dinner</i>	Jessica Bellamy	10 – 15 September
<i>The Smallest Hour</i>	Phil Spencer and Susie Youssef	5 – 15 December

ATYP at Griffin

The company hosted ATYP at the Stables in 2018:

<i>Production</i>	<i>Details</i>	<i>Dates</i>
<i>Intersection 2018 Chrysalis</i>	By 2017 National Studio Writers	31 January – 17 February
<i>Impending Everyone</i>	By Michael Andrew Collins	20 June – 7 July
<i>Charlie Pilgrim</i>	By Sam O'Sullivan	21 November – 1 December

Touring

In 2018 Griffin toured the following shows:

<i>The Bleeding Tree</i>	Written by Angus Cerini Directed by Lee Lewis	Canberra Theatre Centre Arts Centre Melbourne Geelong Performing Arts Centre
<i>The Almighty Sometimes</i>	Written by Kendall Feaver Directed by Lee Lewis	Geelong Performing Arts Centre

Other Activities in 2018 included:

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 2018 the studio artists were Caleb Lewis and Meyne Wyatt.

Griffin Award

Griffin continued its commitment to accepting and assessing scripts from around the nation, awarding its 2018 Griffin Award for new playwriting to Suzie Miller for *Prima Facie*.

Griffin Ambassadors

Griffin Ambassadors continued to be a fundamental and treasured part of the company's growth. Griffin Ambassadors introduced 109 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.

Batch Festival

In 2018 Griffin presented the inaugural Batch Festival, a new festival providing a platform for independent storytellers, poets, comedy artists and non-traditional performance makers to access the Stables stage. Batch was created to provide opportunities for diverse independent programming and as an access point for new audiences.

Increased Participation

Griffin continued to build on audience development and participation initiatives including: Scratch, Griffin Up-Late, Captioned Performances, courses including Between the Lines, Page to Stage and Script Club.

PRINCIPAL ACTIVITIES

Griffin Theatre Company is the only company in the country dedicated to new Australian plays. Every year, we curate a season of urgent and relevant theatre that speaks to Australian audiences about who we are as a nation. Griffin is a legacy, but it is also a promise.

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.

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 2018 Board and Committee Meetings can be found on page 4 of this report.

The Board is structured to add value

The Board currently comprises 9 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				
Bruce Meagher			X	X	
Mario Philippou		X			
Julia Pincus				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 2019.

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 2017 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 2018, 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 2018.

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

GRIFFIN THEATRE COMPANY LIMITED – ABN 98 001 991 153
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Bruce Meagher', with a horizontal line extending to the right.

Bruce Meagher
Chair
Sydney
24/04/2019

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. 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
Simon Burke AO	
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. He co-created and starred in Foxtel's six-part mini-series Devil's Playground, a sequel to the original film. Simon was also Executive Producer of the project, which in 2015 won both the AACTA and Logie awards for Most Outstanding Telefeature or Mini Series. Over the past four decades Simon has 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.
Special Responsibilities	Fundraising Committee
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 2017. 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	CEO
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

Mario Philippou

Qualifications: BCom, MAppFin (Master of Applied Finance), FCPA, 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

Julia Pincus

Qualifications: Arts/Law (Hons) - University of Queensland; Master of Laws (Hons) - University of Cambridge;

Experience: Julia's extensive career includes: working as an associate to a Supreme Court Judge, Intellectual Property teams at two law firms, Director Legal at MGM Gold (Hong Kong), and General Counsel at Nickelodeon (London). Julia is currently working in Business Affairs at ABC (Sydney) and has been in this role since 2011.

Special Responsibilities Fundraising Committee

Lenore Robertson

Qualifications: BA (USyd), Dip Ed (CSU), ATCL (Trinity College London)

Experience: Lenore is a Director of *Milk Crate Theatre Company* and the Chair of the Robertson Foundation. She trained as a secondary school teacher and has been involved in Community Arts for over twenty years. The former Artistic Director of Epicentre Theatre Company, she has directed many plays, specifically by Australian playwrights. She has also worked with diverse groups, including secondary students, university students, senior citizens, the South East Asian Community and artists who have experienced homelessness and mental health issues.

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

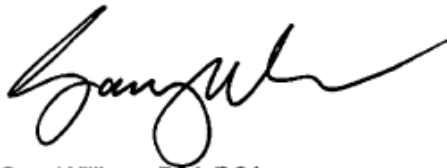
Griffin Theatre Company Limited

ABN 98 001 991 153

Auditor's Independence Declaration under Section 60-40 of the ACNC Act 2012 to the Responsible Persons of Griffin Theatre Company Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Gary Williams FCA RCA
Partner

Registered Company Auditor 4019

Location: Bondi Junction

Dated this ... 29..... day ofApril..... 2019

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2018

	NOTE	2018 \$	2017 \$
Income			
Box office income		697,986	611,836
Performance fees		147,050	301,006
Sponsorship & donations	3	1,112,514	949,918
Theatre income	4	250,155	264,234
Other income	5	87,426	152,624
Subsidies & grants	6	706,750	601,000
Total Income		3,001,882	2,880,618
Expenditure			
Artistic salaries & fees		895,867	884,458
Administrative salaries & fees		854,206	774,927
Program costs		457,289	437,822
Marketing costs		486,018	357,002
Theatre costs		175,219	213,007
Infrastructure costs		162,077	195,112
Total expenditure		3,030,677	2,862,328
Total Comprehensive Income/ (Loss)		(28,795)	18,290

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

ASSETS	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	7	1,296,434	1,119,351
Trade and other receivables	8	49,641	15,882
Prepayments		54,588	67,500
Inventory		5,112	3,791
Total current assets		1,405,775	1,206,524
Non-current assets			
Property, plant and equipment	9	25,168	44,202
Intangible assets	10	42,937	26,730
Total non-current assets		68,105	70,932
TOTAL ASSETS		1,473,880	1,277,456
LIABILITIES			
Current liabilities			
Trade and other payables	11	174,447	178,871
Employee Benefits	12	15,420	26,921
Other Provisions		14,090	14,103
Income in advance	13	407,137	401,399
Funding in advance	14	567,015	319,500
Total current liabilities		1,178,109	940,794
Non-current liabilities			
Employee Benefits	12	15,027	13,032
Other Provisions		2,049	16,139
Total non-current liabilities		17,076	29,171
TOTAL LIABILITIES		1,195,185	969,965
NET ASSETS		278,696	307,491
EQUITY			
Accumulated funds / (deficit)		278,696	307,491

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Note	Member contribution \$	SBW Maintenance Reserve	Retained earnings	Total equity \$
As at 1 January 2017		8	30,367	258,826	289,201
Net (deficit) for the year		-	-	18,290	18,290
As at 31 December 2017		8	30,367	277,116	307,491
Net surplus for the year		0	0	-28,795	-28,795
As at 31 December 2018		8	30,367	248,321	278,696

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF CASH FLOWS

for the year ended 31 December 2018

	2018	2017
	\$	\$
Note		
Cash flows from operating activities		
Cash received in the course of operations	2,379,987	2,321,518
Receipts from appropriations/grants	1,049,692	667,359
Interest received	11,117	8,313
Payments made to suppliers and employees	-3,236,278	-3,035,618
Net cash from operating activities	204,517	-38,428
Cash flows from investing activities		
Payments for property, plant & equipment	-27,434	-35,249
Net cash used in investing activities	-27,434	-35,249
Net increase / (decrease) in cash held	177,083	-73,677
Cash and cash equivalents at beginning of the financial year	1,119,351	1,193,028
Cash and cash equivalents at the end of the financial year	1,296,434	1,119,351
	7	

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 2018 were authorised for issue in accordance with a resolution of the Directors on 16 April 2019.

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:

	2018	2017
	% pa	% pa
Plant & equipment	20.0 - 33.3	20.0 - 33.3
Intangible assets	33.3	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.

GRIFFIN THEATRE COMPANY – ABN 89 140 179 111
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
3 Sponsorship & donations		
Donations	378,155	321,361
Foundations & Trusts	270,859	176,966
Fundraising & corporate events	27,000	18,591
Sponsorship - cash	55,000	105,000
Sponsorship - in-kind	381,500	328,000
	<u>1,112,514</u>	<u>949,918</u>
4 Theatre income		
Bar sales	106,242	119,470
Booking fees	87,633	94,282
Griffin Independent	56,280	50,482
	<u>250,155</u>	<u>264,234</u>
5 Other income		
Course income	2,689	7,066
Interest	17,883	15,702
Membership income	385	385
Program income	8,618	7,292
Originating producer royalties	25,636	73,194
Other miscellaneous income	32,215	48,985
	<u>87,426</u>	<u>152,624</u>
6 Subsidies & grants	2018	2017
	\$	\$
<i>Australia Council</i>		
Triennial grant	303,000	300,000
<i>Arts NSW</i>		
Triennial grant	320,000	300,000
Project funding	-	-
<i>Other funding</i>		
City of Sydney	36,500	-
Other funding	47,250	1,000
	<u>706,750</u>	<u>601,000</u>
7 Cash and cash equivalents	2018	2017
	\$	\$
Cash on hand	1,250	1,250
Cash at call	1,290,174	1,115,242
Short-term deposits	5,011	2,859
	<u>1,296,434</u>	<u>1,119,351</u>
8 Trade and other receivables		
Trade receivables	42,875	15,882
Accrued income	6,766	-
	<u>49,641</u>	<u>15,882</u>

9 Property, plant & equipment

	Capital works in progress	Office equipment	Theatre equipment	Total
Gross carrying amount				
At 1 January 2017	490,340	80,085	138,048	821,202
Additions / (Disposals)	-	6,806	1,713	8,519
At 31 December 2017	490,340	86,891	139,761	829,721
Additions / (Disposals)	-	-	4,576	4,576
At 31 December 2018	490,340	86,891	144,337	834,297
Depreciation				
At 1 January 2017	-440,636	-66,951	-126,024	-746,340
(Additions) / Disposals	-19,462	-11,349	-8,368	-39,179
At 31 December 2017	-460,098	-78,300	-134,392	-785,519
(Additions) / Disposals	-14,103	-5,363	-4,145	-23,611
At 31 December 2018	-474,201	-83,663	-138,537	-809,130
Carry amount				
As at 31 Decemeber 17	30,242	8,591	5,369	44,202
As at 31 December 18	16,139	3,228	5,800	25,167

10 Intangible assets

Gross carrying amount

As 1 January	26,730	-
Additions / (Disposals)	22,857	26,730
At 31 December	49,587	26,730

Depreciation

As 1 January	-	-
Additions / (Disposals)	-6,650	-
At 31 December	-6,650	-

Net carrying amount

42,937	26,730
---------------	---------------

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:

	2018	2017
	\$	\$
Short-term benefits	195,714	182,555
Other long-term benefits	15,027	11,901
	<u>210,740</u>	<u>194,455</u>

16 Contingent liabilities

The Company had no contingency liabilities as at 31 December 2018 and 31 December 2017

17 Commitments

The Company had no commitments for expenditure as at 31 December 2018 and 31 December 2017.

18 Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 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.

Griffin Theatre Company Limited

Independent Audit Report to the members of Griffin Theatre Company Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Griffin Theatre Company Limited (the company), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Griffin Theatre Company Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Gary Williams FCA RCA
Partner

Registered Company Auditor 4019

Location: Bondi Junction

Dated this ... 29..... day ofApril..... 2019

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

24/04/2019

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 2018 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
24/04/2019

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 2018 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

24/04/2019