

MALTHOUSE

**ANNUAL
REPORT**

— 2022

FINANCIAL STATEMENTS

PLAYBOX THEATRE COMPANY LIMITED

ACN 006 885 463

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2022**

PLAYBOX THEATRE COMPANY LIMITED

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DIRECTORS' REPORT

The directors present this report on the Company for the financial year ended 31st December 2022.

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

Fiona McGauchie (Chair)	
Michael Kantor (Deputy Chair)	Resigned 28 November 2022
Debbie Dadon AM	
Andrew Myer AM	
Sue Prestney	
Pamela Rabe	
Nick Schlieper	Resigned 30 May 2022
Mary Vallentine AO	
Deborah Cheetham AO	
Kian Yik (Alan) Wong	
Jada Alberts	
Lindy Hume AM	Appointed 28 November 2022
Jacob Varghese	Appointed 28 November 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The position of Company Secretary was held by Sarah Neal.

Principal Activities

The principal activity of the Company (Playbox Theatre Company trading as Malthouse Theatre) during the financial year was to collaborate with local and international artists to create, develop and curate inventive performances that cut to the core of the human experience.

Performance measures

The company measures its performance in the amount of income raised and also artistic development, arts access and engagement, and contribution to sector development. The key performance measures include:

- Total revenue;
- Number of performances and percentage of new productions presented as part of the annual season program
- Number of commissions and development
- Number and demographic of artists employed
- Audience satisfaction
- Number of opportunities provided to emerging artists
- Number participants engaged in education activities
- Digital audience engagement

Objectives

The Company's objectives are:

Artistic:

Develop, produce and present theatre that sits at the forefront of artistic practice
Be a leader of contemporary performance and collaborative practice
Be a theatre of diverse ideas, the unexpected and an agent for change

Access & Inclusion:

Stand for equality and diversity, and live our core values on and off-stage
Ensure our theatre reflects the diversity of our community
Engage with Aboriginal and Torres Strait Islander people by supporting their right to self-determine their artistic identity
Remove barriers to our work

Sector Development:

Maximise our interconnection with the small to medium sector and independent artists
Maintain professional pathways for artists
Partnerships with small to medium and independent arts sector

Audience Development:

Grow a loyal and diverse audience
A fully activated and dynamic venue
Increased audience engagement
Build our profile and audience nationally and internationally
Provide multiple entry points for audiences through multi art form offerings on the Outdoor stage

Financial & Governance:

Adapt to changing financial, artistic and cultural drivers
Be a sustainable company with diverse income streams
Be an accountable, professional company with good governance

Strategies for achieving the objectives

Artistic:

- Create new work for our main stage in collaboration with a range of local and international artists and companies
- Produce and present a diverse season of contemporary theatre
- Invest in the development of new work that extends and explores new forms
- Facilitate collaboration between artists from diverse practices and backgrounds
- Engage artists with ambition and those who ask critical social questions
- Seek out work that is adventurous, ideas driven and transcends expectations
- Invite robust political conversation around our program

Access & Inclusion:

- Diversify the cultural backgrounds of staff, collaborators and audiences
- Commission, develop and present work by artists from a range of cultural backgrounds
- Increase company-wide opportunities for Aboriginal and Torres Strait Islander staff, artists and audiences
- Build repertoire and profile of Indigenous theatre in local, national and international markets

Access & Inclusion (continued):

- Find opportunities to increase accessibility across performances, physical venue, employment and participation
- Actively engaging young people through education and learning programs

Sector Development

- Offer artists career advancement through employment, commissions and exposure
- Provide professional and skills development placements, residencies and masterclasses
- Develop and present new work in collaboration with small to medium companies
- Be a space for industry-wide gatherings, forums and discussions
- Facilitate access to the venue for independent & small to medium sector artists
- Share artistic, producing and financial expertise with emerging artists and companies

Audience Development

- Actively forge partnerships with major festivals, free events and community activities
- Ensure public engaging venue hires are curated and align with company values
- Acquisition of new audiences through increased brand profile and awareness
- Build loyalty to Malthouse Theatre by investing in the retention of existing audiences
- Ensure the continued life of our work through touring, partnerships and collaboration
- Maintain a national network to maximise our presence interstate
- Champion Australian theatre internationally
- Offer a diverse program of music, comedy, cabaret, circus, live and screen art on the purpose built seasonal outdoor stage

Financial and Governance

- Grow our fundraising capacity to expand earned income
- Develop innovative new partnerships and strengthen existing ones
- Succession planning for key personnel and artists
- Encourage collaboration across the company to avoid silo-ing
- Empower board and staff to fully contribute to the vision of the company

Special Responsibilities

Name	Occupation/Title	Responsibilities
Fiona McGauchie	Partner, Egon Zehnder	Chair of the Board People and Nominations Committee
Debbie Dadon AM	Chair, Besen Family Foundation	Development Committee
Andrew Myer AM	Founder and Director, AV Myer Group	Audit, Finance & Risk Committee
Sue Prestney	Principal of Sue Prestney & Associates Pty Ltd. Chartered Accountants	Audit, Finance & Risk Committee (Chair)
Pamela Rabe	Actor and Director	
Mary Vallentine AO	Arts Manager	Audit, Finance & Risk Committee and People and Nominations Committee
Deborah Cheetham AO	Singer, Actor, Composer and Playwright	

Name	Occupation/Title	Responsibilities
Kian Yik (Alan) Wong	Director at PricewaterhouseCoopers Consulting (Australia) Pty Ltd	Audit, Finance & Risk Committee
Jada Alberts	Actor, Playwright and Director	
Lindy Hume AM	Artistic Director	
Jacob Varghese	CEO, Maurice Blackburn	

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2022, and the number of meetings attended by each director were:

Full Board Directors' Meetings		
	Number eligible To attend	Number Attended
Fiona McGauchie	6	6
Michael Kantor	6	5
Debbie Dadon	6	5
Andrew Myer	6	5
Sue Prestney	6	6
Pamela Rabe	6	4
Nick Schlieper	3	3
Mary Vallentine	6	6
Deborah Cheetham	6	3
Alan Wong	6	5
Jada Alberts	6	4
Audit, Risk & Finance Committee Meetings		
	Number eligible To attend	Number Attended
Fiona McGauchie	6	5
Andrew Myer	6	5
Sue Prestney	6	6
Mary Vallentine	6	6
Alan Wong	6	5
Equity, People and Nominations Committee Meetings		
	Number eligible To attend	Number Attended
Fiona McGauchie	6	6
Michael Kantor	6	4
Nick Schlieper	3	2
Mary Vallentine	6	6
Alan Wong	6	5
Jada Alberts	5	3

	Development Committee Meetings	
	Number eligible	Number
	To attend	Attended
Fiona McGauchie	6	6
Michael Kantor	6	4
Debbie Dadon	6	3
Andrew Myer	6	6
Deborah Cheetham	6	2
Jada Alberts	2	1

Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. As at 31st December 2022, the total amount that members of the Company are liable to contribute if the Company is wound up is \$160 (2021 \$170).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31st December 2022 has been received and can be found on page 6 of the financial report.

The directors' report is signed in accordance with a resolution of the Board of Directors:



Fiona McGauchie
Director



Sue Prestney
Director

Dated this 3rd day of April 2023

PLAYBOX THEATRE COMPANY LIMITED
AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60-40 OF THE AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE
BOARD OF PLAYBOX THEATRE COMPANY LIMITED

I declare that to the best of my knowledge and belief, in relation to the audit of Playbox Theatre Company Limited for the year ended 31 December 2022 there have been:

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

NFPAS
KESWICK SA 5035



Ian Mostert CPA
Registered Company Auditor No 539768

17 April 2023
Date

PLAYBOX THEATRE COMPANY LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Note	\$	\$
Revenue from continuing operations			
Ticket Sales		1,153,836	1,210,042
Co-production and touring fees		516,746	5,694
Government Grants			
. Australia Council	2(a)	1,505,903	1,497,579
. Creative Victoria	2(a)	2,408,382	2,488,186
. Other	2(a)	1,505,000	755,025
. Jobkeeper and Cashflow Boost	2(a)	-	287,800
Fundraising and Sponsorship	2(b)	1,246,712	1,145,301
Venue Hire and Bar		730,901	661,004
Earnings from investments		190,927	201,152
Other revenue	2(c)	533,540	408,757
Change in fair value of financial assets		-	198,405
		9,791,948	8,858,945
Expenses from continuing operations			
Wages and oncosts - Permanent		2,899,730	3,229,828
Wages and oncosts - Casual		841,401	867,557
Payments to Artists and Creatives		1,281,639	1,304,699
Production and Touring		876,164	733,372
Marketing and Sponsorship		594,106	570,750
Venue costs		524,822	906,084
Other expenses	3	940,990	963,689
Change in fair value of financial assets		526,626	-
		8,485,479	8,575,980
Surplus/(deficit) before income tax		1,306,469	282,965
Income tax expense	1(m)	-	-
Surplus/(deficit) before earnings from investments		1,306,469	282,965
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
None		-	-
Items that may be reclassified subsequently to profit or loss:			
None		-	-
Total comprehensive income/(loss) for the year, net of tax		1,306,469	282,965
Total comprehensive income attributable to members of the Company		1,306,469	282,965
Total Equity at the beginning of the period		2,826,392	2,543,427
Profit attributable to the Company		1,306,469	282,965
Total Equity at the end of the period		4,132,861	2,826,392

The accompanying notes form part of these financial statements

PLAYBOX THEATRE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,854,569	1,625,487
Trade and other receivables	5	276,282	176,795
Inventories	6	72,882	54,427
Other current assets	7	313,111	162,937
TOTAL CURRENT ASSETS		2,516,844	2,019,646
NON-CURRENT ASSETS			
Property plant & equipment	8	705,917	789,437
Right of Use asset	13	11,872	15,347
Investments	9	2,796,039	3,151,442
TOTAL NON-CURRENT ASSETS		3,513,828	3,956,227
TOTAL ASSETS		6,030,672	5,975,873
CURRENT LIABILITIES			
Trade and other payables	10	411,276	433,475
Provisions	11	496,841	541,785
Borrowings	12	21,500	21,500
Lease Liabilities	13	3,176	3,176
Contract and other liabilities	14	912,001	2,065,381
TOTAL CURRENT LIABILITIES		1,844,793	3,065,317
NON-CURRENT LIABILITIES			
Provisions	11	24,053	30,523
Borrowings	12	19,708	41,208
Lease Liabilities	13	9,257	12,433
TOTAL NON-CURRENT LIABILITIES		53,018	84,164
TOTAL LIABILITIES		1,897,811	3,149,481
NET ASSETS		4,132,861	2,826,392
EQUITY			
Retained earnings	15	2,166,548	860,079
Reserves	16	1,966,313	1,966,313
TOTAL EQUITY		4,132,861	2,826,392

The accompanying notes form part of these financial statements

PLAYBOX THEATRE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from government grants		4,797,528	5,474,968
Receipts from patrons, sponsors		4,006,557	2,964,830
Payments to creditors and employees		(8,464,016)	(8,778,071)
Interest received		4,327	254
Dividends received		75,662	44,037
Payments of interest portions of lease liabilities		(844)	(580)
Net cash (used in)/provided by operating activities		419,214	(294,562)
Cash flows from investing activities			
Payment for plant and equipment		(109,498)	(308,970)
Payments for investments		(554,586)	(202,636)
Receipts from investment redemption		498,629	223,259
Net cash (used in)/provided by investing activities		(165,455)	(288,347)
Cash flows from financing activities			
Repayment of loan principal		(21,500)	(21,500)
Payments of principal portions of lease liabilities		(3,176)	(1,765)
Net cash (used in)/provided by financing activities		(24,676)	(23,265)
Net increase/(decrease) in cash held		229,082	(606,174)
Cash and cash equivalent held at the beginning of the year		1,625,486	2,231,660
Cash and cash equivalent held at the end of the year	5	1,854,569	1,625,486

The financial statements are for Playbox Theatre Company Limited (Company) as an individual Company, incorporated and domiciled in Australia.

Playbox Theatre Company Limited is a Company Limited by Guarantee and is a registered charity with the Australian Charities and Not-for-profits Commission.

The financial statements were authorised for issue on 03 April 2023 by the directors of the Company.

The principal activity of the Company during the financial year was to collaborate with local and international artists to create, develop and curate inventive performances that cut to the core of the human experience, and provide a home for new Australian work.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements are presented in Australian dollars which is the functional and presentation currency of the Company.

ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue arises mainly from the sale of performance tickets, government grants, fundraising and sponsorship, and venue hire and bar sales.

To determine whether to recognise revenue, the company follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations;
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers.

The company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Statement of Financial Position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company recognises either a contract asset or a receivable in its Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

All revenue is stated net of the amount of goods and services tax (GST).

Ticket Sales

Ticket sales are recognised when the performance obligation has been met.

Grants Revenue

Government and other grants are recognised as follows:

- a grant that does not impose specific future performance obligations on the Company is recognised as revenue the earlier of when the grant proceeds are received or receivable;
- a grant that imposes specific future performance obligations on the Company is recognised as revenue only when the performance obligations are met; and
- a grant received before the revenue recognition criteria are satisfied, is recognised as a liability.

Fundraising and Sponsorship

Where an agreement is not enforceable or sufficiently specific, fundraising and sponsorship are recognised as revenue when received and the amount can be reliably measured.

Where an agreement is sufficiently specific, revenue is recognised when the obligation has been satisfied.

Venue Hire and Bar

Revenue from the rendering of a service or provision of a good is recognised upon delivery to the customer.

(b) Earnings from Investments

Distributions received in respect of the Future Fund and interest earned by investing funds held in the Future Fund Reserve and Incentive Scheme Reserve are recorded as income.

(c) Inventories

Inventories of bar and workshop consumables have been measured at the lower of cost and net realisable value.

(d) Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

(e) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

Depreciation rates used for each of depreciable assets are:

Furniture & equipment	10% - 20%
Theatre fixtures & fittings	5% - 20%
Workshop improvements	5% - 10%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(f) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below:

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- . amortised cost
- . fair value through profit or loss (FVPL)
- . equity instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- . The entity's business model for managing the financial asset
- . The contractual cash flow characteristics of the financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The entity's investments fall into this category of financial instruments.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables

The entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses. The entity assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

The entity's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the entity designated a financial liability at fair value through profit or loss.

(g) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(h) Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(i) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value.

(j) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers

(l) Income Tax

No provision for income tax has been raised as the Company is exempt under Division 50 of the *Income Tax Assessment Act, 1997*.

(m) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(n) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Comparative Amounts

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(p) Economic dependence

Playbox Theatre Company is dependent upon Australia Council and Creative Victoria for the funding of its core activity. At the date of this report the Board of Directors has no reason to believe that this support will not continue.

(q) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Impairment

The Company assesses impairment at the end of each reporting date by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Impairment on non-financial assets

The Company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Key judgements

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(r) Leases accounting policy

At the inception of a contract, in accordance with AASB16, the company assesses if a contract is or contains a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate. Lease payments included in the measurement of the lease liability are as follows:

- . fixed lease payments less any lease incentives;
- . variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- . the amount expected to be payable by the lessee under residual value guarantees;
- . the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- . payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Company to further its objectives (commonly known as peppercorn/concessionary leases), the Company has adopted the temporary relief under AASB2018-8 and measures the right of use assets at cost on initial recognition.

(s) New or amended Accounting Standards and Interpretations adopted

The Company adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities during the current financial year. The transition has not impacted the accounting policies applied by the Company nor has it affected any reported amounts, except for the changes in equity now being presented at the end of the Statement of Income and Retained Earnings rather than as a separate statement.

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

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

2 REVENUE FROM CONTINUING OPERATIONS

(a) Government Grants

2022	Unexpended Grants brought forward	Grants income received	Earned Grants Income	Unearned Income carried forward
Australia Council				
Core Grant	-	1,460,201	1,460,201	-
Project (Interconnections)	45,702	-	45,702	-
	45,702	1,460,201	1,505,903	-
Creative Victoria				
Core Grant	-	1,216,510	1,216,510	-
NGO Maintenance	-	103,042	103,042	-
Covid Recovery Grant 2021-2151	826,705	-	826,705	-
Project (Repatriation)	49,126	-	49,126	-
Sustaining Creative Organisations Fund	-	213,000	213,000	-
	875,831	1,532,552	2,408,383	-
Other				
Department of Infrastructure, Transport, Regional Development and Communications (Office for the Arts) - ICDAF0004	27,000	-	-	27,000
Department of Infrastructure, Transport, Regional Development and Communications (Office for the Arts) - CASF00279	-	1,500,000	1,500,000	-
Relationships Australia SA	-	5,000	5,000	-
	27,000	1,505,000	1,505,000	27,000
TOTAL	948,533	4,497,753	5,419,286	27,000

2 REVENUE FROM CONTINUING OPERATIONS (Cont)

2021	Unexpended Grants brought forward	Grants income received	Earned Grants Income	Unearned Income carried forward
Australia Council				
Core Grant	-	1,445,743	1,445,743	-
Project (Interconnections)	97,538	-	51,836	45,702
	97,538	1,445,743	1,497,579	45,702
Creative Victoria				
Core Grant	-	1,199,714	1,199,714	-
NGO Maintenance	-	202,306	202,306	-
Strategic Investment (Covid recovery) 2020-4681	219,330	114,718	334,048	-
Covid Infrastructure Grant 2021-2073	-	124,323	124,323	-
Responding to COVID Grant 2021-1544	-	54,500	54,500	-
Covid Recovery Grant 2021-2151	-	1,400,000	573,295	826,705
Project (Repatriation)	49,126	-	-	49,126
	268,456	3,095,561	2,488,186	875,831
Other				
Department of Education & Early Childhood	12,540	34,485	47,025	-
City of Melbourne	40,000	88,000	128,000	-
Department of Infrastructure, Transport, Regional Development and Communications (Office for the Arts) - RISE0170	550,000	-	550,000	-
Department of Infrastructure, Transport, Regional Development and Communications (Office for the Arts) - ICDAF0004	-	27,000	-	27,000
Licensed Hospitality Venue Fund	-	30,000	30,000	-
	602,540	179,485	755,025	27,000
Jobkeeper / Cashflow Boost	-	287,800	287,800	-
TOTAL	968,534	5,008,589	5,028,590	948,533

(b) Fundraising and Sponsorship	2022	2021
	\$	\$
Fundraising - Artistic Projects	205,000	190,792
Fundraising - General	988,593	817,509
Fundraising - Ticket conversions (Covid closure) *	-	79,000
Sponsorship - Cash	28,000	48,000
Sponsorship - Contra	25,119	10,000
	1,246,712	1,145,301

* In 2021 ticket holders for cancelled performances and productions were offered the option of a refund or donating their ticket back to Malthouse. 17% chose to donate.

(c) Other Revenue	2022	2021
	\$	\$
Interest earned	4,327	254
Ticketing Services	241,914	262,811
Workshop External Commissions	-	1,700
Café rental	80,000	59,694
Other revenue from continuing operations	207,299	84,297
	533,540	408,757

3	EXPENSES FROM CONTINUING OPERATIONS	2022	2021
		\$	\$
	Other Expenses		
	Depreciation and amortisation	193,019	178,998
	Amortisation - Right of Use asset	3,475	2,027
	Audit fees	24,575	22,000
	Finance Costs – external	3,505	3,320
	Administration	357,620	402,601
	Ticketing Services	126,451	113,953
	Cost of Sales (Bar)	153,554	165,756
	Other	78,791	75,034
		940,990	963,689
4	CASH AND CASH EQUIVALENTS	2022	2021
		\$	\$
	Cash on Hand	1,560	7,020
	Cash at Bank	1,502,375	418,159
	Deposits at call	350,634	1,200,307
		1,854,569	1,625,487
5	TRADE AND OTHER RECEIVABLES	2022	2021
		\$	\$
	GST	20,720	51,513
	Sundry debtors	121,850	23,712
	Accrued income	131,812	99,671
	Deposits paid	1,900	1,900
		276,282	176,795
All of Company's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired and an allowance for credit losses has not been recorded			
6	INVENTORIES	2022	2021
	At Cost:	\$	\$
	Workshop Consumables	55,450	24,450
	Bar & Sponsorship Stock	17,432	29,977
		72,882	54,427
7	OTHER CURRENT ASSETS	2022	2021
		\$	\$
	Prepayments	313,111	162,937
		313,111	162,937
8	PROPERTY, PLANT & EQUIPMENT	2022	2021
		\$	\$
	Furniture and equipment	823,722	816,226
	Less accumulated depreciation	(686,690)	(637,356)
		137,032	178,870
	Theatre fixtures and fittings	993,869	928,179
	Less accumulated depreciation	(451,427)	(349,273)
		542,442	578,905

8 PROPERTY, PLANT & EQUIPMENT (cont)

	2022	2021
	\$	\$
Workshop Improvements	233,861	227,085
Less accumulated depreciation	(207,417)	(195,423)
	26,443	31,662
TOTAL PROPERTY, PLANT & EQUIPMENT	705,917	789,437

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

2022	Furniture & Equipment	Theatre Fixtures & Fittings	Workshop Improvement	Total
Balance at the beginning of the year	178,870	578,905	31,662	789,437
Additions	13,396	89,327	6,775	109,498
Disposals	-	-	-	-
Depreciation Expenses	(55,234)	(125,790)	(11,994)	(193,019)
Carrying amount at the end of the year	137,032	542,442	26,443	705,917

2021	Work in Progress	Furniture & Equipment	Theatre Fixtures & Fittings	Workshop Improvement	Total
Balance at the beginning of the year	199,625	224,053	199,412	36,374	659,465
Additions	129,728	20,229	152,294	6,720	308,970
Transfers from WIP	(329,353)	-	329,353	-	-
Depreciation Expenses	-	(65,412)	(102,154)	(11,432)	(178,998)
Carrying amount at the end of the year	-	178,870	578,905	31,662	789,437

9 FINANCIAL ASSETS

	2022	2021
	\$	\$
Future Fund	2,029,964	2,275,119
Incentive Scheme Reserve Deposit	766,075	876,324
	2,796,039	3,151,442

Investments in the Future Fund and the Incentive Scheme Reserve Deposit comprise Domestic Corporate Bonds, Alternative Assets, Property, Domestic Equities, and International Equities. These investments are categorised at fair value through profit and loss

10 TRADE & OTHER PAYABLES

	2022	2021
	\$	\$
Sundry creditors & accruals	411,276	433,475
GST Payable	-	-
	411,276	433,475

All above liabilities are short term. The carrying values are considered to be a reasonable approximation of fair value.

11 PROVISIONS

	2022	2021
	\$	\$
Current		
Employee entitlements - Annual leave	121,085	188,455
Employee entitlements - Long service leave	230,756	219,390
Writing Commissions	145,000	133,940
	496,841	541,785
Non Current		
Employee entitlements - Long service leave	24,053	30,523
	24,053	30,523

12 BORROWINGS	2022	2021
	\$	\$
Current		
Bank Loan – secured	21,500	21,500
Non Current		
Bank Loan – secured	19,708	41,208

Bank loan and overdraft facilities with National Australia Bank Ltd are secured by Registered Mortgage Debenture over the whole of the Company's assets but excluding funds held in the Incentive Scheme Reserve.

13 RIGHT OF USE ASSET AND LEASE LIABILITIES	2022	2021
	\$	\$
Right-of-use asset – Office photocopier (Fuji Xerox)		
Right-of-use asset recognised	15,347	17,374
Amortisation Charge for right-of-use asset	(3,475)	(2,027)
Carrying amount of right -of-use assets	11,872	15,347
Lease liability – Office photocopier (Fuji Xerox)		
Lease liability recognised/carried forward	15,609	17,374
Add interest expense	844	580
Less lease payments	(4,020)	(2,345)
Carrying amount of lease liability	12,433	15,609
Maturity – Office photocopier (Fuji Xerox)		
Within 1 Year	3,176	3,176
More than 1 Year but less than 5 Years	9,257	12,433
More than 5 years	-	-
	12,433	15,609

The right-of-use asset and related liability refers to the lease of a photocopier from Fuji Xerox. The lease term is 5 years and the lease has been accounted for in accordance with AASB16.

Low-value/'Peppercorn' Leases

Playbox Theatre Company Limited currently leases premises at 111 Sturt Street, Southbank ('Workshop') and at 113 Sturt Street, Southbank ('Malthouse'). Both spaces are leased from Creative Victoria under a low-value, or 'peppercorn', lease arrangement. The Workshop lease is in an optional extension period until 30 September 2026, with an annual rental of \$115 per year. The Malthouse lease is currently expired and under renegotiation. Current rental is \$175 per year. The Company has adopted relief under AASB2018-8 in regards to these leases.

As a Lessor

As at 31 December 2022 The Company held no lease agreements as a Lessor.

14 CONTRACT AND OTHER LIABILITIES	2022	2021
	\$	\$
Others	54,980	119,089
Unearned Australia Council grants 2(b)	-	45,702
Unearned Creative Victoria grants 2(b)	-	875,830
Income received in advance	857,021	1,024,760
	912,001	2,065,381

Advances received for contract work and deferred income represent payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in 2023.

15 RETAINED EARNINGS	2022	2021
	\$	\$
Retained earnings at the beginning of year	860,079	577,114
Net surplus/(deficit) for the financial year	1,306,469	282,965
Transfer to Future Fund Reserve	-	-
Transfer to Incentive Scheme Reserve	-	-
Retained earnings at the end of financial year	2,166,548	860,079

16 RESERVES	2022	2021
	\$	\$
Capital Assets Reserve	127,459	127,459
Future Fund Reserve	1,394,381	1,394,381
Incentive Scheme Reserve	444,473	444,473
	1,966,313	1,966,313

(a) Capital Asset Reserve	2022	2021
	\$	\$
Opening balance	127,459	127,459
Movement	-	-
Closing balance	127,459	127,459

The Capital Assets Reserve records the value of plant and equipment assets transferred to the Company at the conclusion of the Company's relationship with Monash University.

(b) Incentive Scheme Reserve	2022	2021
	\$	\$
Movements during the year:		
Opening balance	444,473	444,473
Transfer from accumulated surplus/(deficit)	-	-
Closing balance	444,473	444,473

Funds held in the Incentive Scheme Reserve are subject to the terms of the Incentive Scheme Reserves Funding Agreement dated 21 June, 2004 between the Australia Council, Creative Victoria and the Company. In particular these funds are held in escrow for fifteen years (to 18/10/2023) and cannot be accessed without the express agreement of the funding bodies under prescribed circumstances.

Funds held in the Incentive Scheme Reserve are expressly excluded from the security charge held over the assets of the Company by the National Australia Bank Ltd. The Incentive Scheme Reserve records the amount set aside to fund the long term future operations of the Company.

(c) Future Fund Reserve	2022	2021
	\$	\$
Movements during the year:		
Opening balance	1,394,381	1,394,381
Transfer from accumulated surplus/(deficit)	-	-
Closing balance	1,394,381	1,394,381

The fund is established for the purpose of accruing and accumulating a sustainable capital base for the Company to support the long term financial viability of the Cultural Objects of the Company. The Fund is managed by the Audit, Finance & Risk committee of the Board.

17 MEMBERS' GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the Constitution of the Company states that each member is required to contribute a maximum of \$10 cash towards meeting any outstanding obligations of the Company. At 31 December 2022, the number of members was 16 (2021: 17)

18 CONTINGENT LIABILITIES

There are no contingent liabilities that have been incurred by the Company in relation to 2022 or 2021.

19 CAPITAL COMMITMENTS

As at the reporting date the Company did not commit any funds towards assets expected to be received on a future date.

20 RELATED PARTY TRANSACTIONS

Transaction between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. There were no related party transactions in 2022 (2021: \$nil).

21 FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of Financial Assets & Financial Liabilities in each category are as follows:

Financial Assets - 2022	Note	Amortised Costs	FVPL	FVOCI	Total
Current					
Cash and Cash Equivalent	5	1,854,569	-	-	1,854,569
Trade and other receivables	6	276,282	-	-	276,282
		2,130,851	-	-	2,130,851
Non-current					
Investments	10	-	2,796,039	-	2,796,039
Total financial Assets		2,130,851	2,796,039	-	4,926,890

Financial Liabilities - 2022	Note	Amortised Costs	FVPL	FVOCI	Total
Current					
Bank Loan	13	21,500	-	-	21,500
Trade and other payables	11	411,276	-	-	411,276
		432,776	-	-	432,776
Non-current					
Bank Loan	13	19,708	-	-	19,708
Total financial Liabilities		452,484	-	-	452,484

Financial Assets - 2021	Note	Amortised Costs	FVPL	FVOCI	Total
Current					
Cash and Cash Equivalent	5	1,625,487	-	-	1,625,487
Trade and other receivables	6	176,795	-	-	176,795
		1,802,282	-	-	1,802,282
Non-current					
Investments	10	-	3,151,442	-	3,151,442
Total financial Assets		1,802,282	3,151,442	-	4,953,724

21 FINANCIAL ASSETS AND LIABILITIES (cont.)

Financial Liabilities - 2021	Note	Amortised Costs	FVPL	FVOCI	Total
Current					
Bank Loan	13	21,500	-	-	21,500
Trade and other payables	11	433,475	-	-	433,475
		454,975	-	-	454,975
Non-current					
Bank Loan	13	41,208	-	-	41,208
Total financial liabilities		496,183	-	-	496,183

22 KEY MANAGEMENT PERSONNEL REMUNERATION

The key management personnel of the Company consists of the Directors of the Company and the Co-Ceos and Company Administrator. Key management personnel remuneration includes the following expenses:

The total remuneration paid to key management personnel of the Company during the period is as follows:

	2022	2021
	\$	\$
Key management personnel compensation:	410,757	400,669

Directors do not receive remuneration for services provided in their role as directors although they are eligible to be reimbursed for out of pocket expenses.

23 SUBSEQUENT EVENTS

No matter or circumstance has arisen since 31 December 2022 that has significantly affected or may significantly affect the Company's financial position.

24 COMPANY DETAILS

The registered office of the Company is: 113 Sturt Street Southbank Vic 3006

The Principal place of business is: The Malthouse
113 Sturt Street Southbank Vic 3006

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and:
 - (a) comply with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 and other mandatory reporting requirements in Australia; and
 - (b) give a true and fair view of the financial position as at 31 December 2022, and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 60.15 (2) of the Australian Charities and Not-for-profits Commission Regulation 2013.



Fiona McGauchie

Director



Sue Prestney

Director

Dated this 3rd day of April 2023



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INDEPENDENT AUDITOR'S REPORT FOR PLAYBOX THEATRE COMPANY LIMITED

Auditor's Opinion

We have audited the financial report, being a general purpose financial report, of Playbox Theatre Company Limited, comprising the statement of financial position as at 31 December 2022, statement of income and retained earnings and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
- complying with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and Division 60 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

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

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

Information Other than the Financial Report and Auditor's Report Thereon

The Board Members of the entity are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to the Board Members.



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The Responsibility of the Board Members for the Financial Report

The Board Members of the entity are responsible for the preparation and fair presentation of the financial report, and have determined that the financial report has been prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The Board Members' responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board Members are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so. The Board Members are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Committee website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

NFPAS

KESWICK SA 5035



Ian Mostert CPA

Registered Company Auditor No 539768

Dated: 17 April 2023





IMAGE CREDITS
JEFF BUSBY
PIA JOHNSON
PHOEBE POWELL
TAMARAH SCOTT

