



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Presiding Member State Theatre Company of South Australia

### Opinion

I have audited the financial report of the State Theatre Company of South Australia for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Executive Director and the Business Manager.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the State Theatre Company of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

### **Responsibilities of the Executive Director and the Board for the financial report**

The Executive Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Executive Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board are responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

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 financial report of the State Theatre Company for the financial year ended 30 June 2022.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State Theatre Company of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director
- conclude on the appropriateness of the Executive Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Executive Director about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

28 September 2022



ABN 55 386 202 154

Financial Statements  
for the year ended  
30th June 2022

# State Theatre Company of South Australia

<b>Contents</b>	<b>Page</b>
Certification Statement	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 to 14
Independent Auditor's Report	15 to 17

State Theatre Company of South Australia  
Certification of the Financial Statements for the year ended 30 June 2022

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 State Theatre Company of South Australia; and
- present a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2022 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 period.



\_\_\_\_\_  
Joe Thorp  
Presiding Member  
State Theatre Company of  
South Australia

Dated: 27/9/22



\_\_\_\_\_  
Julian Hobba  
Executive Director  
State Theatre Company of  
South Australia

Dated: 27/9/22



\_\_\_\_\_  
Natalie Loveridge B.Comm CPA  
Business Manager  
State Theatre Company of  
South Australia

Dated: 27/9/2022

State Theatre Company of South Australia  
Statement of Comprehensive Income  
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Commonwealth revenues	2.1	653	646
Box office	2.2	2,581	1,861
Co-producer, tour and royalty fees	2.3	364	170
Revenues from SA Government	2.4	2,621	2,603
Sponsorship and donations	2.5	791	661
Interest revenues	2.6	3	3
Other income	2.7	864	681
<b>Total income</b>		<u>7,877</u>	<u>6,625</u>
<b>Expenses</b>			
Staff benefits expenses	3.3	3,452	3,041
Supplies and services	4.1	4,573	2,698
Depreciation and amortisation	5.2	203	188
Other expenses	4.2	-	229
Interest expense on lease liability		6	7
<b>Total expenses</b>		<u>8,234</u>	<u>6,163</u>
<b>Net result</b>		<u>(357)</u>	<u>462</u>
<b>Total comprehensive result</b>		<u>(357)</u>	<u>462</u>

The accompanying notes form part of these financial statements.

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

State Theatre Company of South Australia  
Statement of Financial Position  
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.2	1,464	1,244
Receivables	6.3	74	309
Prepayments		154	70
Stock on hand		6	2
<b>Total current assets</b>		<u>1,698</u>	<u>1,625</u>
<b>Non-current assets</b>			
Other financial assets	6.4	785	784
Property, plant and equipment	5.1	450	503
<b>Total non-current assets</b>		<u>1,235</u>	<u>1,287</u>
<b>Total assets</b>		<u>2,933</u>	<u>2,912</u>
<b>Current liabilities</b>			
Payables	7.2	303	378
Financial liabilities	7.3	160	157
Contractual liabilities	7.4	675	193
Staff benefits	3.4	309	325
Provisions	7.5	31	6
<b>Total current liabilities</b>		<u>1,478</u>	<u>1,059</u>
<b>Non-current liabilities</b>			
Payables	7.2	15	14
Financial liabilities	7.3	128	277
Staff benefits	3.4	146	139
Provisions	7.5	115	15
<b>Total non-current liabilities</b>		<u>404</u>	<u>445</u>
<b>Total liabilities</b>		<u>1,882</u>	<u>1,504</u>
<b>Net Assets</b>		<u>1,051</u>	<u>1,408</u>
<b>Equity</b>			
Retained earnings		<u>1,051</u>	<u>1,408</u>
<b>Total Equity</b>		<u>1,051</u>	<u>1,408</u>

The accompanying notes form part of these financial statements.

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



State Theatre Company of South Australia  
Statement of Changes In Equity  
for the year ended 30 June 2022

**Retained Earnings**

\$'000

<b>Balance at 1 July 2020</b>	<b>946</b>
Net result for 2020-21	462
Total comprehensive result for 2020-21	462
<b>Balance at 30 June 2021</b>	<b>1,408</b>
Net result for 2021-22	(357)
Total comprehensive result for 2021-22	(357)
<b>Balance at 30 June 2022</b>	<b><u>1,051</u></b>

The accompanying notes form part of these financial statements.

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

State Theatre Company of South Australia  
Statement of Cash Flows  
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from SA Government		2,584	2,534
Receipts from Commonwealth		653	646
Box office and other receipts		5,310	3,216
Interest received		3	1
GST recovered from the ATO		104	-
<b>Cash generated from operations</b>		<u>8,654</u>	<u>6,397</u>
<b>Cash outflows</b>			
Staff benefits payments		(3,336)	(2,930)
Payment for supplies and services		(4,804)	(2,705)
GST paid to the ATO		-	(4)
<b>Cash used in operations</b>		<u>(8,140)</u>	<u>(5,639)</u>
<b>Net cash provided by/(used in) operating activities</b>		<u>514</u>	<u>758</u>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of plant and equipment		(143)	(44)
<b>Cash used in investing activities</b>		<u>(143)</u>	<u>(44)</u>
<b>Net cash used in investing activities</b>		<u>(143)</u>	<u>(44)</u>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of principal portion of lease liabilities		(145)	(157)
Interest paid on lease liability		(6)	(7)
<b>Cash used in financing activities</b>		<u>(151)</u>	<u>(164)</u>
<b>Net cash used in financing activities</b>		<u>(151)</u>	<u>(164)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>220</b>	<b>550</b>
Cash and cash equivalents at the beginning of the period		<u>1,244</u>	<u>694</u>
<b>Cash and cash equivalents at the end of the period</b>	6.2	<u><u>1,464</u></u>	<u><u>1,244</u></u>

The accompanying notes form part of these financial statements.

## 1. About 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*. Our vision is to make, present and promote phenomenal, transformative, and inclusive theatre that enriches South Australian and Australian culture.

The Company has the following high level goals:

- Deliver programs of exceptional quality
- Reach a broad audience and ensure diversity of artists, audiences, programs and stories
- Enrich our support for the South Australian Arts community of theatre makers
- Strengthen relationships with industry, community, and the corporate sector and maintain a strong and sustainable infrastructure for the Company

### 1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the Company is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

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.

Cash flows include GST in the Statement of Cash Flows.

Assets and liabilities that are to be 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.

### 1.2 Impact of COVID-19 pandemic on the Company

The COVID-19 pandemic has impacted on the operations of the Company and the impacts are included under the relevant disclosure notes. The key impacts in 2021-22 were:

- the cancellation of one production scheduled for July 2021, as a result of venue closures due to public health directions;
- loss of income through a reduction in box office sales due to venue capacity restrictions caused by social distancing requirements;
- loss of income due to the closure of the Company's hire operations as a result of closures due to public health directions; and
- additional expense incurred due to measures undertaken by the Company and venue suppliers to minimise the health risks of presenting live theatre to staff, ticketholders and the general public.

## 2. Income

### 2.1 Commonwealth Revenue

	2022	2021
	\$'000	\$'000
Commonwealth revenues	653	646
<b>Total Commonwealth revenues</b>	<b>653</b>	<b>646</b>

A Multipartite 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 2021-22 were to contribute to operations for the 2022 calendar year.
  - State Government operating grants received in 2021-22 were to contribute to operations for the 2021-22 financial year.
- Refer to Note 2.4 for the recognition of this base funding.

Commonwealth revenues are recognised on receipt.

State Theatre Company of South Australia  
Financial Year Ended 30 June 2022  
Notes to and forming part of the Financial Statements

<b>2.2 Box office</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Box office	<u>2,581</u>	<u>1,861</u>
<b>Total box office</b>	<b><u>2,581</u></b>	<b><u>1,861</u></b>

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 contractual liabilities in line with the *Live Performance Australia Ticketing Code of Practice*.

There were seven productions staged during 2021-22 (six productions staged in 2020-21).

<b>2.3 Co-producer, tour and royalty fees</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Co-producer, tour and royalty fees	<u>364</u>	<u>170</u>
<b>Total co-producer, tour and royalty fees</b>	<b><u>364</u></b>	<b><u>170</u></b>

Co-production, tour and royalty fee revenues for productions are recognised when a production or tour has concluded. Fees for future productions and productions in progress at reporting date are recorded as contractual liabilities.

<b>2.4 Revenues from SA Government</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Base funding	2,469	2,472
Tied grants funding	<u>152</u>	<u>131</u>
<b>Total revenues from SA Government</b>	<b><u>2,621</u></b>	<b><u>2,603</u></b>

Base funding is recognised upon receipt under AASB 1058. Tied grants funding is generally recognised under enforceable agreements when sufficient and specific performance obligations are met under AASB 15.

<b>2.5 Sponsorship and donations</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash	513	549
In Kind	<u>278</u>	<u>112</u>
<b>Total sponsorship and donations</b>	<b><u>791</u></b>	<b><u>661</u></b>

Sponsorships are provided in cash and through resources provided free of charge. Sponsorship income is recognised when service obligations are met. Sponsorship received in advance of benefits paid is recorded as contractual liabilities.

Resources received 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.

<b>2.6 Interest</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest from SA Government	2	2
Interest - Reserves Incentive Funding Scheme (SAFA)	<u>1</u>	<u>1</u>
<b>Total interest</b>	<b><u>3</u></b>	<b><u>3</u></b>

<b>2.7 Other income</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Prop Shop income	63	58
Company Service Fees	771	330
Insurance Recoveries	-	263
Miscellaneous revenue	<u>30</u>	<u>30</u>
<b>Total other income</b>	<b><u>864</u></b>	<b><u>681</u></b>

### 3. Board and staff

#### 3.1 Key management personnel

Key management personnel of the Company include the Minister, the Board of Governors, the Executive Director, and the Artistic Director who have responsibility for the strategic direction and management of the Company. Total compensation for key management personnel was \$306,000 (\$278,000).

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Minister's remuneration paid by the department and recovered from the Consolidated Account.

#### *Transactions with key management personnel and other related parties*

A Board member's husband is an actor. The Company entered into an agreement via his agent to perform as part of its 2021 and 2022 seasons. Amounts paid as fees and superannuation contributions equal \$25,000 (NIL).

#### 3.2. Board members

Members during the financial year were:

Mr Joe Thorp	Mr David O'Loughlin
Ms Claudine Law	Ms Amanda Anderson
Ms Jodie Newton	Ms Alexandra Dimos
Ms Diané Ranck	Mr Gavin Wanganeen

Board fees were not paid to members in 2021-22 (Nil).

#### 3.3 Staff benefits expense

	2022 \$'000	2021 \$'000
Salaries and wages	2,530	2,399
Long Service Leave	14	45
Annual Leave	191	179
Staff on-costs - superannuation	279	248
Workers' compensation	170	22
Staff on-costs - other	268	148
<b>Total staff benefits expenses</b>	<b>3,452</b>	<b>3,041</b>

#### *Staff on-costs - superannuation*

The superannuation on-cost charge represents the Company's contributions to superannuation plans in respect of current services of current staff.

Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for staff who have left the Company.

There were no staff whose normal remuneration was equal to or greater than the base executive remuneration level threshold of \$157,001 (\$154,001) during the year.

State Theatre Company of South Australia  
Financial Year Ended 30 June 2022  
Notes to and forming part of the Financial Statements

<b>3.4. Staff benefits liability</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual and Other Leave	152	152
Long Service Leave	126	127
Accrued salaries and wages	31	46
	<u>309</u>	<u>325</u>
<b>Non-current</b>		
Long Service Leave	<u>146</u>	<u>139</u>
<b>Total staff benefits liability</b>	<u><u>455</u></u>	<u><u>464</u></u>

Long-term staff benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the Company's staff details. Key assumptions include whether the characteristics of staff remuneration, terms of service with the public sector, and expectations as to when staff take long service leave, as established by the actuary, are applicable to staff of the Company. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2021 (1%) to 2022 (3.25%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

The unconditional portion of the long service leave provision is classified as current as the department 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 10 years of service.

**4. Expenses**

Staff benefit expenses are disclosed in note 3.3.

<b>4.1 Supplies and services</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Contractors fees	304	516
Consultants fees	8	67
Production expenses	1,550	370
Travel and accommodation	85	55
Royalties	177	174
Theatre hire and charges	806	445
Marketing and sponsorship expenses	915	474
Ticketing charges	294	208
Property rental and maintenance costs	217	183
Administration expenses	188	178
Audit fees	29	28
<b>Total supplies and services expense</b>	<u><u>4,573</u></u>	<u><u>2,698</u></u>

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.

Resources provided free of charge are recorded at fair value, in the expense line items to which they relate.

State Theatre Company of South Australia  
Financial Year Ended 30 June 2022  
Notes to and forming part of the Financial Statements

**Consultants**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2022 \$'000	2021 \$'000
Below \$10,000	8	-
Above \$10,000	-	67
<b>Total paid/payable to the consultants engaged</b>	<b>8</b>	<b>67</b>

**4.2 Other expenses**

	2022 \$'000	2021 \$'000
Derecognition of software asset	-	229
<b>Total other expense</b>	<b>-</b>	<b>229</b>

In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision for configuration and customisation costs incurred related to implementing Software as a Service (SaaS) arrangements. The Company assessed the impact of the agenda decision on its current accounting policy and voluntarily derecognised its customer management system database (Tessitura) as an asset on 1 July 2020. This intangible software was derecognised in 2021.

**5. Non-financial assets**

**5.1 Property, plant and equipment by asset class**

	2022 \$'000	2021 \$'000
Motor Vehicle - at cost	27	27
Accumulated depreciation	(27)	(27)
<b>Total Motor Vehicle</b>	<b>-</b>	<b>-</b>
Equipment - at cost	343	225
Accumulated depreciation	(206)	(172)
<b>Total Equipment</b>	<b>137</b>	<b>53</b>
Computer Equipment - at cost	156	131
Accumulated depreciation	(122)	(110)
<b>Total Computer Equipment</b>	<b>34</b>	<b>21</b>
Leasehold Improvements - at cost	5	4
Accumulated depreciation	(4)	(2)
<b>Total Leasehold Improvements</b>	<b>1</b>	<b>2</b>
Right-of-use accommodation	682	669
Accumulated depreciation	(404)	(242)
<b>Total right-of-use accommodation</b>	<b>278</b>	<b>427</b>
<b>Total property, plant and equipment</b>	<b>450</b>	<b>503</b>

**5.2 Depreciation and amortisation**

	2022 \$'000	2021 \$'000
Right-of-use accommodation	162	157
Plant and equipment	41	31
<b>Total depreciation and amortisation</b>	<b>203</b>	<b>188</b>

Depreciation is calculated on a straight-line basis. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

State Theatre Company of South Australia  
Financial Year Ended 30 June 2022  
Notes to and forming part of the Financial Statements

Class of Assets	Useful life (years)
Motor Vehicles	5
Equipment	3-15
Computer Equipment	3-7
Leasehold Improvements	3
Software	3-5

The useful lives of right-of-use assets is the lease term.

### 5.3 Property, plant and equipment owned by the Company

Property, plant and equipment owned by the Company with a value equal to or in excess of \$1 000 is capitalised, otherwise it is expensed. Owned property, plant and equipment is subsequently measured at fair value.

#### Plant and Equipment

All items of plant and equipment owned by the Company have not been revalued. The carrying value of these items is deemed to approximate fair value.

#### Reconciliation 2021-22

	Equipment \$'000	Computer Equipment \$'000	Leasehold Improvements \$'000	ROU Accommodation \$'000	Total \$'000
Carrying amount at the beginning of the period	53	21	2	427	503
Additions	118	25	-	-	143
Disposals	(6)	-	-	-	(6)
Revaluation increment	-	-	-	13	13
Depreciation expense	(28)	(12)	(1)	(162)	(203)
<b>Carrying amount at the end of the period</b>	<b>137</b>	<b>34</b>	<b>1</b>	<b>278</b>	<b>450</b>

### 5.4 Property, plant and equipment leased by the Company

Right-of-use assets for accommodation leased by the Company is measured at cost.

Short-term leases of 12 months or less and low-value leases, where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets.

The Company leases facilities for its production facilities from Port Road Development Pty Ltd, which is due to expire in December 2023. There is no right of renewal and rent is paid in advance.

The Company leases the first floor of the Fowlers Building, Lion Arts Centre from the Minister for the Arts, which is due to expire in October 2026. There is no right of renewal and rent is paid in advance.

The Company leases two photocopiers from Fuji Xerox, which are due to expire in January 2024, and September 2025. Commitments for lease payments are included at Note 8.1.

## 6. Financial assets

### 6.1 Categorisation of financial assets

	2022 Carrying Amount \$'000	2021 Carrying Amount \$'000
<b>Financial Assets</b>		
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	1,464	1,244
<b>Financial assets at amortised cost</b>		
Receivables	74	289
Other financial assets	785	784
<b>Total financial assets</b>	<b>2,323</b>	<b>2,317</b>

Receivables as disclosed in this note does not include statutory amounts as these are not financial instruments.



State Theatre Company of South Australia  
Financial Year Ended 30 June 2022  
Notes to and forming part of the Financial Statements

<b>6.2 Cash and cash equivalents</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Short Term Deposits	1,007	624
Cash at Bank and on hand	457	620
<b>Total cash and cash equivalents</b>	<b>1,464</b>	<b>1,244</b>

Short term deposits include deposits at call with the South Australian Government Financing Authority (SAFA) and are recorded at cost. Short term deposits are made for varying periods between one day and three months. The deposits that are lodged with SAFA at the respective short term deposit rates.

Cash at Bank and on hand includes deposits with Bank SA and amounts held on Company premises.

<b>6.3 Receivables</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual receivables</b>		
From government entities	1	22
From non-government entities	73	4
Insurance recoverable	-	263
Less impairment loss on receivables	-	-
<b>Total contractual receivables</b>	<b>74</b>	<b>289</b>
<b>Statutory receivables</b>		
GST input tax recoverable	-	20
<b>Total statutory receivables</b>	<b>-</b>	<b>20</b>
<b>Total current receivables</b>	<b>74</b>	<b>309</b>

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

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Impairment losses relate to contracts with customers external to SA Government.

#### 6.4 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 South Australia 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 2022 was \$785,000 (\$784,000).

State Theatre Company of South Australia  
Financial Year Ended 30 June 2022  
Notes to and forming part of the Financial Statements

## 7. Liabilities

Staff benefit liabilities are disclosed in note 3.4.

### 7.1 Categorisation of financial liabilities

	2022 Carrying Amount \$'000	2021 Carrying \$'000
<b>Financial Liabilities</b>		
<i>Financial liabilities at amortised cost</i>		
Payables	109	122
Lease liabilities	288	434
Contractual liabilities	675	193
<b>Total financial liabilities</b>	<u>1,072</u>	<u>749</u>

Payables as disclosed in this note does not include accrued expenses or statutory amounts as these are not financial instruments.

### 7.2 Payables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Creditors	109	122
Accruals	40	122
<b>Statutory liabilities</b>		
GST payable	27	-
Other statutory payables	85	90
Staff benefit on-costs	42	44
<b>Total statutory liabilities</b>	<u>154</u>	<u>134</u>
<b>Total current liabilities</b>	<u>303</u>	<u>378</u>
<b>Non-current</b>		
<b>Statutory liabilities</b>		
Staff benefit on-costs	15	14
<b>Total non-current liabilities</b>	<u>15</u>	<u>14</u>
<b>Total payables</b>	<u>318</u>	<u>392</u>

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

Staff benefit on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to staff. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

### 7.3 Financial liabilities

	2022 \$'000	2021 \$'000
<b>Current</b>		
Lease liabilities	160	157
<b>Total current financial liabilities</b>	<u>160</u>	<u>157</u>
<b>Non-current</b>		
Lease liabilities	128	277
<b>Total non-current financial liabilities</b>	<u>128</u>	<u>277</u>
<b>Total financial liabilities</b>	<u>288</u>	<u>434</u>

Financial liabilities are measured at amortised cost. An assessment of the impact of CPI rent reviews contained in lease agreements is undertaken on an annual basis.

State Theatre Company of South Australia  
Financial Year Ended 30 June 2022  
Notes to and forming part of the Financial Statements

<b>7.4 Contractual liabilities</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Box office revenue	494	13
Tour, co-producer and production revenue	60	56
Sponsorship revenue	109	71
Grant revenue	12	53
	<u>675</u>	<u>193</u>

Refer to Notes 2.2 to 2.5 for further disclosures about income recognition criteria.

<b>7.5 Provisions</b>	<b>Workers Compensation 2022 \$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>21</b>
Additions	29
Payments	(30)
Remeasurement	126
<b>Carrying amount at the end of the period</b>	<b><u>146</u></b>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. 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.

## 8. Outlook

### 8.1 Unrecognised commitments

<b>Other expenditure commitments</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	111	4
Later than one year but not longer than five years	8	4
<b>Total other expenditure commitments</b>	<u>119</u>	<u>8</u>

### 8.2 Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities.

### 8.3 Events after the reporting period

The Company is not aware of any events after the reporting period.