



ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2012

September 2012

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LETTER OF TRANSMITTAL

27 September 2012

The Hon John Hill MP
Minister Assisting the Premier in the Arts
GPO Box 2555
ADELAIDE SA 5001

Dear Minister

I submit herewith State Theatre Company of South Australia's 2011-12 Annual Report, prepared under the *State Theatre Company of South Australia Act 1972*, the *Public Sector Management Act 1995* and the *Public Finance and Audit Act 1987*. There were a number of highlights and issues in the year under review, as you will find detailed in the Chair's Report.

STCSA's vision over the last year has been to create works for the South Australian community that are challenging, entertaining and of the highest quality, while continuing to contribute to the ongoing development of the arts in South Australia and nationally. The information contained in this report reflects the Company's performance against that vision over the last financial year.

A handwritten signature in black ink, appearing to read 'Rob Brookman', with a long horizontal line extending to the right.

Rob Brookman
Chief Executive Officer

CHAIR'S REPORT

I am pleased to present my report on the activities of the Company for the 2011-12 financial year.

In summary, the Company presented 152 performances to an audience of approximately 38,500, including 2,677 subscribers for the 2012 season. Additional activities including an Open Day, Subscriber Briefings, Schools Workshops, Young Playwrights Reading and Work Experience generated a further 2,550 attendances.

The output and attendances above reflect a disappointing reduction in activity and audience numbers from 2010/11 and previous years and have been accompanied by a significant drop in production income from \$1.604 million to \$1.204 million. Development income (sponsorship, philanthropy and fundraising) has also fallen from \$343,737 to \$305,874. These outcomes are of serious concern to the Board and significant steps have been implemented and are now underway to address this disappointing performance.

It is fair to say that the current economic environment presents significant challenges for performing arts companies with continuing weakness in retail confidence, ongoing changes in audience patterns and buyer behaviour and increasing pressure on venue costs. Under these circumstances I am pleased to report that the Company's cost-controls have been excellent and that the operating result, before provisions recently imposed by new accounting policies, was a deficit of \$61,102. This deficit was fully attributable to one-off costs involved in executive recruitment and transition costs involved in the changes in our senior Executive Team – Artistic Director and CEO - during the year. After accounting adjustments of \$127,000 required due to new treatments of Long Service Leave and Workers' Compensation provisions, the final result for 2011-12 is a deficit of \$188,102.

The Company's reserves have been reduced to \$424,463 as a result of the deficit recorded this year which represents 9% of the Company's annual turn-over against a target figure of 20%. A significant task in the years ahead therefore is to work towards achieving that target. In the short-term, however, the Company's principal aim is to boost output and attendances in order to re-establish the audience base which will secure future surpluses. Our balance sheet remains strong with significant cash reserves.

While attendances at our productions were not at the level that we targeted, I am pleased to report that critical responses and audience feedback to the productions were generally very positive with particular stand-outs being *Speaking In Tongues* (directed by Geordie Brookman), our Festival production of *The Ham Funeral* (directed by Adam Cook) and Adam's final production for the Company *The Glass Menagerie*. We were particularly pleased to again have been able to send the Company's Education production *War Mother* on a tour of regional South Australia following its Adelaide season, with the assistance of Country Arts SA. The Company's Education Program

continues to be a source of great pride and serves a large number of secondary school students and their teachers.

The 2011-12 year has seen transition in both our senior executive positions with Adam Cook, who served a record tenure of 8 years as Artistic Director being replaced by Geordie Brookman, and Pamela Foulkes being replaced as CEO by Rob Brookman. Under Rob and Geordie's leadership and with the Board and senior management's participation, the Company has recently completed a fully revised and detailed five year Strategic Plan which, amongst other things, addresses the issues of diminishing output and audience. We look forward to the positive impact of our new team and the renewed vision for the Company in the coming year.

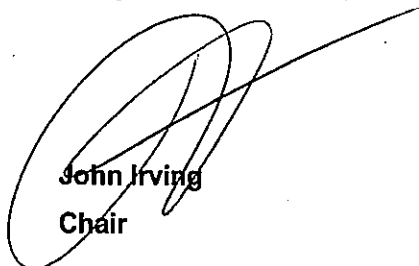
There has been one change to Board membership during the year with Peter Seibels retiring and being replaced by Justin Jamieson. The Board meets seven times each year as well as holding a full Strategic Planning Day in order to review the Company's progress and develop new pathways in realising our Mission. At its most recent Meeting the Board adopted a new Mission Statement which clearly enunciates the broader role the State Theatre Company plays:

We are a South Australian Company that exists to create great theatre, deliver engaging and illuminating experiences to our audiences, develop our art-form and artists, and to connect our work and artists nationally and internationally.

The Board is fully committed to supporting our new Executive Team in realising that Mission and all Board members contribute not only to Board meetings but also via our structure of Committees – Finance, Philanthropy, Strategy and Recruitment.

The Company's ongoing development would not be possible without the continuing support of our audiences, donors and business partners. The State Government through Arts SA and the Federal Government through the Australia Council for the Arts are significant supporters.

I wish also to acknowledge the contribution of my fellow Board members and on behalf of them, recognise the hard work, commitment and passion of our staff.



John Irving
Chair

ARTISTIC DIRECTOR'S REPORT

The 2011-12 year saw the culmination of my predecessor Adam Cook's 8 years leading the Company. A typically diverse and rich range of theatre was delivered to the State Theatre audience.

***SPEAKING IN TONGUES* by Andrew Bovell**

In a strong start to the 2011-12 year Geordie Brookman staged a critically acclaimed production of local writer Andrew Bovell's mysterious thriller, *Speaking in Tongues*. Set on a sweeping, perspective-driven abstract set designed by Victoria Lamb, the creative team expanded what is normally considered a chamber play to suit the epic nature of the Dunstan Playhouse. A strong local core cast (Chris Pitman, Lizzy Falkland and Terence Crawford) was complemented by Sydney actor Leeanna Walsman, rejoining the company for the first time since *Closer* in 1999. With typically innovative lighting by Geoff Cobham and a moody soundtrack by local electronic composer DJ TRIP *Speaking in Tongues* proved highly popular with a diverse range of audiences and demonstrated that Australian writing can be a big drawcard.

***THREE SISTERS* by Anton Chekhov**

In terms of scale *Three Sisters* represented the company's largest project since *King Lear*. Adam Cook and lighting designer Gavan Swift collaborated with designer Ailsa Patterson to create an imposing set based around an ancient grand room, slowly revealed as centuries of dirt were stripped away. Featuring a large cast of 14 the production took an 'archaeological' take on the text, with a silent excavation sequence built into the start of Chekhov's legendary drama. A strong cast included the State Theatre debut of Kate Cheel as Irina and the return to South Australia of Peter O'Brien. The production proved popular with State Theatre Company's subscriber base but didn't connect with the single ticket market to the degree that we hoped. The critical response was mixed with the set and the opening sequence provoking heated, and healthy, debate

***BURIED CHILD* by Sam Shepard**

Local director David Meador (Flying Penguin Productions) made his main-stage directorial debut with a moody and moving production of Sam Shepard's American contemporary classic. Led by the Australian stage legend Ron Haddrick, the cast delivered powerful performances underscored by an excellent score by Quentin Grant. Critically well received the production played to moderate houses from across the audience spectrum.

***HOLDING THE MAN* by Tommy Murphy**

Sydney playwright Tommy Murphy's powerful and funny adaptation of actor and writer Timothy Conigrave's memoir received a moving production from ex-STCSA Artistic Director Rosalba Clemente. Staged as part of the FEAST Festival, *Holding the Man* featured Adelaide actors Luke Clayson and Nic English playing Tim and his partner John Caleo, supported by an excellent ensemble creating a large number of other roles. Touching and funny, Clemente's production welcomed lighting designer Mark Shelton back to the company and saw the next step in the artistic progression of emerging designer Morag Cook. The production was a wonderful way to end the 2011 calendar year and a great South Australian debut for one of the country's fast-rising playwrights in Tommy Murphy.

***THE HAM FUNERAL* by Patrick White**

To start the 2012 calendar year, Adam Cook staged a funny and wonderfully bizarre production of Patrick White's classic. Part of the Adelaide Festival the piece had special resonance as the play had been sensationally rejected by the Festival's Board of Governors when it was proposed for inclusion in the 1962 Festival.

This 50th anniversary production was led by the indomitable Amanda Muggleton as White's anti-heroine, Mrs Lusty. A black and white set by designer Ailsa Patterson created a strange, abstract boarding house in the intimate confines of the Odeon Theatre in Norwood. The production played to strong reviews and was a virtual sell-out.

***THE GLASS MENAGERIE* by Tennessee Williams**

For his final production as Artistic Director, Adam Cook staged a touching and warmly-received production of Tennessee Williams' classic. Featuring a uniformly excellent ensemble cast made up of Kate Cheel, Nic English, Anthony Gooley and Diedre Rubenstein the piece played to reasonably strong houses at the Dunstan Playhouse. Victoria Lamb created another imaginative and emotionally resonant set design that was richly lit by Mark Pennington.

It was a fitting final production for Adam - empathetic, tightly text-focussed and with the narrative and characterisation given pride of place.

***WAR MOTHER* by Dario Fo, Franca Rame, Harold Pinter and Marjolijn van Heemstra**

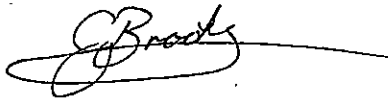
Our last production of the 2011-12 year was our 2012 Education Production, *War Mother*. Created by State Theatre Company Associate Director Catherine Fitzgerald utilising texts from Dario Fo, Franca Rame, Harold Pinter and Marjolijn van Heemstra as well as three songs by Bertolt Brecht, *War Mother* looked at the violence and fear that can all too easily rear up in contemporary society be it through terrorism, war or abuse.

Delivered by actors Eileen Darley and Anni Lindner the production was an intense 60 minute experience that provoked an enormous amount of discussion amongst student audiences. After a short Adelaide season the piece embarked on a successful outer metropolitan and regional tour.

SUMMARY

I'd like to thank all of our permanent, casual and contract staff and all the artists involved in the Company's work over the last 12 months. It's a privilege to have the opportunity to lead a company with such an artistically rich, diverse and powerful history and I look forward to the next stage of our development.

I would also like to thank and acknowledge Adam Cook, our outgoing Artistic Director, for 8 years of dedicated service and commitment to the company.

A handwritten signature in black ink, appearing to read 'Geordie Brookman', with a long horizontal line extending to the right.

Geordie Brookman
Artistic Director

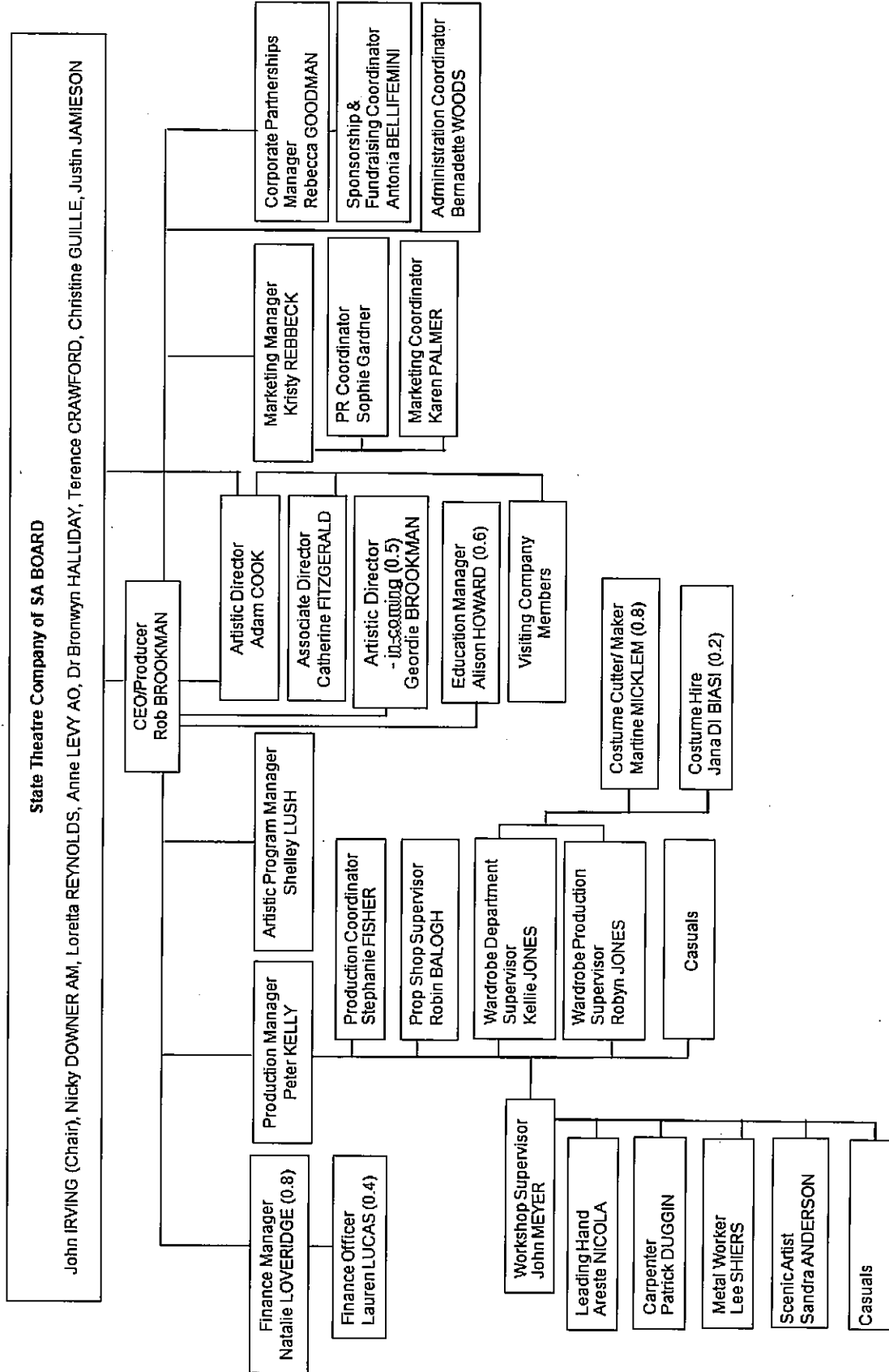
COMPANY OVERVIEW (INCLUDES ORGANISATIONAL CHART)

Established under the *State Theatre Company of South Australia Act 1972*, STCSA is a statutory authority that reports to the Minister Assisting the Premier in the Arts via Arts SA, the Government of South Australia's agency for arts and cultural development. The company receives major funding from Arts SA and from the Major Performing Arts Board of the Commonwealth Government's Australia Council for the Arts. The Company is overseen by an eight member Board. STCSA generates income through ticket sales, other operating activities and from corporate sponsors and private donors.

The functions and powers of STCSA under the STCSA Act include inter alia to:

- Present, produce, manage and conduct theatrical performances ... and entertainments of any kind as may in its opinion tend to promote the art of theatre;
- Promote or commission the writing of plays or dramas ... and other works for theatrical performance;
- Promote the training of all persons concerned in the production, presentation or performance of theatrical presentations;
- Assist financially or otherwise in the presentation, production, management or conduct of any art of the theatre in this State;
- Do all things necessary or expedient to promote public interest and participation in the art of the theatre.

The company's CEO and Artistic Director are appointed by the Board. In consultation with the Artistic Director and relevant managers, the CEO is charged with employing a range of personnel across the organisation. Outlined on the following page is STCSA's organisational structure, including ongoing employees as at 30 June 2012. Staff and artists employed for specific projects on a short-term basis during 2011-12 have been omitted.



STATE THEATRE COMPANY BOARD

The composition of the Board during 2011-12 was as follows:

Ministerial Appointments

John Irving (Chair)

Nicola Downer AM

Loretta Reynolds

Hon Anne Levy AO

Christine Guille

Bronwyn Halliday

Terence Crawford

Peter Siebels (to September 2011)

Justin Jamieson (from October 2011)

Board meetings

The Board met on 6 occasions during the year. In addition 1 special Strategy Day Meeting was held.

	<i>Meetings</i>	<i>Attended</i>
<i>John Irving</i>	6	6
<i>Nicola Downer</i>	6	5
<i>Loretta Reynolds</i>	6	6
<i>Peter Siebels</i>	2	1
<i>Christine Guille</i>	6	4
<i>Bronwyn Halliday</i>	6	4
<i>Justin Jamieson</i>	4	4
<i>Anne Levy</i>	3	2
<i>Terence Crawford</i>	6	6

COMPANY MISSION, VISION AND STRATEGIC PLANNING

Revised in September 2011, the STCSA *Strategic Plan with Business Plan (2011-14)* defined the company's mission as:

We exist to create great theatre that is stunning, entertaining and challenging.

In fulfilling this mission, STCSA's long-term vision is to:

- Present exciting and innovative work of the highest quality
- Be accessible and inviting to local audiences
- Reflect Australia's cultural diversity
- Have the capacity to employ artists of the highest quality from both the local and national industry
- Continue to be an employer of choice for artists and support staff
- Be respected locally and nationally as a benchmark for excellent production and performance practices
- Have strong private sector support

STCSA's goals for 2011-14 are to:

- Create great theatre
- Build audiences
- Strengthen finances
- Employ the best

The Company aims to fulfil its artistic mission by:

- Developing and sustaining the talents of its team of artists and staff
- Building the Company profile
- Increasing its financial ability
- Developing audiences
- Making an ongoing commitment to developing the art-form

These aims are in accordance with the SA State Government Strategic Plan 2010.

It should be noted that the Company has recently (at its meeting on August 28th, 2012) adopted a new Five Year Strategic Plan 2012 – 2017.

HUMAN RESOURCE MANAGEMENT (AT 30 JUNE 2012)

As outlined in the STCSA organisational chart in the Company Overview section, the following Human Resource Management data is based on STCSA's ongoing employees at 30 June 2012. Staff and artists employed on a short-term basis for specific projects are not included in this data.

EMPLOYEE NUMBERS, SALARIES AND CLASSIFICATIONS

Total number of employees		Gender	% Persons	% FTEs
Persons	27	Male	33.3%	35.3%
FTEs	23.5	Female	66.7%	64.7%

Number of persons for the 2011-12 financial year:	
Separated from the agency	5
Recruited to the agency	5

Number of persons on leave without pay at 30 June 2012	0
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Number of employees by salary bracket			
Salary Bracket	Male	Female	Total
\$0 - \$51,599	4	13	17
\$51,600 - \$65,699	2	2	4
\$65,700 - \$84,099	1	3	4
\$84,100 - \$106,199	0	0	0
\$106,200+	2	0	2
TOTAL	9	18	27

Voluntary Flexible Working Arrangements By Gender			
	Male	Female	Total
Purchased Leave	0	0	0
Flexitime	3	4	7
Compressed Weeks	0	0	0
Part-time	2	7	9
Job Share	0	0	0
Working from Home	0	0	0

Status of employees in current position					
	FTEs				
	Ongoing	Short-term contract	Long-term contract	Other (casual)	Total
Male	5	0	2.5	0.8	8.3
Female	12.2	1.6	0	1.4	15.2
TOTAL	17.2	1.6	2.5	2.2	23.5
	Persons				
	Ongoing	Short-term contract	Long-term contract	Other (casual)	Total
Male	5	0	3	1	9
Female	13	2	0	3	18
TOTAL	18	2	3	4	27

Number of executives by gender, classification and status in current position								
Classification	Ongoing		Contract tenured		Contract untenured		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
	-	-	-	-	1	-	1	-
TOTAL	-	-	-	-	1	-	1	-

LEAVE MANAGEMENT

Average days' leave taken per full time equivalent employee				
Leave type	2008-09	2009-10	2010-11	2011-12
Sick leave	3.3	1.2	4.1	4.3
Family carer's leave	0.2	0.1	0.3	0.3
Miscellaneous Special Leave	0	0.1	1.6	0.7

WORKFORCE DIVERSITY/EQUAL EMPLOYMENT OPPORTUNITY

By providing a workplace environment that supports diversity and is free from discrimination, harassment and bullying, STCSA displays commitment to encouraging a positive workplace environment which facilitates the realisation of full staff potential.

Number of Aboriginal and/or Torres Strait Islander employees					
	Male	Female	Total	% of agency	Target %*
Aboriginal/Torres Strait Islander people	0	0	0	0.0	2

* Target from South Australia's Strategic Plan

Number of employees by age bracket by gender					
Age Bracket	Male	Female	Total	% of Total	2012 Workforce Benchmark*
15 - 19	0		0	0	6.4%
20 - 24	0	1	1	3.7	10.4%
25 - 29	0	5	5	18.52	11.0%
30 - 34	1	1	2	7.41	10.1%
35 - 39	0	3	3	11.11	10.3%
40 - 44	2	2	4	14.81	11.0%
45 - 49	3	3	6	22.22	11.5%
50 - 54	1	2	3	11.11	11.4%
55 - 59	2	0	2	7.41	9.4%
60 - 64	0	1	1	3.7	5.5%
65+			0	0	3.0%
Total	9	18	27	100	100.0%

*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at May 2011.

Cultural and linguistic diversity					
	Male	Female	Total	% of agency	% of SA community*
Number of employees born overseas	-	-	-	-	20.3
Number of employees who speak language(s) other than English at home	-	-	-	-	16.6

* Benchmark from ABS publication *Basic Community Profile (SA)* Cat No 2001.0, 2006 census

Number of employees with disabilities (according to commonwealth DDA definition)			
Male	Female	Total	% of agency
0	0	0	0.0

Types of employee disabilities				
Disability	Male	Female	Total	% of Agency
Physical	0	0	0	
Intellectual	0	0	0	
Sensory	0	0	0	
Psychological/Psychiatric	0	0	0	
Other	0	0	0	
Total	0	0	0	

Number of employees with disabilities requiring workplace adaptation			
Male	Female	Total	% of Agency
0	0	0	

TRAINING AND DEVELOPMENT

Documented review of individual performance management			
<i>Total number of employees</i>	<i>% reviewed within the past 12 months</i>	<i>% with a review older than 12 months</i>	<i>% with no review</i>
27	100%	0	0

Leadership and management training expenditure		
Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$2.3K	0.1%
Total leadership and management development expenditure	\$1.6K	0.1%

OCCUPATIONAL HEALTH, SAFETY AND WELFARE

	2008-09	2009-10	2010-11	2011-12
OHS legislative requirements				
<i>Number of notifiable occurrences pursuant to OHS&W Regulations Part 7 Division 6</i>	NIL	NIL	NIL	NIL
<i>Number of notifiable injuries pursuant to OHS&W Regulations Part 7 Division 6</i>	NIL	NIL	NIL	NIL
<i>Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)</i>	NIL	NIL	NIL	NIL

EXPENDITURE	2011-12 (\$k)	2010-11 (\$k)	Variation (\$k) + (-)	% Change + (-)
Income Maintenance	\$6	\$1	\$5	500%
Lump Sum Settlements Redemptions - Sect.42	0	0	0	0
Lump Sum Settlements Permanent Disability – Sect. 43	0	0	0	0
Medical/Hospital Costs combined	\$4	\$2	\$2	200%
Other	0	0	0	0
Total Claims Expenditure	\$10	\$3	\$7	233%

MEETING SAFETY PERFORMANCE TARGETS

	Base: 2009-10	Performance: 12 months to end of June 2012			Final Target
	Numbers or %	Actual	Notional Quarterly Target	Variation	Numbers or %
1. Workplace Fatalities	0	0	0	-	0%
2. New Workplace Injury Claims	4	6	4	2	3
3. New Workplace Injury Claims Frequency Rate	74.9	87.3	74.9	12.4	
4. Lost Time Injury Frequency Rate ***	18.7	21.8	18.7	3.1	
5. New Psychological Injury Claims	0	0	0	0	0
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	50%	66.67%	80%	-13.33%	80%
6b. Early Intervention within 5 days		100%	90%	10%	90%
6c. Days Lost <= 10 days	100%				60%
7. Claim Determination:					
7a. New claims determined for provisional in 7 calendar days	0%	50%	100%	-50%	100%
7b. Claims determined in 10 business days	100%	100%	75%	25%	75%
7c. Claims still to be determined after 3 months	0%	0%	3%	-3%	3%
8. Income Maintenance Payments for Recent Injuries:					
2009/10 Injuries (at 24 months development)	0	\$231.91	\$822.28	-\$608.37	Below previous 2 years average
2010/11 Injuries (at 12 months development)	0	\$5,628.47	\$419.99	\$5,208.49	Below previous 2 years average
* Except for Target 8, which is YTD.. For Targets 5, 6c, 7b and 7c, performance is measured up to the previous quarter to allow reporting lag.					
** Based on cumulative reduction from base at a constant quarterly figure.					
***Lost Time Injury Frequency Rate: Injury frequency rate for new lost-time injury/disease for each one million hours worked. This frequency rate is calculated for benchmarking and is used by the WorkCover Corporation. Lost time frequency rate (new claims): $\frac{\text{Number of new cases of lost-time injury/disease for year} \times 1\,000\,000}{\text{Number of hours worked in the year}}$					

Registered with Worksafe SA, the company's OHS Committee consists of two management representatives, (one of whom is STCSA's CEO - the person responsible under the *OHS&W Act 1986*), and three staff-elected representatives (an artistic/administration representative, a wardrobe/costume hire representative and a workshop/props hire representative).

The committee meets regularly, with the purpose of:

- Discussing and addressing general OHS issues that affect the organisation.
- Assisting in the resolution of specific OHS problems for which other in-house resolution possibilities have been exhausted.

As STCSA's primary performance venues and administration/production areas are leased from the Adelaide Festival Centre Trust (AFCT), the STCSA OHS Committee liaises on a regular basis with the relevant staff of the AFCT and sends a representative to the AFCT Principal OHSW monthly meetings.

FINANCIAL ISSUES

CONTRACTUAL ARRANGEMENTS

STCSA entered into no contractual arrangements during the 2011-12 financial year where the total value of the contract exceeded \$4 million and the contract extended beyond a year.

ACCOUNT PAYMENT PERFORMANCE

Particulars	Number of accounts paid	% of accounts paid(by number)	Value in \$A of accounts paid	% of accounts paid (by value)
<i>Paid by the due date*</i>	1,479	89.4%	5,103,470	95.2%
<i>Paid late, but within 30 days of due date</i>	143	8.6%	186,051	3.5%
<i>Paid more than thirty days from due date</i>	33	2.0%	72,756	1.3%

* "Due date" is defined as per section 11.7 of *Treasurer's Instruction 11*

FRAUD

No instances of fraud occurred during the 2010-11 financial year of which STCSA is aware.

CONSULTANTS

Consultancy ranges	2011-12 consultancy expenditure	Number of consultants	Names and descriptions of consultants
<i>Below \$10 000</i>	NIL	NIL	
<i>\$10 000 to \$50 000</i>	\$11,454	1	emdf Consultancy, fundraising plan
<i>Above \$50 000</i>	NIL	NIL	
<i>TOTAL</i>	NIL	NIL	

OVERSEAS TRAVEL

Number of employees	Destination(s)	Reasons for travel	Total cost to agency
1	United Kingdom	Attendance at arts marketing summit	NIL (funded by Australia Council bursary)

DISABILITY ACTION PLAN

STCSA's primary performance venues, administration and production areas are leased from the Adelaide Festival Centre Trust (AFCT), whose disability action plan is detailed in AFCT's annual report.

STCSA's commitment to welcoming persons with a disability to STCSA work areas and performance venues includes provision of equitable access and services wherever possible. The Company's accessibility initiatives include:

- Holding up to 10 discounted seats per performance for patrons in wheelchairs.
- Programming two performances of each production specifically for visually impaired patrons, who receive discounted tickets, a pre-show briefing and, during the performance, audio descriptions of the performance.
- Providing one captioned matinee performance of each production for hearing impaired patrons.

STCSA consults with organisations that represent persons with disabilities to ensure optimal service delivery, and dissemination of information about STCSA's accessibility initiatives.

ASBESTOS MANAGEMENT PLAN

STCSA's primary performance venues, administration and production areas are leased from Adelaide Festival Centre Trust, which has an asbestos management plan (as detailed in its Annual Report) to ensure AFCT buildings comply with legislation and protect the health and safety of employees, lessees, contractors and visitors. STCSA has also developed its own Asbestos Policy as part of its OHS policies and procedures implementation program and liaises also with the DTEI Asbestos Unit in relation to STCSA's administration premises.

FREEDOM OF INFORMATION STATEMENT

STCSA is a statutory authority established under the *State Theatre Company of South Australia Act 1972*. Through direct feedback to the Company, members of the public can participate in STCSA policy formation and the exercise of the Company's functions. The structure and functions of STCSA are further described elsewhere in this report.

STCSA's ticketing categories are implemented to maximise community access, ensuring that performances are accessible to all members of the public.

Recent annual reports may be downloaded free of charge from STCSA's website (www.statetheatrecompany.com.au) or by phoning the Company on (08) 8415 5333. Requests under the *Freedom of Information Act 1991* for access to other STCSA documents, including current policy documents, should be directed in writing to:

FOI Officer
State Theatre Company of South Australia
PO Box 8252
Station Arcade
ADELAIDE SA 5000

Members of the public seeking simple amendment (i.e. change of name or address) of STCSA records concerning their personal affairs may phone (08) 8415 5333, email info@statetheatrecompany.com.au or write to:

Administration Coordinator
State Theatre Company of South Australia
PO Box 8252
Station Arcade
ADELAIDE SA 5000

STATEMENT REGARDING THE WHISTLEBLOWERS PROTECTION ACT 1993

STCSA has appointed a responsible officer for the purposes of the *Whistleblowers Protection Act 1993* pursuant to Section 7 of the *Public Sector Act 2009*.

There have been no instances of disclosure of public interest information to the responsible officer of the Company under the *Whistleblowers Protection Act 1993*.

ENVIRONMENTAL (GREENING OF GOVERNMENT OPERATIONS) REPORTING

STCSA's primary performance venues, administration and production offices are leased from the Adelaide Festival Centre Trust (AFCT). STCSA is invoiced a designated fee for office water and electricity consumption, but as use of both is largely integrated with that of the AFCT, no specific meter readings are available. However, data estimates for our Pennington storage facility are provided within the following section.

ENERGY MANAGEMENT

LIGHTING

Sectional lighting within the Company office areas allows illumination required by staff who attend the office beyond standard business hours, without requiring the activation of lights throughout the entire building. Lights are kept in good working condition by our landlords to ensure the effective use of energy. Staff are briefed on switching off lights not in use as a matter of standard procedure

EQUIPMENT & APPLIANCES

Cathode ray tube (CRT) monitors are in use with a small number of older model computers across the Company. These computers are being phased out and replaced by with newer LCD models with lower energy demand. CRT monitors are either kept as spares, or donated to charity organisations that refurbish computers, and disseminate them to those in need. Currently, STCSA uses 15 LCD monitors and 3 CRT monitors.

Four printers, two photocopiers (one of which is a multifunction photocopier) are currently in use between approximately 30 staff on three individual sites. The multifunction photocopier has ENERGY STAR facilities (and 'energy saver mode' and an 'auto off timer', which can reduce annual electricity use for printing and copying by over 60%.

Electrical equipment is all tested and tagged to ensure appliances are not drawing too much power and there are no operating faults. The microwaves on site are tested annually to ensure they are operating at optimum levels without leaking radiation.

ENERGY SOURCE

As STCSA's energy use is largely integrated with AFCT's, most energy consumption data is not available. Indicative data for electricity usage at Pennington is provided below.

Energy consumption for Pennington, (example data)	
Approx. annual STCSA consumption (kw)	Average monthly STCSA consumption (kw)
22847.16	1906.82

WATER CONSERVATION & WASTEWATER MANAGEMENT

As STCSA's water usage is governed by the AFCT, data regarding the cost of usage will be provided in the AFCT annual report. The nature of STCSA's operations is such that water consumption is related only to use in the administrative office kitchen. Staff are encouraged to utilise the dishwasher only when a full load is required, such as after large functions. Hand-washing of dishes as required allows reduction of water consumption. Spring water is supplied for all employees using the Rehearsal Room, which is ordered on an as needs basis. An average consumption for bottled water is as follows.

Estimate annual water consumption for Rehearsal Room	
No. of bottles supplied July 2011 – June 2012	Litres of water consumed (L)
307	3,377

The water charges for all usage at our storage facility at Pennington are as follows:

Estimate annual water consumption for Pennington	
STCSA usage April 11 – March 12 (kL)	Estimate average monthly usage (kL)
371.32	30.9

WASTE MANAGEMENT

An estimation of paper consumption is provided below.

Paper consumption for STCSA for July 2011 – June 2012 (estimate data)		
Estimated consumption:	Cost per ream	Total Spend on Paper
A4: 187 reams	\$5.27	260x\$5.79 = \$1505.40
A3: 15 reams	\$14.08	15x\$14.08 = \$211.20
	Total	\$1,716.60
Paper consumption for STCSA for July 2011 – June 2012 (estimate data)		

As a tenant of the Adelaide Railway Station, STCSA receives cleaning services, which include disposal of plastic, glass, food and other waste and as such, quantifiable waste management information is not attainable. Waste streams are, however, fully separated. Confidential papers are collected on an as-needs basis, with 4 empties of the 240L bin over the year, and the paper is recycled after being shredded.

ENERGY EFFICIENCY ACTION PLAN

As STCSA's primary performance venues, administration and production areas are leased from the AFCT, most of its energy use is integrated with and invoiced to AFCT. Therefore separate data for energy use is not available.

STCSA's understanding of the importance of energy efficiency for environmental conservation and cost effectiveness is evident in its ongoing initiatives to reduce resource consumption and limit waste.

These initiatives include:

- Switching off electricity when equipment or lighting is not in use.
- Re-using and/or recycling paper and cardboard, printer toner cartridges and other office supplies.
- Minimising printed materials by encouraging staff to use electronic communication where possible.
- Co-ordinating use of the Company vehicle to complete multiple tasks in a single trip where possible.
- Sharing office equipment with the other office tenant, Windmill Theatre, to cut down on consumption of power.

SPONSOR AND DONOR LIST

GOVERNMENT

The Government of South Australia funds STCSA through Arts SA.



Government of South Australia
Arts SA

The Commonwealth Government funds STCSA through the Australia Council for the Arts.



Australian Government



MAJOR PARTNERS

The Advertiser
Adshel
Angove Family Winemakers
ElectraNet
Envestra

EDUCATION PARTNER

Flinders University

PARTNERS

891 ABC Adelaide
Anglicare SA
Advantage SA
Australia Israel Chamber of Commerce
Booze Brothers
Budget
Business SA
Coca-Cola Amatil
Finsbury Green
Flowers of Adelaide
Norman Waterhouse Lawyers
Oaks Hotels & Resorts
SA Lotteries
Selleys
TBar Tea Salon

TRUSTS & FOUNDATIONS

Don Dunstan Foundation

PATRONS

Gold (\$5,000+)

Anonymous (1)

Silver (\$2,000+)

Anonymous (1)

Rob Brookman AM and Verity Laughton

Macquarie Group Foundation

Valerie Taylor

Bronze (\$1,000+)

Margaret Bennett

Legh and Helen Davis

Cassandra Francas

Zen & Susie Herzberg

Donald George

Mary Parry

GOLD SUBSCRIBERS

Peter Allcroft & Meridy Dunn

Parsons Brinckerhoff

Bridget Walters & Bob Brady

Robert Bryce & Lyn Edwards

Rob & Jenny Creasy

Freda & Peter Coles

Tony & Gustie deMaajer

Tom Dougherty

Kay Dowling

Jane Ferguson & Trevor Mudge

Kath Ferguson

Mary Fisell

John & Rosemary Gumley

Margo & Sam Hill-Smith

The Hon Anne Levy AO

Des Marnane

Kristy Marnane

James Ninham

Barbara Saunders

Frank & Kathy Seeley AM

Alexandra Sernecki

David & Alison Smallacombe

Jenny & Sarah Strathearn

Daisy Stirling

Maryanne Tiller & Bruce Whitby

Jillian Read

MEN AT PLAY

RH Allert AO

Nicholas Begakis AM

John Birmacombe

Mark Butcher

Ron Dent

Chris Guille

Alistair Haigh

John Heard

Mark Hender

Jim Howard

John Irving

Kieran Purcell

Don Sarah AM

Peter Siebels

Bruce Spangler

Simon Stretton

Richard Wilson

DRAMATIC WOMEN

Stephanie Clampett

Sally Chapman

Jane Doyle

Cassandra Francas

Bronwyn Halliday

Janet Hayes

Glenys Jones OAM

Sue Kitchener

Carolyn Majda

Pamela McKee

Beraniece Pfitzner

Dianè Ranck

Julie Redman

Isobel Redman MP

Loretta Reynolds

Yvonne Rothall

Meredyth Sarah AM

Lisa Temple

Karen Thomas

Marika Tiggemann

Helen Tiller

Sue Tweddell

Magda Troffin

STAGEHANDS (\$250+)

Anonymous (7)

Donald & Veronica Aldridge

Amanda Berman

John Bishop AO

Mrs Suzanne Brookman

Clive & Jane Brooks

Mary Camilleri

Francene Connor

Laurie & Denise Doube

Jane Doyle

Nicola Downer AM

Sharon Evans

Fenton's Conveyancing

John Field

Joy Fletcher

Diana Fry

Jim & Jennie Garsden

EH & A Hirsch

Hugh & Sue Kildea

The Hon Anne Levy AO

Beth Lewis

Robert Marrone

Ethel Mill

Glenys O'Brien

Kaaren Palmer

Dianè Ranck

Isobel Redmond MP

Rob Richards

Ian Roberts-Thomson

Richard Ryan AO

Anne Rugless

Don Sarah AM

Diana Vickery

Merry Wickes

R & G Woolcock

OPERATING ACTIVITIES

Speaking in Tongues

by Andrew Bovell

A State Theatre Company of South Australia production

2-24 July 2011

Dunstan Playhouse

Total performances	22
Attendances	6612
Paid	5578
Unpaid	1034

Director	Geordie Brookman
Designer	Victoria Lamb
Lighting Designer	Geoff Cobham
Composer/Sound Designer	DJ TRIP
Choreographers	Adrienne & Andrew Gill, Southern Cross Tango
Stage Manager	Kat Braun
Assistant Stage Manager	Vanitha Vythilingam
Peter/Neil/John	Terence Crawford
Sonja/Valerie	Lizzy Falkland
Leon/Nick	Chris Pitman
Jane/Sarah	Leeanna Walsman

Speaking in Tongues was first produced by the Griffin Theatre Company in 1996

Three Sisters

BY Anton Chekhov

A State Theatre Company of South Australia production

5-28 August 201

Dunstan Playhouse

Total performances	23
Attendances	6333
Paid	5383
Unpaid	950

Director & Set Designer	Adam Cook
Set & Lighting Designer	Gavan Swift
Costume Designer	Ailsa Paterson
Composer	Jason Sweeney
Stage Manager	Lisa Osborn
Assistant Stage Managers	Laura Smans and Hollee Gunter

Cast	
Rode	Chris Asimos
Irina	Kate Cheel
Andrey	Patrick Graham
Chebudykin	Michael Habib
Ferapont	Edwin Hodgeman
Olga	Carmel Johnson
Masha	Ksenja Logos
Baron Tuzenbach	Renato Musolino
Vershinin	Peter O'Brien
Solyony	Nathan O'Keefe
Kulygin	Geoff Revell
Natasha	Nadia Rossi
Fedotik	Roman Vaculik
Anfisa	Bridget Walters

Supported by Dramatic Women

Buried Child

By Sam Shepard

A State Theatre Company of South Australia production

9 September – 2 October 2011

Dunstan Playhouse

Total performances	22
Attendances	4671
Paid	3957
Unpaid	714

Director	David Mealor
Designer	Mary Moore
Lighting Designer	Mark Pennington
Composer	Quentin Grant
Accent Coach	Helen Tiller
Stage Manager	Laura Smans
Assistant Stage Manager	Stephen Moylan

Cast

Father Dewis	Patrick Frost
Tilden	Nicholas Garsden
Bradley	Patrick Graham
Dodge	Ron Haddrick
Shelly	Hannah Norris
Vince	Tim Overton
Halie	Jacqy Phillips

By arrangement with Josef Weinberger Limited, London.

Holding The Man

BY Tommy Murphy from the book by Timothy Conigrave

A State Theatre Company of South Australia production

21 October – 13 November 2011

Dunstan Playhouse

Total performances	22
Attendances	5331
Paid	4327
Unpaid	1004

Director	Rosalba Clemente
Designer	Morag Cook
Lighting Designer	Mark Shelton
Composer	Stuart Day
Puppet Designer & Maker/	
Stage Manager	Stephanie Fisher
Assistant Stage Manager	Kat Braun
Assistant Director *	Corey McMahon
Directing Secondment,	
Flinders University Drama Centre	Kim Begg
Stage Management Secondment,	
AC Arts	Brad Thomson

Cast	
Tim	Luke Clayson
John	Nic English
Mary-Gert	Catherine Fitzgerald
Dick	Geoff Revell
Juliet	Ellen Steele
Kevin	Nick Pelomis

All other roles played by the ensemble

* Supported by the Arts SA Professional Development Group

The Ham Funeral

By Patrick White

A State Theatre Company of South Australia production presented in association with the Adelaide Festival

25 February – 18 March 2012

Odeon Theatre, Norwood

Total performances	24
Attendances	5485
Paid	4912
Unpaid	573

Director	Adam Cook
Designer	Ailsa Paterson
Lighting Designer	Gavan Swift
Composer	Stuart Day
Stage Manager	Bridget Samuel
Assistant Stage Manager	Kat Braun
Assistant Director*	Alison Howard
Design Secondment	Jenelle Witty

Cast

Young Man	Luke Clayson
First Relative	Jonathan Elsom
Girl	Lizzy Falkland
Landlord/Relative	Jonathan Mill
Landlady	Amanda Muggleton
First Lady/Relative	Jacqy Phillips
Second Lady/Relative	Geoff Revell

* Assisted by Arts SA Professional Development Grant

The Glass Menagerie

By Tennessee Williams

A State Theatre Company of South Australia production.

4 -26 May 2012

DUNSTAN PLAYHOUSE

Total performances	22
Attendances	7390
Paid	6112
Unpaid	1278

Director	Adam Cook
Designer	Victoria Lamb
Lighting Designer	Mark Pennington
Composer	Stuart Day
Stage Manager	Bridget Samuel
Assistant Stage Manager	Kat Braun
Voice and Dialect Coach	Simon Stollery

Cast

Laura Wingfield	Kate Cheel
Jim O'Connor	Nic English
Tom Wingfield	Anthony Gooley
Amanda Wingfield	Deidre Rubenstein

The Glass Menagerie is presented through special arrangement with the University of the South, Sewanee, Tennessee.

EDUCATION PROGRAM

WAR MOTHER

A State Theatre Company of South Australia production

Press Conference by Harold Pinter

A Mother by Franca Rame & Dario Fo

Switch by Marjolijn van Heemstra

Songs by Bertolt Brecht and Hans Eisler

The Song of a German Mother

On Suicide

The Flower Garden

30 May – 22 June

Total performances: 17 (including):

City 3 school performances
 4 Subscriber performances
 Space Theatre

Attendances:

Paid 551 general public + 537 students

Unpaid 107 + 67 teachers

Suburban 3 schools performances
 Golden Grove Arts Centre
 Shedley Theatre
 Hopgood Theatre Noarlunga

Attendances:

Paid 423 students

Unpaid 30 teachers

Regional 7 schools performances
 Keith Michell Theatre, Port Pirie
 Lea Theatre, Port Augusta
 Middleback Theatre, Whyalla
 Nautilus Theatre, Port Lincoln
 Goolwa Theatre, Goolwa
 Sir Robert Helpmann Theatre, Mt Gambier
 Chaffey Theatre, Renmark

Attendances:

Paid 898 students

Unpaid 86 teachers

Director	Catherine Fitzgerald
Designer	Ailsa Patterson
Lighting Designer	David Gadsden
Composer	Catherine Oates
Repetiteur	Michael Morley
Stage Manager	Vanitha Vythilingam
Tour Technician	Damon Jones
Creative Writing Secondment	Michele Saint-Yves

Cast

Actor	Eileen Darley
Actor	Anni Lindner
Voice over	Stephen Sheehan

The regional tour was supported by ElectraNet, Country Arts SA and Budget Car and Truck rental

DAY WITH STATE (DWS)

As part of the Education Program, we present a number of daytime performances of our main stage productions specifically for high school students. Teachers who book DWS performances are provided with detailed notes on the show to encourage discussion in the classroom and each performance is followed by a post show question and answer session with the show's director, cast and creative team. The 2011-12 DWS attendances were as follows:

Production	Attendance	
<i>Speaking in Tongues</i>	502 students	50 teachers
<i>Three Sisters</i>	430 students	47 teachers
<i>The Ham Funeral</i>	572 students	51 teachers
<i>The Glass Menagerie</i>	1409 students	128 teachers

For those schools unable to attend the DWS shows, we also offer student price tickets for evening and matinee performances of all main-stage productions across the season. Disadvantaged schools are offered a further discounted price on all performances.

EDUCATION WORKSHOPS AND DEVELOPMENT

STUDENT WORKSHOPS

1. <i>Brecht</i>	1 – 4 August 2011
Number of workshops	4
Student attendance	115
Director	Antje Gunther
Actors	Craig Behenna & Emma Beech

2. <i>Group Devised</i>	19 – 22 March 2012
Number of workshops	4
Student attendance	99
Director	Catherine Fitzgerald

3. <i>Brecht</i>	26 & 27 March 2012
Number of workshops	2
Student attendance	71
Director	Antje Gunther
Actors	Craig Behenna & Emma Beech

4. <i>Building a Character</i>	7 & 8 May 2012
Number of workshops	2
Student attendance	56
Directors	Alison Howard & Simon Stollery

TEACHER WORKSHOPS

1. Multimedia as Theatre Language	2 April 2012
Teacher attendance	16
Director	Rosemary Myers

WORKSHOPS ON DEMAND

This Education initiative sends professional artists into schools to teach practical workshops to students from Years 9 – 12. Each workshop is tailored to the needs and experience of the students.

1. <i>Brecht teacher workshop</i>	1 workshop (Approx. 6 teachers)
Director	Antje Gunther

2. <i>Objective Movement</i>	2 workshops (Approx. 50 students)
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Director	Jo Stone
3. <i>Voice / Accent</i>	2 workshops (Approx 50 students)
Director	Simon Stollery
4. <i>Absurd Theatre</i>	1 workshop (Approx 25 students)
Director	Renato Musolino

REGIONAL WORKSHOPS

As part of the inaugural Regional Workshop Tour, Associate Director Catherine Fitzgerald visited and presented workshops in high schools and Youth Performing Arts companies in four South Australian regional towns over six days. Three of the workshops were based around the themes of the upcoming Education Show *War Mother* and the other two workshops were skill based workshops in acting.

Saint Marks College, Port Pirie	15 drama students, Year 11 & 12
Port Augusta High School	12 drama students, Year 12
Mount Gambier High School	25 drama & 30 English students, Year 12
Riverland Youth Theatre	15 mixed aged students and 4 teachers from surrounding schools (Barmera, Loxton and Berri)
Ovation Theatre Mount Gambier	15 mixed aged students.
Total Participants = 116	

WORK EXPERIENCE

An organised program for secondary student work experience was run during the April school holidays, designed to give the students an in-depth look into the activities of a professional theatre company. In 2012, 20 high school students took part in four days of workshops with all areas of the company, including design, sound and lighting, set building, wardrobe, marketing, script analysis and acting techniques. Information is provided to these students on pathways into a career in the Arts, depending on their area of interest.

FLINDERS UNIVERSITY YOUNG PLAYWRIGHTS AWARD

This annual event is aimed at young emerging playwrights aged 25 years and under interested in the opportunity of having their script developed with a professional director and actors before being presented as a rehearsed reading to an invited audience. In 2011 this program attracted 30 entrants from which two winning scripts and three commendations were selected. Winners were announced on our website and through social media.

The winning playwrights spent a week working on their scripts with State Theatre Company's Associate Director, Catherine Fitzgerald and a cast of six actors before preparing scripts for the public rehearsed reading on Friday 29 July.

The Flinders University Young Playwrights Award staged reading and presentation night was held at Holden Street Theatres (Studio) and was attended by 125 invited guests. Certificates and prizes were presented by Artistic Director, Adam Cook and Dr. Maggie Ivanova from Flinders University.

Winners

<i>Deadline</i>	Flora Gaugg
<i>Plain Jane</i>	Philip Kavanagh

Commendations

<i>Home</i>	Holly Brindley
<i>Shakespeare's Revenge</i>	Alfie Simpson
<i>Godfrey</i>	Lucy Campbell
<i>Pistol</i>	Natalie Textler, Emma Wotzke, Tara Wyllie, Jennifer Barry

Director/Dramaturg	Catherine Fitzgerald
Stage Manager	Gabby Hornhardt

Cast

Deadline

Nic English	Graham / Mark
Staten Evans	Carl
Elleni Karagiannidis	Julie
Ashton Malcolm	Anita
Lydia Nicholson	Pam / Stacey
Robert Tompkins	Dr Jones

Plain Jane

Nic English	Ellito / Jimmy
Elleni Karagiannidis	Jane / Kel
Robert Tompkins	Eric
Staten Evans	Evan / Timmo
Ashton Malcolm	Shell
Lydia Nicholsen	Mel

SECONDMENTS

Through the year STCSA also facilitated secondments in our workshop and wardrobe departments, as well as a Creative Writing Secondment from AC Arts to work with Associate Director Catherine Fitzgerald on *The Zoo Story*. Flinders University directing students were also given rehearsal room opportunities during *The Glass Menagerie*. These secondments provide an opportunity for those in the industry or in tertiary courses to gain experience working in a professional theatre company.

STATESA THEATRE COMPANY

ABN 55 386 202 154

Financial Statements
for the year ended
30th June 2012

State Theatre Company of South Australia

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State Theatre Company of South Australia
Statement of Comprehensive Income
for the year ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
Expenses			
Staff Benefits Expenses	4	2,626	2,559
Supplies and services	5	2,312	2,685
Depreciation	10	19	27
Total expenses		<u>4,957</u>	<u>5,271</u>
Income			
Commonwealth revenues		554	542
Box office and related revenue		1,204	1,604
Sponsorship and donations	7	306	344
Interest	7	61	75
Other income	7	264	312
Total income		<u>2,389</u>	<u>2,877</u>
Net cost of providing services		<u>2,568</u>	<u>2,394</u>
Revenues from SA Government			
Revenues from SA Government		<u>2,380</u>	<u>2,336</u>
Net result		<u>(188)</u>	<u>(58)</u>
Total comprehensive result		<u>(188)</u>	<u>(58)</u>

The net result and total comprehensive result are attributable to the State Government as owner

2012

State Theatre Company of South Australia
Statement of Financial Position
as at 30 June 2012

	Note	2012 \$'000	2011 \$'000
Current assets			
Cash and cash equivalents	8	740	720
Receivables	9	22	31
Prepayments		195	268
Inventories		2	2
Total current assets		<u>959</u>	<u>1,021</u>
Non-current assets			
Other financial assets	2(j)	653	622
Plant and equipment	10	43	43
Total non-current assets		<u>696</u>	<u>665</u>
Total assets		<u>1,655</u>	<u>1,686</u>
Current liabilities			
Payables	11	417	352
Unearned Revenue	12	444	481
Staff Benefits	13	128	106
Provisions	14	15	2
Special funds	15	2	2
Total current liabilities		<u>1,006</u>	<u>943</u>
Non-current liabilities			
Payables	11	14	9
Staff Benefits	13	165	102
Provisions	14	34	6
Special funds	15	12	14
Total non-current liabilities		<u>225</u>	<u>131</u>
Total liabilities		<u>1,231</u>	<u>1,074</u>
Net assets		<u>424</u>	<u>612</u>
Equity			
Retained Earnings		424	612
Total equity		<u>424</u>	<u>612</u>

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments 16

State Theatre Company of South Australia
Statement of Changes In Equity
for the year ended 30 June 2012

	Note	Retained Earnings	
		2012 \$'000	2011 \$'000
Balance at 1 July		612	670
Net result		(188)	(58)
Balance at 30 June		<u>424</u>	<u>612</u>

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

2012

State Theatre Company of South Australia
Statement of Cash Flows
for the year ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
Cash flows from operating activities			
Cash outflows			
Staff benefits payments		(2,491)	(2,559)
Payment for supplies and services		(2,256)	(2,745)
Cash (used in) operations		<u>(4,747)</u>	<u>(5,304)</u>
Cash inflows			
Receipts from Commonwealth		554	542
Box office and other receipts		1,717	2,070
Interest received		26	45
GST recovered from the Australian Taxation Office		111	197
Cash generated from operations		<u>2,408</u>	<u>2,854</u>
Cash flows from SA Government			
Receipts from SA Government		2,380	2,336
Cash generated from SA Government		<u>2,380</u>	<u>2,336</u>
Net cash provided by/(used in) operating activities	17.2	<u>41</u>	<u>(114)</u>
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment		(19)	(6)
Cash (used in) investing activities		<u>(19)</u>	<u>(6)</u>
Net cash (used in) investing activities		(19)	(6)
Net increase/(decrease) in cash and cash equivalents		22	(120)
Cash and cash equivalents at the beginning of the period		704	824
Cash and cash equivalents at the end of the period	17.1	<u>726</u>	<u>704</u>

The above statement should be read in conjunction with the accompanying notes.

2

1. Objectives of The State Theatre Company of South Australia

The State Theatre Company of South Australia (the Company) was established under the *State Theatre Company of South Australia Act, 1972* and exists to create great theatre that is stunning, entertaining and challenging. Our vision is to:

- Create productions which are sought after locally, nationally and internationally
- Present exciting and innovative work
- Be accessible and inviting to local audiences and be a frequently chosen entertainment option
- Reflect Australia's cultural diversity
- Have the capacity to employ artists from expert backgrounds both locally and nationally
- Continue to be an employer of choice for artists and support staff who see the Company as a place where they can learn and grow
- Be respected as a benchmark for excellent production and performance practices
- Have excellent government support; and
- Have outstanding private sector support.

2. Summary of significant accounting policies

a) Statement of compliance

The State Theatre Company of South Australia has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the reporting period ending 30 June 2012. These are outlined in Note 3.

b) Basis of preparation

The preparation of the financial statements require:

- the use of certain estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in these financial statements:

- a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items applies;
- b) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff. The Company did not have any staff who received remuneration equal to or greater than the base executive remuneration level during the year; and
- c) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Company's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented.

c) Reporting entity

The Company is a statutory authority of the State of South Australia, established pursuant to the *State Theatre Company of South Australia Act 1972*. The financial statements and accompanying notes include all controlled activities of the Company.

The normal business activities of the Company are dependent on the continuation of grants from the State Government and the Australia Council at appropriate levels. The Governments have advised that funding at current levels will be maintained through to 31 December 2014. Accordingly, these financial statements have been prepared on a going concern basis.

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific Accounting Standards and Accounting Policy Statements has required a change.

e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

f) Taxation

The activities of the Company are not subject to income tax. The Company is liable for payroll tax, fringe benefits tax, Goods and Services Tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows on a gross basis and 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 part of operating cash flows.

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments are disclosed on a gross basis.

g) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Company will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

The following are specific recognition criteria:

Revenues from SA Government

Appropriations for program funding are recognised as revenues when the Company obtains control over the assets. Control over appropriations is normally obtained upon receipt.

Commonwealth Revenue

A Tripartite Funding Agreement between the State Government, Australian Government and the Company provides operating grants for the Company. The funding arrangements for these Governments are intended to cover the different operating periods. In particular:

- Australian Government operating grants received in 2011-12 were to contribute to operations for the 2012 calendar year.
- State Government operating grants received in 2011-12 were to contribute to operations for the 2011-12 financial year.

In accordance with the Australian Accounting Standards grants are recognised as revenue when the Company obtains control over the assets. Control over grants is normally obtained upon receipt because the grants are a non-reciprocal transaction and there is no present obligation to repay the monies.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

Sponsorship

Sponsorships are provided in cash and through resources provided free of charge. Sponsorship income is recognised according to the pattern of benefits exchanged. Sponsorship received in advance of benefits paid is recorded as unearned revenue.

Resources provided free of charge are recorded at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been provided.

Box office and related revenue

Box office revenues for productions are recognised when a production has concluded. Ticket sales for future productions and productions in progress at reporting date are recorded as unearned revenue - advance box office revenue.

There were six mainstage productions staged during the year (seven mainstage productions staged in 2010-11).

h) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Company will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

The following are specific recognition criteria:

Staff benefits expenses

Staff benefits expenses includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Company to various superannuation plans in respect of current services of current staff.

Depreciation

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets:

	Years
Motor Vehicles	5
Equipment	4-10
Computer Equipment	3-4

Acquisitions of \$1,000 or less are expensed.

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value, and in the expense line items to which they relate.

Production expenses

Expenses for productions are recognised when a production has concluded. Production costs for future productions and productions in progress at reporting date are recorded as prepayments.

i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

j) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value. Short term deposits include deposits at call with the South Australian Government Financing Authority and are recorded at cost.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Receivables

Receivables include trade receivables from the provision of goods and services.

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are due within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified.

Other financial assets

The Company entered into an agreement, known as the Reserves Incentive Funding Scheme Agreement, with the Australia Council and Arts SA during 2003-04. The Scheme is designed to encourage and assist the Major Performing Arts companies to strengthen their Statement of Financial Position by building reserves to a level that is sufficient to underpin their financial health.

The funds received under the Agreement must be placed in escrow and can only be released under certain circumstances, which are set out in the Agreement, which includes the Company making a formal submission, signed by the Board Chair, to Arts SA and the Australia Council.

Funds received under the Scheme have not been used to secure any liabilities of the Company.

These funds are long term deposits which are held with the South Australian Government Financing Authority and are recorded at cost. The balance of the fund as at 30 June 2012 was \$653,000 (\$622,000 in 2010-11).

Inventories

Inventories include raw materials for the construction of sets, props and costumes for theatre productions.

Inventory is measured at cost, with cost being measured on the basis of the first-in, first-out method.

In addition to the assets reported, the Company also holds stocks of costumes and theatre props. However, given the special purpose nature of these items, the Board of Governors does not believe it appropriate to bring the value of used costumes and theatre props to account.

Plant and equipment

Plant and equipment is initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

All plant and equipment with a value equal to or in excess of \$1,000 are capitalised and are tested for indication of impairment at each reporting date.

k) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

Payables

Payables include creditors, accrued expenses and staff on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Company.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Staff benefit on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

The Company makes contributions to several externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Staff Benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long term staff benefits are measured at present value and short term staff benefits are measured at nominal amounts.

Wages, salaries, annual leave and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Long service leave

The liability for long service leave is recognised after an employee has completed nil years of service plus a 10% premium (5.0 in 2010-11). An actuarial assessment of long service leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short-hand method was not materially different from the liability measured using the present value of expected future payments.

The unconditional portion of the long service leave provision is classified as current as the authority does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after ten years of service.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2012 provided by a consulting actuary engaged through the Public Sector Workforce Relations Division of the Department of the Premier and Cabinet. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Company is responsible for the payment of workers compensation claims.

1) Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments are disclosed on a gross basis.

3. New and revised accounting standards and policies

The Company did not voluntarily change any of its accounting policies during 2011-12.

Australian accounting standards and interpretations that have recently been issued and amended but are not yet effective, have not been adopted by the Company for the period ending 30 June 2012. The Company has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or financial statements of the Company.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

	2012 \$'000	2011 \$'000
4. STAFF BENEFITS EXPENSES		
Salaries and wages	2,047	2,096
Long Service Leave	94	16
Annual Leave	109	107
Staff on-costs - superannuation	192	195
Staff on-costs - other	182	144
Board fees	2	1
Total staff benefits expenses	<u><u>2,626</u></u>	<u><u>2,559</u></u>

REMUNERATION OF BOARD MEMBERS

Members that were entitled to receive remuneration for membership during the year were:

Mr John Irving	Mr Peter Siebels (resigned 22 October 2011)
Ms Nicky Downer AM	Mr Justin Jamieson (appointed 23 October 2011)
Ms Anne Levy	Ms Christine Guille
Ms Bronwyn Halliday	Ms Loretta Reynolds
Mr Terence Crawford*	

2012	2011
No	No

The number of members whose remuneration received or receivable falls within the following bands:

\$1 to \$9,999	<u>2</u>	<u>2</u>
Total number of members	<u><u>2</u></u>	<u><u>2</u></u>

Remuneration of members reflects all costs of performing board member duties. The total remuneration received or receivable by members was \$2,000 (\$1,000 in 2010-11).

*In accordance with the Premier and Cabinet Circular No. 016, SA Government employees did not receive any remuneration for board duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances. Members do receive complimentary tickets to each production.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

	2012 \$'000	2011 \$'000
5. SUPPLIES AND SERVICES		
Transactions with Non SA Government Entities		
Promotion and sponsorship expenses	594	753
Contractors fees	188	146
Rent	105	100
Scenery, sound, lighting and special effects	113	111
Travel and accommodation	88	111
Royalties	87	125
Communications	30	32
Costume and props	87	92
Other Production Costs	50	58
Administration expenses	138	151
	<u>1,480</u>	<u>1,679</u>
Transactions with SA Government Entities		
Theatre hire and charges	614	747
Ticket agency charges	94	136
Administration expenses	41	41
Rent	83	82
	<u>832</u>	<u>1,006</u>
Total supplies and services expense	<u><u>2,312</u></u>	<u><u>2,685</u></u>

6. AUDITORS' REMUNERATION

Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements	<u>26</u>	<u>26</u>
No other services were provided by the Auditor-General's Department		

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

	2012 \$'000	2011 \$'000
7. REVENUES		
Sponsorship and Donations		
Cash	183	169
In Kind	123	175
Total Sponsorship and Donations	<u>306</u>	<u>344</u>
Interest		
Interest	1	1
Interest from SA Government	30	44
Interest - Reserves Incentive Funding Scheme (SAFA)	30	30
	<u>61</u>	<u>75</u>
Other		
Prop Shop income	123	133
Company Service Fees	86	93
Shared Office Recovery	25	26
Miscellaneous revenue	30	60
Total Other	<u>264</u>	<u>312</u>
8. CASH AND CASH EQUIVALENTS		
Short Term Deposits	674	657
Cash at Bank and on hand	66	63
	<u>740</u>	<u>720</u>
9. RECEIVABLES		
Trade receivables	26	34
Allowance for doubtful debts	(4)	(3)
	<u>22</u>	<u>31</u>
The following table shows the movement in doubtful debts		
Balance as at 1 July	3	-
Amounts written off	-	-
Increase in allowance recognised in profit or loss	1	3
Balance as at 30 June	<u>4</u>	<u>3</u>

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'administration expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Unimpaired receivables overdue by less than 30 days is \$4,000 (\$1,000 in 2010-11).

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and prepayments are non-interest bearing.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

10. PLANT AND EQUIPMENT	2012 \$'000	2011 \$'000
Motor Vehicle - at cost	27	27
Accumulated depreciation	(27)	(25)
	<u> </u>	<u> </u>
	-	2
Equipment - at cost	158	145
Accumulated depreciation	(144)	(142)
	<u> </u>	<u> </u>
	14	3
Computer Equipment - at cost	297	291
Accumulated depreciation	(268)	(253)
	<u> </u>	<u> </u>
	29	38
TOTAL	<u> </u>	<u> </u>
	43	43

There were no indications of impairment of plant and equipment as at 30 June 2012.

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the financial year are as follows:

2011-2012	Motor Vehicles \$'000	Equipment \$'000	Computer Equipment \$'000	Total \$'000
Balance as at 1 July	2	3	38	43
Additions	-	13	6	19
Depreciation expense	(2)	(2)	(15)	(19)
Carrying amount at 30 June	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	14	29	43

2010-2011	Motor Vehicles \$'000	Equipment \$'000	Computer Equipment \$'000	Total \$'000
Balance as at 1 July	7	4	53	64
Additions	-	3	3	6
Depreciation expense	(5)	(4)	(18)	(27)
Carrying amount at 30 June	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2	3	38	43

11. PAYABLES	2012 \$'000	2011 \$'000
CURRENT		
Creditors	339	276
Accruals and advances	62	63
Staff Benefit On-costs	16	13
	<u> </u>	<u> </u>
	417	352
NON-CURRENT		
Staff Benefit On-costs	14	9
	<u> </u>	<u> </u>
	14	9

Payables to SA Government entities

Creditors	139	67
Total Payables to SA Government entities	<u> </u>	<u> </u>
	139	67

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days. Staff on-costs are settled when the respective staff benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

12. UNEARNED REVENUE

	2012 \$'000	2011 \$'000
CURRENT		
Advance box office revenue	380	431
Unearned sponsorship revenue	63	46
Other unearned revenue	1	4
	<u>444</u>	<u>481</u>

13. STAFF BENEFITS

	2012 \$'000	2011 \$'000
CURRENT		
Annual Leave	60	59
Long Service Leave	40	23
Accrued salaries and wages	28	24
	<u>128</u>	<u>106</u>
NON-CURRENT		
Long Service Leave	<u>165</u>	<u>102</u>

The total current and non-current staff benefits (i.e. aggregate staff benefits plus related on-costs) for 2012 is \$144,000 (\$119,000 in 2010-11) and \$179,000 (\$111,000 in 2010-11).

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability. It is accepted practice to estimate the present values of future cash outflows associated with the long service leave liability by using a shorthand measurement technique. The shorthand measurement technique takes into account such factors as changes in discount rates and salary inflation.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2011 (5.25%) to 2012 (3.0%).

This significant decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a significant increase in the reported long service leave liability.

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$71,000 and staff benefit expense of \$71,000. The impact on future periods is impracticable to estimate as the benchmark is calculated using a number of factors and assumptions – a key assumption is the long-term discount rate. With current conditions, the long-term discount rate is experiencing significant movement.

14. PROVISIONS

	2012 \$'000	2011 \$'000
CURRENT		
Provision for workers compensation	15	2
	<u>15</u>	<u>2</u>
NON-CURRENT		
Provision for workers compensation	34	6
	<u>34</u>	<u>6</u>

A liability has been recorded to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Relations Division of the Department of Premier and Cabinet.

Movement in Provision

	2012 \$'000	2011 \$'000
Balance as at 1 July	8	7
Change in provision	55	4
Less: Payments	(14)	(3)
Balance as at 30 June	<u>49</u>	<u>8</u>

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State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

15. SPECIAL FUNDS

The company controls two special funds, the Adele Koh Scholarship Acting Fund and the Jill Blewett Playwright's Award, both of which were financed by public donations.

	2012 \$'000	2011 \$'000
Adele Koh Scholarship Acting Fund		
Balance at 1 July	2	2
Payments	-	-
Balance at 30 June	<u>2</u>	<u>2</u>
Jill Blewett Playwright's Award Fund		
Balance at 1 July	14	13
Interest	-	1
Payments	(2)	-
Balance at 30 June	<u>12</u>	<u>14</u>

16. UNRECOGNISED CONTRACTUAL COMMITMENTS

Operating Leases

Commitments in relation to operating leases contracted for at reporting date but not recognised as liabilities are payable as follows:

	2012 \$'000	2011 \$'000
Not later than one year	169	167
Later than one year but not later than five years	132	298
	<u>301</u>	<u>465</u>

The Company leases a photocopier from Fuji Xerox, which is due to expire in December 2014.

The Company leases office and wardrobe space from Arts SA, which is due to expire in December 2014.

The Company leases facilities for property, scenery and costume storage and hire from N.T.C Pty Ltd, which is due to expire in June 2013.

Remuneration Commitments

Remuneration commitments include contracts with staff and artists for theatre performances scheduled to take place subsequent to 30 June 2012.

Remuneration commitments are as follows:

	2012 \$'000	2011 \$'000
Not later than one year	635	563
Later than one year but not later than five years	495	63
	<u>1,130</u>	<u>626</u>

Other Commitments

The Company has entered into an agreement with another theatre company to co-produce a production. Under the agreement, box office proceeds and costs incurred associated with the production will be shared equally between the two parties. As at 30 June 2012, the production had not been completed. Box office proceeds and costs incurred will be settled in 2012-2013.

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

2012 2011
\$'000 \$'000

17. CASH FLOW RECONCILIATION

17.1 Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flow, cash includes cash on hand and at bank and short term deposits, net of bank overdraft and cash held in trust. Cash as at the end of the financial year as shown in the Statement of Cash Flow is reconciled to the related items in the Statement of Financial Position as follows:

Statement of Cash Flow	726	704
Statement of Financial Position	<u>740</u>	<u>720</u>
	(14)	(16)
Cash held for specific purposes:		
Adele Koh Scholarship account	2	2
Jill Blewett Award account	<u>12</u>	<u>14</u>
	14	16

17.2 Reconciliation of Net Cash provided by (used in) Operating Activities to Net Cost of Providing Services

Net Cash (used in)/provided by Operating Activities	41	(114)
Less Revenues from SA Government	(2,380)	(2,336)
Add/Less non-cash Items:		
Depreciation	(19)	(27)
Interest on non-financial assets	31	30
Changes in Assets/Liabilities		
Receivables	(9)	(67)
Prepayments	(73)	45
Payables	(70)	(24)
Unearned Revenue	37	100
Staff Benefits	(85)	-
Provisions	(41)	(1)
Net Cost of providing Services	<u><u>(2,568)</u></u>	<u><u>(2,394)</u></u>

State Theatre Company of South Australia
Financial Year Ended 30 June 2012
Notes to and forming part of the Financial Statements

18. FINANCIAL INSTRUMENTS/FINANCIAL RISK MANAGEMENT

Categorisation of financial instruments

Categorisation of financial instruments			2012	2011
			\$'000	\$'000
Category	Statement of Financial Position line item	Note	Carrying/Fair Value	Carrying/Fair Value
Financial Assets				
Cash at bank and on hand	Cash and cash equivalents	8	66	63
Short term deposits	Cash and cash equivalents	8	674	657
Receivables	Receivables (i)	9	26	34
Reserves Incentive Scheme investments	Other financial assets	2 (j)	653	622
Financial Liabilities				
Financial Liabilities at cost	Payables (i)	11	335	275

(i) Receivable and payables amounts disclosed here exclude amounts relating to statutory receivables and payables.

Credit Risk

Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations resulting in financial loss to the Company. The Company measures credit risk on a fair value basis and monitors risk on a regular basis.

The Company has minimal concentration of credit risk. The Company has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Refer to Note 9 for further information on credit risk for receivables.

Liquidity Risk

The Company is funded principally by grants by the SA Government. The Company settles undisputed accounts within 30 days. In event of a dispute, payment is made within 30 days from resolution.

The Company's exposure to liquidity risk is insignificant based on past experience and current assessment of risk. The carrying amount of financial liabilities recorded in this note represent the Company's maximum exposure to financial liabilities.

Market risk

Market risk for the Company is primarily through interest rate risk for short term deposits and Reserves Incentive Scheme investments, which are managed by the South Australian Government Financing Authority.

Sensitivity Disclosure Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Company as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

State Theatre Company of South Australia
Certification of the Financial Statements for the year ended 30 June 2012

We certify that the attached general purpose financial statements for the State Theatre Company of South Australia:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Company; and
- present a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2012 and the results of its operation and cash flows for the financial year.

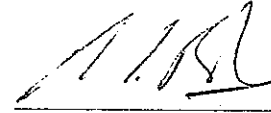
We certify that the internal controls employed by the State Theatre Company of South Australia for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting

Signed in accordance with a resolution of the Board of the State Theatre Company of South Australia




John Irving
Board Chair
State Theatre Company of SA

Dated: 20/9/12



Rob Brookman
Chief Executive Officer/Producer
State Theatre Company of SA

Dated: 20/9/12



Natalie Loveridge
Finance Manager
State Theatre Company of SA

Dated: 20/9/12



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**To the Chair of the Board
State Theatre Company of South Australia**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 17(3) of the *State Theatre Company of South Australia Act 1972*, I have audited the accompanying financial report of the State Theatre Company of South Australia for the financial year ended 30 June 2012. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2012
- a Statement of Financial Position as at 30 June 2012
- a Statement of Changes in Equity for the year ended 30 June 2012
- a Statement of Cash Flows for the year ended 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chair, Chief Executive Officer/Producer and the Finance Manager.

The Board's Responsibility for the Financial Report

The members of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

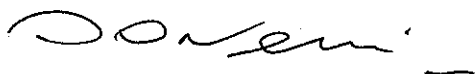
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor 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 entity'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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2012, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

A handwritten signature in dark ink, appearing to read 'S O'Neill', with a horizontal line extending to the right.

S O'Neill
AUDITOR-GENERAL
26 September 2012