

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST

ABN 17 008 394 250

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021



THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
ABN 17 008 394 250

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THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
ABN 17 008 394 250

Corporate Information

Directors

The Honorable Lloyd D.S. Waddy

Mr. Brian R Larking

Mr. Gregory K Burton

Mr. James R G Bell

Mr. Ian G Hardy

Company Secretary

Mr. Brian R Larking

Mr. James R G Bell

General Manager

Mr. Warwick Ross

Registered office and principal place of business

20 Young Street

Neutral Bay

NSW 2089

Bankers

Westpac Banking Corporation

AMP Bank Limited

Auditors

W. W. Vick & Co.

Chartered Accountants

Level 3, 1 James Place

North Sydney, NSW, 2060

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST

ABN 17 008 394 250

Directors' Report

For the year ended 31 December 2021

The Directors of The Australian Elizabethan Theatre Trust (the Company) present their report together with the financial statements of the Company to the members for the year ended 31 December 2021 and the Independent Auditor's Report thereon.

Directors

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

Name	Appointed	No. of Board meetings	
		Eligible to attend	Attended
The Honorable Lloyd D.S. Waddy	1974	6	6
Mr. Brian R Larking	1988	6	6
Mr. Gregory K Burton	1994	6	6
Mr. James R G Bell	2002	6	5
Mr. Ian G Hardy	2016	6	5

To be a director an individual must be a member of the Company.

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

Principal activities and objectives

The principal activities of the Company during the financial year were:

- Support of the Arts in Australia by Australians including administration of a scholarship program for singers, musicians and conductors.
- Members' services.
- Stewardship of the Company's investments with the assistance of professional funds managers.

These principal activities assist in achieving the short and long-term objectives of the Company by facilitating support for the performing arts in Australia, including performances by the Company's scholars and musicians of excellence and potential.

Objectives and strategy

The Company's short and long-term objectives are:

- Administration of scholarship program.
- Facilitate performance opportunities for talented singers, musicians and conductors.
- Continued support of the performing arts nationally.

The Company's strategy for achieving these objectives include:

- Attracting appropriate candidates for admission into the scholarship program.
- Attracting talented performing artists and provide facilities for their performance that might not otherwise be available to them.
- Preparation of an annual budget for financial performance monitored by management and the Directors.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST

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Directors' Report (continued)

For the year ended 31 December 2021

Key performance measures

The Company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Company and whether the Company's short-term and long-term objectives are achieved. The proportion of funding is provided by:

	2021		2020	
	Actual	Benchmark	Actual	Benchmark
Targeted fundraising	5%	10%	9%	10%
Earnings from investments (a)	95%	80%	91%	80%
Administration costs (b)	53%	30%	59%	30%
Scholarship expenses	6%	20%	10%	20%

In the calculation of the above percentages, revenue has been used as the base.

(a) Consists of income from investments (dividend / distributions) as disclosed in Note 5.

(b) Consists of all expenses excluding scholarship expense, as disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

Operating results

The year's activities of the Company resulted in surplus of \$905,803 (2020: deficit of \$156,219). The Company is exempt from income tax. During the year, the Company approved payments for scholarships amounting to \$88,280 (2020: \$10,000) to enable studies, out of which \$28,280 (2020: \$10,000) paid during the year. Further a grant of \$ nil (2020: \$12,000) was awarded for research work.

Dividend paid or recommended

The Company is a public company, limited by guarantee and accordingly does not issue shares.

The Company's constitution prohibits the distribution of income and property by way of dividend or bonus and no dividend or bonus has been paid or declared to members since the end of the previous financial year.

Review of operations

The Company offers scholarships to successful applicants, which are awarded when the Company's offer is accepted by the scholar. The Company brings the cost of the scholarship to account at that time, although the funds may not be disbursed by the Company until after the end of the financial year.

Members' guarantee

The Company is a public company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the Company. As at 31 December 2021, the total amount that members of the Company are liable to contribute if the Company is wound up is \$660 (2020: \$682).

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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Directors' Report (continued)
For the year ended 31 December 2021

Indemnifying Officers

Insurance premiums paid for the Directors

The Company has paid premiums to insure all of the Directors of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Directors' qualifications, experience and special responsibilities

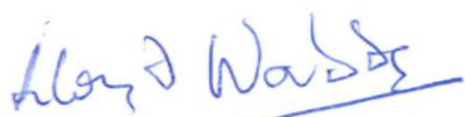
<u>Name</u>	<u>Qualifications</u>	<u>Experience</u>	<u>Special responsibilities</u>
The Honorable Lloyd D.S. Waddy	Family Court Justice Retired	Director since 1974	Chairman of the Board since 1992
Mr. Brian R Larking	Chartered Accountant	Director since 1988	Treasurer
Mr. Gregory K Burton	Senior Counsel	Director since 1994	
Mr. James R G Bell	Solicitor	Director since 2002	
Mr. Ian G Hardy	Economist	Director since 2016	

Auditor's independence declaration

A copy of Auditor's Independence Declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 29 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors:



The Honorable Lloyd D.S. Waddy

Director

Dated: 14 April 2022



James R G Bell

Director

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue	5	436,984	330,399
Interest income		1,373	2,389
Gain on sale of financial assets		856	-
Depreciation and amortization expense	10,11	(15,891)	(16,581)
Finance cost		(1,199)	(1,301)
Other operating expenses	6	(242,555)	(210,377)
Fair value adjustment of financial assets at fair value through profit or loss (FVTPL)	9	726,235	(260,748)
Surplus / (deficit) before income tax		905,803	(156,219)
Income tax expense	3.3	-	-
Surplus / (deficit) after income tax		905,803	(156,219)
Other comprehensive income		-	-
Total comprehensive income for the year		905,803	(156,219)

The accompanying notes form part of these financial statements.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	377,360	376,257
Trade and other receivables	8	116,356	59,032
Financial assets	9	80,000	80,000
TOTAL CURRENT ASSETS		<u>573,716</u>	<u>515,289</u>
NON-CURRENT ASSETS			
Financial assets	9	7,721,263	6,891,700
Property, plant and equipment	10	1,150,205	1,162,385
Intangible assets	11	1,368	3,415
TOTAL NON-CURRENT ASSETS		<u>8,872,836</u>	<u>8,057,500</u>
TOTAL ASSETS		<u>9,446,552</u>	<u>8,572,789</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	14,532	14,072
Other liabilities	13	328,000	360,500
TOTAL CURRENT LIABILITIES		<u>342,532</u>	<u>374,572</u>
NON-CURRENT LIABILITIES			
Other liabilities	13	18,000	18,000
TOTAL NON-CURRENT LIABILITIES		<u>18,000</u>	<u>18,000</u>
TOTAL LIABILITIES		<u>360,532</u>	<u>392,572</u>
NET ASSETS		<u>9,086,020</u>	<u>8,180,217</u>
EQUITY			
Retained surplus		<u>9,086,020</u>	<u>8,180,217</u>
TOTAL EQUITY		<u>9,086,020</u>	<u>8,180,217</u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Retained surplus \$	Total equity \$
Balance as at 1 January 2020	<u>8,336,436</u>	<u>8,336,436</u>
Comprehensive income		
Deficit for the year	(156,219)	(156,219)
Other comprehensive income	-	-
Total comprehensive income	<u>(156,219)</u>	<u>(156,219)</u>
Balance as at 31 December 2020	<u>8,180,217</u>	<u>8,180,217</u>
Comprehensive income		
Surplus for the year	905,803	905,803
Other comprehensive income	-	-
Total comprehensive income	<u>905,803</u>	<u>905,803</u>
Balance as at 31 December 2021	<u><u>9,086,020</u></u>	<u><u>9,086,020</u></u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$ Inflows (Outflows)	2020 \$ Inflows (Outflows)
Cash flows from operating activities			
Receipts from customers and distributions (investments)		359,145	276,435
Interest received		1,373	2,389
Donations received		20,515	30,170
Payments to suppliers, contractors and scholarships		(274,595)	(253,173)
Finance cost		(1,199)	(1,301)
Net cash provided by operating activities	16	<u>105,239</u>	<u>54,520</u>
Cash flows from investing activities			
Payments for acquisition of financial assets		(151,673)	(1,566)
Payments for acquisition of property, plant and equipment		(1,664)	(5,453)
Proceeds from sale of financial assets		49,201	-
Net cash used in investing activities		<u>(104,136)</u>	<u>(7,019)</u>
Net increase in cash and cash equivalents		1,103	47,501
Cash and cash equivalent at the beginning of the year		<u>376,257</u>	<u>328,756</u>
Cash and cash equivalent at the end of the year	7	<u><u>377,360</u></u>	<u><u>376,257</u></u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

These financial statements are for The Australian Elizabethan Theatre Trust (“the Company”) as an individual entity. The Company is a not-for-profit company, limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars and all values are rounded to the nearest dollar.

The financial statements for the year ended 31 December 2021 were approved and authorised for issuance by those charged with governance on 14 April 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards, the Australian Charities and Not for Profits Commission Act 2012 and the Australian Charities Not for Profits Commission Regulations 2013. The Company is a not-for-profit entity for the purposes of preparing the financial statements.

2 Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Summary of significant accounting policies

These financial statements have been prepared in accordance with the significant accounting policies disclosed below, which have been determined appropriate to meet the purposes of preparation by the Directors. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical cost unless otherwise stated in the notes.

The significant accounting policies that have been adopted in the preparation of the statements are as follows:

3.1 Revenue and other income

(a) Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.1 Revenue and other income (continued)

(a) Revenue from contracts with customers (continued)

Revenue is recognised by applying a five-step model as follows:

- i) Identify the contract with the customer;
- ii) Identify the performance obligations;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligation; and
- v) Recognise revenue as and when control of the performance obligations is transferred.

Generally, the timing of the rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

(b) Donations

Where donation income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

(c) Rendering of services

Revenue from rendering of services is recognised upon delivery of services to the customers.

Amounts arising from donation and rendering of services in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. The Company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

(d) Investment income (dividend and distributions)

Investment income comprises dividend and distributions from public listed companies (managed investment funds.)

Dividend from listed entities are recognised when the right to receive a dividend has been established. Distributions from public listed companies are recognised when the right to receive a distribution has been established.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.1 Revenue and other income (continued)

(e) Interest income

Interest income is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(f) Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(g) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

3.2 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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.

3.3 Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. This exemption has been confirmed by the ATO. The Company holds deductible gift recipient status.

3.4 Operating expenses

Operating expenses are recognised in the statement of profit or loss and other comprehensive income upon utilisation of the service or at the date of their origin.

3.5 Cash and cash equivalents

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

3.6 Intangible assets

Website development cost is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and five years.

Residual values and useful lives of intangible assets are reviewed at each reporting date. In addition, these are subject to impairment testing (refer to Note 3.8 for details of impairment).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.7 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or fair value of contributions received including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Property, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually 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 values in determining recoverable amounts.

In the event the carrying amount of property, plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 3.8 for details of impairment).

Property, plant and equipment (other than land and Grand Piano) are depreciated on a straight-line basis over the assets' useful life to the Company, commencing when the asset is ready to use.

The depreciation rates used for each class of depreciable assets are:

<u>Class</u>	<u>Rate per annum</u>
Buildings	2.5% to 2.6%
Furniture, fixtures and fittings	15% to 33%
Musical instruments	10% to 15%

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in statement of profit or loss and other comprehensive income.

3.8 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair amount less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.8 Impairment of assets (continued)

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

3.9 Leases

At inception of a contract, the Company assesses whether a lease exists - i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e., decision-making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The estimated life of the right-of-use assets is based on those of property, plant and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date (refer to Note 3.8 for details of impairment).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.9 Leases (continued)

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.10 Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt instrument (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.10 Financial instruments (continued)

Financial assets (continued)

Amortised cost (continued)

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in the statement of profit or loss and other comprehensive income. Gain or loss on derecognition is recognised in the statement of profit or loss and other comprehensive income.

Fair value through profit or loss - FVTPL

The Company has a number of strategic investments in listed entities over which are they do not have significant influence nor control. These investments in managed funds are carried at fair value with changes in fair value recognised in profit or loss.

Dividend and distributions are recognised as income in profit or loss. Other net gains and losses are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk. The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.10 Financial instruments (continued)

Financial assets (continued)

Trade and other receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss and other comprehensive income.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise trade payables and other payables and other liabilities.

Derecognition of financial instruments

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 regards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.11 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of a present obligation is not probable.

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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3 Summary of significant accounting policies (continued)

3.12 Other liabilities

The Company offers scholarships to successful applicants, which are awarded when the Company's offer is accepted by the scholar. The Company brings the cost of the scholarship to account at that time, although the funds may not be disbursed by the Company until after the end of the financial year.

3.13 Fair value of assets and liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price that the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Company at the end of the reporting period (i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Company's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

3.14 Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
ABN 17 008 394 250

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4 Significant accounting estimates and judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant accounting estimates and judgements made have been described below:

4.1 Significant accounting estimates

Impairment of financial assets

The Company maintains a portfolio of securities with a carrying amount of \$7,721,263 at the end of the reporting period. No individual investments have declined in value recently. The Directors believe no impairment was required. Should share values decline to a level which is in excess of 30% below cost or should prices remain at levels below cost for a period in excess of 12 months, the Directors have determined that such investments will be considered impaired in the future.

4.2 Significant accounting judgements

Revenue and other income

For many of the donation and other income agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the Company, review of the documents and consideration of the terms and conditions.

Revenue and other income received by the Company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

	2021	2020
	\$	\$
5 Revenue		
Income from investments (dividend / distributions)	416,469	300,229
Donations	20,515	30,170
	<u>436,984</u>	<u>330,399</u>

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
6 Other operating expenses			
Grants and scholarships		28,280	32,000
Key management personnel remuneration	17.1	98,500	95,773
History project cost		18,233	-
Strata levies		14,966	18,708
Audit fees		10,200	8,400
Accountancy fees		13,964	15,127
Website and domain maintenance expenses		2,585	1,697
Casual staff and agencies fees		1,670	1,877
Donations		5,000	-
Insurance		9,594	5,973
Printing and stationery		9,372	4,655
Rates		4,239	4,098
Storage costs		3,737	5,327
Electricity, telephone and internet		7,055	8,010
Repair and maintenance		6,331	3,431
Concert attendance cost		2,911	70
Security services		780	1,147
Postage and courier cost		758	682
Travel		543	420
Miscellaneous		3,837	2,982
		<u>242,555</u>	<u>210,377</u>
7 Cash and cash equivalents			
Cash on hand		73	73
Cash at bank		377,287	376,184
		<u>377,360</u>	<u>376,257</u>
8 Trade and other receivables			
<i>Current</i>			
Trade receivables		76,990	22,814
Franking credit receivable		18,277	24,099
Advance to a supplier		-	7,000
GST receivable		4,343	4,287
Other receivable		16,746	832
		<u>116,356</u>	<u>59,032</u>

Trade receivable consists of accrued distribution from investments. The amount has been subsequently recovered in full. No impairment required under ECL model.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
9 Financial assets			
<i>Current</i>			
<i>At amortised cost</i>			
Short-term deposits		<u>80,000</u>	<u>80,000</u>
<i>Non-current</i>			
<i>At fair value through profit or loss (FVTPL)</i>			
Investments in managed funds			
Investment in income securities	9.1	-	48,345
Investment in diversified investment companies	9.2	7,721,263	6,843,355
		<u>7,721,263</u>	<u>6,891,700</u>
9.1 Investment in income securities			
Balance beginning of the year		48,345	45,264
Disposal		(48,345)	-
Fair value adjustment		-	3,081
		<u>-</u>	<u>48,345</u>
9.2 Investment in diversified investment companies			
Balance beginning of the year		6,843,355	7,105,618
Additions		151,673	1,566
Fair value adjustment		726,235	(263,829)
		<u>7,721,263</u>	<u>6,843,355</u>

10 Property, plant and equipment

	Land and building \$	Furniture, fixture and fittings \$	Musical instruments \$	Total 2021 \$	Total 2020 \$
<i>Cost</i>					
Opening	1,034,907	77,242	194,495	1,306,644	1,301,191
Additions	-	1,664	-	1,664	5,453
	<u>1,034,907</u>	<u>78,906</u>	<u>194,495</u>	<u>1,308,308</u>	<u>1,306,644</u>
<i>Accumulated depreciation and impairment</i>					
Opening	53,041	61,723	29,495	144,259	129,724
Charge for the year	8,560	5,284	-	13,844	14,535
	<u>61,601</u>	<u>67,007</u>	<u>29,495</u>	<u>158,103</u>	<u>144,259</u>
<i>Net carrying value</i>	<u>973,306</u>	<u>11,899</u>	<u>165,000</u>	<u>1,150,205</u>	<u>1,162,385</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Property, plant and equipment (continued)

Musical instruments include a Grand Piano valued at \$165,000 (at cost price). The Directors ascertain this piano to be an appreciating asset. The piano is not depreciated. The Directors obtained replacement cost of the Piano which is valued at an amount higher than the recorded cost.

	Note	2021 \$	2020 \$
11 Intangible assets			
<i>Website development cost</i>			
<i>Cost</i>			
Opening		10,233	10,233
Additions		-	-
		<u>10,233</u>	<u>10,233</u>
<i>Accumulated amortisation and impairment</i>			
Opening		6,818	4,772
Charge for the year		2,047	2,046
		<u>8,865</u>	<u>6,818</u>
<i>Net carrying value</i>		<u><u>1,368</u></u>	<u><u>3,415</u></u>
12 Trade and other payables			
<i>Current</i>			
Trade payables		3,984	3,984
Sundry payables and accrued expenses		10,548	10,088
		<u>14,532</u>	<u>14,072</u>
13 Other liabilities			
<i>Current</i>			
Grant payable		38,000	58,000
Accrued scholarships		10,000	22,500
Liabilities directly associated with assets	13.1	280,000	280,000
		<u>328,000</u>	<u>360,500</u>
<i>Non-current</i>			
Accrued scholarships		18,000	18,000
		<u>18,000</u>	<u>18,000</u>
		<u><u>346,000</u></u>	<u><u>378,500</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
13 Other liabilities (continued)		
13.1 Liabilities directly associated with assets		
<i>Special purpose funds:</i>		
Armstrong-Martin scholarship	80,000	80,000
Chalwin fund	200,000	200,000
	<u>280,000</u>	<u>280,000</u>
<i>Held as follows:</i>		
Managed funds	200,000	200,000
Cash and cash equivalents	80,000	80,000
	<u>280,000</u>	<u>280,000</u>

14 Financial risk management

The Company's financial instruments consist mainly of deposits with banks, trade and other receivables, financial assets, trade and other payables and other liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9:Financial Instruments as detailed in the accounting policies to these financial report are as follows:

	Note	2021	2020
		\$	\$
<i>Financial assets</i>			
<u>At amortised cost</u>			
Cash and cash equivalents	7	377,360	376,257
Trade and other receivables	8	116,356	59,032
Financial assets	9	80,000	80,000
<u>At fair value through profit or loss (FVTPL)</u>			
Financial assets	9	7,721,263	6,891,700
		<u>8,294,979</u>	<u>7,406,989</u>
<i>Financial liabilities</i>			
<u>At amortised cost</u>			
Trade and other payables	12	14,532	14,072
Other liabilities	13	346,000	378,500
		<u>360,532</u>	<u>392,572</u>

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
ABN 17 008 394 250

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15 Fair value measurement

The Company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The Company does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

	Note	2021 \$	2020 \$
<i>Financial assets</i>			
<i>At fair value through profit or loss (FVTPL)</i>			
Units in managed investment funds	9	<u>7,721,263</u>	<u>6,891,700</u>

For investments in managed funds, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

16 Cash flow statement information

Reconciliation of cash

Cash at the end of financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2021 \$	2020 \$
Cash and cash equivalents	7	<u>377,360</u>	<u>376,257</u>

Reconciliation of net cash provided by operating activities to surplus / (deficit) after income tax

Surplus / (deficit) after income tax	905,803	(156,219)
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Non-cash flows in surplus after income tax

Depreciation and amortization expense	15,891	16,581
Gain on sale of financial assets	(856)	-
Fair value adjustment of financial assets	(726,235)	260,748

Changes in assets and liabilities

Increase in trade and other receivables	(57,324)	(23,794)
Decrease in other assets		7,978
Increase / (decrease) in trade and other payables	460	(2,809)
Decrease in other liabilities	(32,500)	(47,965)

Net cash provided by operating activities		<u>105,239</u>	<u>54,520</u>
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THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17 Related party transactions

The Company's related parties' transactions include transactions as described below:

17.1 Key management personnel remuneration:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company is considered key management personnel.

	Note	2021 \$	2020 \$
Key management personnel remuneration	6	<u>98,500</u>	<u>95,773</u>

17.2 Related parties

The Directors of the Company were the only related parties. During the year there were no financial transactions with related parties.

17.3 Directors' remuneration

The Directors of the Company have received no benefits during the financial year for the performance of their duties as directors.

18 Members guarantee

The Company is incorporated under the Corporations Act 2001 and is a public company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2.00 each towards meeting any out standings and obligations of the Company.

As at 31 December 2021 the number of members are 330 (2020: 341) and the total amount that members of the Company are liable to contribute if the Company is wound up is \$660 (2020: \$682).

19 Capital commitments

There are no capital commitments as at reporting date (2020: None).

20 Contingent liabilities

There are no significant contingent liabilities as at reporting date (2020: None).

21 Subsequent events

There have been no matters or circumstances which have arisen since the end of the financial year which may significantly affect the operations of the organisation, the results of those operations or the state of affairs of the organisation in subsequent years.

THE AUSTRALIAN ELIZABETHAN THEATRE TRUST
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RESPONSIBLE PERSONS' DECLARATION

The responsible persons declare that in the responsible persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of *the Australian Charities and Not-for-profits Commission Act 2012* .

Signed in accordance with subsection 60.15(2) of *the Australian Charities and Not-for-profits Commission Regulations 2013* .



The Honorable Lloyd D.S. Waddy

Director



James R G Bell

Director

Dated: 14 April 2022



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN ELIZABETHAN THEATRE TRUST.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Australian Elizabethan Theatre Trust (“the Company”), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons’ declaration.

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

- a) giving a true and fair view of the Company’s financial position as at 31 December 2021 and of its financial performance for the year ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of *the Australian Charities and Not for Profits Commission Regulations 2013*.

Basis for Opinion

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

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



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN ELIZABETHAN THEATRE TRUST. (CONTINUED)

Other Information

Directors are responsible for the other information. The other information comprises the information included in the Company's financial report (such as Directors' Report) for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards – Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profit Commission Act 2012*, *Australian Charities and Not-for-profit Commission Regulations 2013* and for such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

The responsible entities are responsible for overseeing the Company's financial reporting process



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN ELIZABETHAN THEATRE TRUST (CONTINUED)

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 Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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

W. W. Vick & Co.

Chartered Accountants

Level 3

1 James Place

North Sydney NSW 2060

Ray Khalil - Partner

Date: 14 April 2022

W. W. Vick & Co.

Chartered Accountants

ABN 14 568 923 714



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF THE AUSTRALIAN ELIZABETHAN THEATRE TRUST.

I declare that, to the best of my knowledge and belief for the year ended 31 December 2021, there have been:

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

W. W. Vick & Co.

Chartered Accountants

Ray Khalil - Partner

Date: 14 April 2022

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