COMPANY B LTD

ABN 97 002 866 828

GENERAL PURPOSE (RDR) FINANCIAL REPORT

For the year ended 31 December 2020

Contents

Directors' report

The directors of Company B Ltd (hereafter referred to as, "Belvoir" or "the Company") submit herewith the annual financial report for the financial year ended 31 December 2020.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period, unless otherwise stated.

Patty Akopiantz
Raji Ambikairajah
Kate Champion
Sue Donnelly
Johanna Featherstone
Eamon Flack
Alison Kitchen
Michael Lynch
Samantha Meers
Jacob Nash (Appointed 30 November 2020)
Stuart O'Brien
Paul Oppenheim (Appointed 21 September 2020)
Mark Warburton

INFORMATION ON DIRECTORS

Patty Akopiantz
Member: Nominations and Governance Committee (Chair)

Patty is the Deputy Chair of Belvoir. Patty has amassed deep expertise across the consumer-facing landscape having spent over 35 years as a top ASX company Board Director and senior manager in companies including Coles Myer, Energy Australia, Ramsay Healthcare, AMP, McKinsey and David Jones. She is a co-Founder of Assembly Climate Capital, an impact investment firm which brings together people and capital to accelerate bold companies and ideas for significant climate impact. She has a broad range of philanthropic interests and is currently a non-Executive Director of The Hunger Project. She is a member of Chief Executive Women and has an MBA from Harvard Business School.

Raji Ambikairajah
Member: Nominations and Governance Committee

Dr Raji Ambikairajah has a PhD in electrical engineering and has spent most of her career in the technology start-up and venture capital sectors. She is an experienced board director and is currently a Non-Executive Director across a range of boards including the NSW State Library Foundation, UNSW Council and Foundation. Raji is an Ambassador for Room to Read, a global non-profit organisation that provides children in low-income communities with access to education. Before this, Raji was Room to Read's Sydney Chapter Leader for seven years. Under her leadership, the chapter reached 116,480 children, grew to be the biggest in the world in terms of number of volunteers and was in the top five globally for fundraising. In 2018, Raji was awarded the NSW Woman of the Year Award in the Community Hero category and in 2019, Raji won the Chief Executive Women's scholarship to study strategic innovation at the Massachusetts Institute of Technology, USA.

Directors' report (continued)

INFORMATION ON DIRECTORS (CONTINUED)

Kate Champion

Member: Finance, Audit and Risk Committee

Kate was the founding Artistic Director of Force Majeure (2002-15), a revolutionary dance theatre company based in Sydney. She has worked in theatre, dance, film, circus, opera and musical theatre with arts companies and institutes including Belvoir (Under The Influence, Cloudstreet, Food, My Urrwai, A Taste of Honey, Every Brilliant Thing), Sydney Theatre Company (Never Did Me Any Harm, Spring Awakening), STCSA (That Eye The Sky, A View From The Bridge), The English National Opera (The Prisoner, La Strada), Opera Australia (Bliss, The Ring Cycle, La Boheme), The Hayes (Evie May), NIDA (Not Who I Was, Meat Eaters), National Theatre of Parramatta (Swallow) and DV8 Physical Theatre – London (Strange Fish, Happiest Day Of My Life, Can We Afford This). Kate also choreographed the original stage version of Dirty Dancing (Australia, UK, US, Europe). She has created and performed two critically acclaimed solo shows, Face Value and About Face. As Artistic Director of Force Majeure, Kate directed Same, Same But Different, Tenebrae – Part 1 and 2, Already Elsewhere, The Age I'm In, Not In a Million Years, and Nothing to Lose. Kate has been awarded Helpmann, Green Room and Australian Dance Awards.

Sue Donnelly

Executive Director & Company Secretary

Member: Finance, Audit and Risk Committee; Nominations and Governance Committee

Sue was appointed Executive Director of Belvoir in August of 2017, having first worked at the company as General Manager from 2004 to 2006. Previous to this, Sue was Executive Director of Queensland Theatre for six years, and Executive Director of the national lobbying and advocacy organisation Australian Major Performing Arts Group (AMPAG). Sue has held a diverse range of senior executive positions including Director of UNSW Foundation, Director of South East Arts (UK), Public Affairs Manager for Sydney Symphony, and Director of Arts Development, Arts NSW. She has consulted and lectured in arts business development and management, and served on wide-ranging Government advisory boards, funding committees and tribunals, as well as the boards of numerous arts and not-for-profit companies. Sue holds a Master of Social Work with Merit and a Bachelor of Social Studies from the University of Sydney, is an alumnus of the Asialink Leaders' program and a member of Live Performance Australia's Executive Council.

Johanna Featherstone

Johanna Featherstone is the Founder and former Artistic Director of Red Room Poetry where she established a national poetry education program for schools and correctional centres in New South Wales. Her poetry has been featured in a range of journals and anthologies, with her second collection forthcoming in 2021. She is currently Director of the Oranges & Sardines Foundation and on the Biennale of Sydney board. Johanna is an honorary associate of the University of Sydney's School Arts and Media and currently sits on the Create NSW Literature Artform Advisory Board.

Directors' report (continued)

INFORMATION ON DIRECTORS (CONTINUED)

Eamon Flack

Artistic Director

Eamon is Belvoir's Artistic Director. He was born in Singapore and grew up in Singapore, Darwin, Brisbane and Cootamundra. He scraped through 6th Grade AMEB Violin as a teenager, and later trained as an actor at WAAPA. He has since worked as a director, writer, actor and dramaturg around Australia and internationally, from Milikapiti on the Tiwi Islands to London. For Belvoir, Eamon's directing credits include Counting and Cracking (with Associate Director S. Shakthidharan), Angels in America, The Glass Menagerie, Packer and Sons, Ghosts, Ivanov, Babyteeth, Life of Galileo, As You Like It, The Rover, Twelfth Night, The Blind Giant is Dancing and The End. He was Associate Writer with S. Shakthidharan on Counting and Cracking. He co-adapted Ruby Langford Ginibi's memoir Don't Take Your Love to Town with Leah Purcell, and co-devised Beautiful One Day with artists from ILBIJERRI, version 1.0 and Palm Island. His adaptations include Chekhov's Ivanov, Gorky's Summerfolk, Sophocles' Antigone and Ibsen's Ghosts. Ivanov won four Sydney Theatre Awards including Best Mainstage Production and Best Direction. The Glass Menagerie and Angels in America both won Best Play at the Helpmann Awards. Counting and Cracking won Best Play, Best Direction and Best New Work at the Helpmann Awards, the Nick Enright Prize for Playwriting at the NSW Premier's Literary Awards, and the Victorian Literary Prize and the Victorian Premier's Award for Drama.

Alison Kitchen

Member: Finance, Audit and Risk Committee (Chair)

Alison is the National Chairman of KPMG Australia. She is also a member of KPMG's Global and Regional Boards and is Chair of KPMG's Global Audit Quality Committee. In this role, Alison is responsible for holding the firm to the highest professional standards of governance, quality and integrity to engender the trust of KPMG's people, clients and community. Alison has held a variety of management and governance roles within the partnership, as well as serving as External Audit Partner for a range of major ASX listed companies. Outside of KPMG, Alison is also a director of the Business Council of Australia and of the Australia National University Foundation. Alison has a Bachelor of Business Studies from the University of Sheffield. She is a Fellow of the Institute of Chartered Accountants in Australia and of the Institute in England and Wales. Alison is also a Registered Company auditor and a Member of the Institute of Company Directors and Chief Executive Women.

Michael Lynch

Member: Nominations and Governance Committee

Michael Lynch was Chief Executive of London's Southbank Centre from 2002 until 2009 and was responsible for the major renovation of Royal Festival Hall and the transformation of the Southbank cultural precinct. Previously, Michael held positions as Chief Executive of the Sydney Opera House, General Manager of the Australia Council and General Manager of the Sydney Theatre Company. From 2011 to 2015 he was Chief Executive of the West Kowloon Cultural District, an ambitious project which will see a huge arts precinct built on the shores of Hong Kong's Victoria Harbour. Michael is currently Chairman of Circa, Chairman of the Sydney Community Foundation, and a Board Director of Belvoir Theatre and Ted X Sydney.

Directors' report (continued)

INFORMATION ON DIRECTORS (CONTINUED)

Samantha Meers (Chair)
Member: Nominations and Governance Committee

Sam Meers AO is chair of Belvoir. She has been a leader in the philanthropic sector since establishing Australia's first Prescribed Ancillary Fund in 2001. Over the past 20 years, she has held board roles in a broad range of organisations, including the Art Gallery of NSW, the State Library of NSW, Documentary Australia Foundation, the Federal Government's Creative Partnerships Australia and The Climate Institute, reflecting her broad range of philanthropic interests. Her current not-for-profit board appointments include Chair of the Brett Whiteley Foundation and a board member of the Sydney Symphony Orchestra. Sam began her career as a commercial lawyer with Mallesons Stephen Jacques (now King & Wood Mallesons), and her executive career included senior management roles in the media sector. Sam is a member of Chief Executive Women and a fellow of the Australian Institute of Company Directors.

Jacob Nash
Jacob's mother's Country is Daly River Country, west of Darwin. He grew up in Brisbane but has spent the last twenty years living in Sydney on Eora land. His work crosses over between theatre, film, television, fine art and public art and he uses all these experiences to create iconic images that talk about Australian stories, people and Country from First Nations perspective. Jacob is currently the Head Designer at Bangarra Dance Theatre and has been working with the company since 2010. He has designed the sets for all of their productions since that time, some of these works include; BENNELONG, OUR: land people stories, PATYEGARANG, INFINITY/WARAMUKIN THE DARK NIGHT and OF EARTH AND SKY. He has co-directed along with Stephen Page all of Bangarra's digital content for the Vivid Festival, which has been projected onto the pylon of the Harbour Bridge annually from 2014-2018. Jacob has also production designed Stephen Page's feature film SPEAR and short film SAND and in 2017 Jacob was the Production Designer for ABC's sci-fi drama series CLEVERMAN. Outside of Bangarra Jacob has also created public art and site specific installation some of these works include; ALWAYS, The Canopy, and Eora.

Stuart O'Brien
Stuart has over thirty years of brand and marketing experience in Australia. Having led and founded two of the country's most successful brand and design firms, Stuart has played a pivotal strategic role in aligning businesses and corporate strategies to marketing and brand execution, often in highly competitive disruptive markets. Qantas, Toyota, AMPOL, Lendlease and Macquarie Bank are just some of Stuarts long standing clients and partners. Stuart currently sits on the board of Assetinsure, and a number of private investment companies and businesses. Stuart also has played a key role in the launch and establishment of some of the country's most disruptive brands including ROKT, Prezzee and Society One as an investor, and advisor. Brands, distribution, product development and competitive market strategies are core to Stuarts experience and capabilities he brings to the Assetinsure organisation.

Paul Oppenheim
Paul is a co-founder of Plenary and was CEO since its establishment in 2004 until 2019. Plenary is an independent long-term investor, developer and manager of public infrastructure with operations in both the Asia Pacific and North America. Paul is a Plenary shareholder and non-executive director, and a member of the Sydney Metro project board. Previously Paul worked in investment banking at BZW (later ABN AMRO) and chartered accounting at KPMG. Paul is a member of the Advisory Council for the University of Wollongong SMART Infrastructure Facility and is also on the SCEGGS Darlinghurst board.

Directors' report (continued)

INFORMATION ON DIRECTORS (CONTINUED)

Mark Warburton
Member: Finance, Audit and Risk Committee

Mark has been working in investment banking for over 30 years in Australia, Asia and Europe. He is a Managing Director and Head of Australia Equity Capital Markets at Bank of America. Prior to this he spent 24 years at Macquarie Group where his roles included Head of Asia Equity Capital Markets and Head of Australia Equity Capital Markets. Mark was previously Chairman of The Australian Theatre for Young People. He has been a member of Belvoir's Development Committee since 2013. Mark has a Bachelor of Economics from Macquarie University, is a Member of the Institute of Chartered Accountants in Australia and is a Graduate Member of the Institute of Company Directors.

VISION AND MISSION STATEMENT

Fearless theatre that brings everyone together.

Belvoir shares old and new stories that entertain and challenge us, connecting us to humanity and the complexity of society.

Core values and principles:

- Boldness
- Openness
- Playfulness
- Immediacy
- The beauty and the worth of the work itself.

SHORT AND LONG TERM OBJECTIVES

Belvoir's overarching goal for the coming three year period is to build on the vision of our Artistic Director, Eamon Flack. The Company will continue to present exceptional theatre which entertains and challenges people; pursue greater diversity in everything it does – onstage and off; national and international opportunities (COVID-19 permitting) and grow our home audience through our artistic leadership and excellence in customer service.

Specific goals for the Company to reach these objectives are:

Artistic work - To produce thought provoking, inspiring, outstanding theatrical works from a shared vision that question and affirm our culture, and provide audiences with experiences of imaginative daring and emotional depth.

Artists - Support and extend our current and future artists and play a leading role in supporting the wider theatrical community and building on diversity.

Audience - Consolidate and expand our audiences, target markets and brand.

Development - Increase commercial and philanthropic income while retaining the character and values of Belvoir.

Management - Consolidate Belvoir's position as a world renowned, financially stable performing arts organisation through the continuation of sound management and governance practices that maximise the return on available resources.

Directors' report (continued)

DIVIDENDS

The provisions of the Memorandum and Articles of Association of the Company prohibit the payment of a dividend. Accordingly, no dividend has been paid or declared during or since the end of the financial year or since the Company's incorporation.

MEMBERS

There were 17 members of the Company as at 31 December 2020 (2019: 36).

PRINCIPAL ACTIVITIES

The principal activity of the Company in any financial year is the operation of a live theatre and the production of live theatrical performances within the home venue, Belvoir St. Theatre. However due to COVID-19 these activities were significantly curtailed and the theatre was dark for six months, from mid-March to mid-September. During that time the company was engaged in creative developments, commissioning of new works, fundraising for artist support and maintenance of the buildings. These activities have assisted the Company to achieve its objectives which are measured against the specific key performance indicators as below:

Artistic work
- Create new and classic work in original ways
- Engage nationally and internationally with the best artists and arts companies
- Partner with the most vibrant and exceptional independent artists and companies particularly those with skill bases and experiences that are different to Belvoir’s
- Open up the repertoire of stories through commissioning work that addresses urgent issues not being discussed elsewhere

Artists
- Provide the best possible environment for artists
- Provide flexibility and support in artistic decision making
- Seek out and employ the most talented and diverse theatre artists across the generations
- Support skills development for artists across all stages of their careers
- Invest in the next generation of theatre makers emerging from the full breadth of our society

Access
- Share the work broadly
- Ensure that young people, those from low socio-economic backgrounds and culturally and linguistically diverse artists and audiences can see work that is relevant to their lives at Belvoir and are assisted in being able to access and enjoy this work
- Touring at least one production per year regionally and/or inter-state

Audience
- Ensure every interaction with an audience member is positive
- Measure and track audience sentiment more effectively
- Improve audience amenity through foyer comfort and website usability
- Create a friendly and non-threatening atmosphere in all audience engagements
- Ensure that audience members are clearly communicated with about the type of work being staged
- Enhance partnerships with young people, schools and the community
- Offer attractive ticketing packages and experiences

Directors' report (continued)

PRINCIPAL ACTIVITIES (CONTINUED)

Finance
- Ensure financial stability
- Maximise ticketing income through dynamic pricing
- Diversify income streams through set building, venue hire and equipment rental
- Maximise philanthropic income
- Ensure that financial systems and controls are robust and enforced
- Build towards longer running productions
- Co-produce where there is artistic alignment

HR
- Create pathways within the company for progression
- Ensure staff are engaged with the artistic work of the company and see their place in its creation
- Empower and mentor staff
- Remunerate staff fairly within the confines of the budgetary context.

Significant changes in the nature of these activities during or since the end of the financial year, induced by the COVID-19 pandemic include:

- Theatre closure for 6 months under public health orders, prompting cancellation of 3 productions, the delay of 2 productions within 2020 and the postponement of 2 productions to later years, diminishing various revenue streams;
- Reduction in headcount and JobKeeper subsidies received;
- Participation in various government economic packages for the Arts to support remaining employees and business cash flow;
- Drive a fundraising campaign for Artists at Work to support artists excluded from COVID-19 related government packages;
- Engage with the artistic community to develop future work by offering “shut-down” residencies to freelance artists, enabling the use of production support and theatre space to refine their skills and present work to members of Belvoir’s artistic and programming team;
- When the theatre was closed, deliver “Belvoir in Concert” in a digital format, highlighting the history of the Theatre in the concert;
- Run online education workshops to students to meet COVID-19 safety protocols;
- Reopen theatre to the public at a reduced capacity to allow patrons to social distance.

OPERATING AND FINANCIAL REVIEW

The operations of the Company during the financial year were the operations of a live theatre, production of live theatrical performances and hire of the theatre to external hirers.

The net operating surplus before interest, depreciation/amortisation of the Company for the year ended 31 December 2020 was $1,013,236 (2019: $734,314). The net surplus of the Company for the year ended 31 December 2020 was $830,215 (2019: $557,263).

Directors' report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the year.

SIGNIFICANT EVENTS AFTER REPORTING DATE

The Company has secured funding in 2021 from the NSW government's Arts Rescue and Restart fund of $750,000 and from the Federal government's Sustainability fund of $500,000. These amounts will be received and realised in 2021. There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001.* The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' report (continued)

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

(1) Board of Directors Meetings
During 2020, 5 meetings of Directors were held. Attendance was as follows:

Directors	No. eligible to attend	Number attended
Patty Akopiantz	5	5
Raji Ambikairajah	5	5
Kate Champion	5	5
Sue Donnelly	5	5
Johanna Featherstone	5	5
Eamon Flack	5	5
Alison Kitchen	5	5
Michael Lynch	5	5
Samantha Meers (chair)	5	5
Jacob Nash	1	1
Stuart O'Brien	5	5
Paul Oppenheim	2	2
Mark Warburton	5	4

During the year, 5 formal meetings of directors were held and 9 informal meetings were held where directors were in regular contact with management to discuss the financial and operational issues associated with COVID-19.

(2) Finance Committee Meetings
The Finance Committee is a sub-committee of the Board. During the financial year, 6 meetings of directors were held. Attendances were as follows:

Members	No. eligible to attend	Number attended
Patty Akopiantz	5	5
Kate Champion	4	3
Sue Donnelly	6	6
Alison Kitchen (chair)	6	6
Mark Warburton	4	4

Directors' report (continued)

AUDITOR'S INDEPENDENCE

The directors received an independence declaration from the auditor of Company B Ltd. A copy has been included on page 13 of the report.

Signed in accordance with a resolution of the directors

Samantha Meers
Chair

Sydney
29 March, 2021

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Building a better working world

Auditor's independence declaration to the directors of Company B Ltd

In relation to our audit of the financial report of Company B Ltd for the financial year ended 31 December 2020, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Ernst & Young

YBarnikel

Yvonne Barnikel
Partner
29 March 2021

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 $	2019 $
Revenue from operations			
Production income			
Home venue income		**1,498,038**	4,626,583
Touring and sell off income		**401**	734,733
Total production income		**1,498,439**	5,361,316
Grant income	*4(a)*	**3,178,584**	2,695,416
Bar income		**174,829**	604,986
Box office income		**193,012**	599,833
		3,546,425	3,900,235
Other revenue			
Sponsorship income		**163,860**	685,230
Fundraising and donations		**2,600,425**	1,809,604
Other income		**191,620**	403,921
Total other revenue		**2,955,905**	2,898,755
Total revenue from operations		**8,000,769**	12,160,306
Expenses			
Production		**(2,160,122)**	(5,227,768)
Marketing and promotions		**(344,194)**	(936,325)
Occupancy		**(504,733)**	(326,765)
Fundraising		**(44,762)**	(99,148)
Administration		**(3,933,722)**	(4,835,986)
Operating profit for the year		**1,013,236**	734,314
Interest and investment income		**46,373**	51,647
Finance costs	*9*	**(17,338)**	(21,949)
Depreciation and amortisation		**(212,056)**	(206,749)
Profit before tax		**830,215**	557,263
Income tax expense		**-**	-
Profit for the year		**830,215**	557,263
Other comprehensive income		**-**	**-**
Total comprehensive profit for the year		**830,215**	557,263

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position

AS AT 31 DECEMBER 2020

	Notes	2020	2019
		$	$
Assets			
Current assets			
Cash	*5*	**2,705,199**	2,930,234
Trade and other receivables	*6*	**248,753**	137,853
Inventories		**17,496**	27,313
Prepayments		**129,090**	109,676
Investments	*7*	**2,360,929**	2,089,291
Security deposits		**67,407**	66,689
Total current assets		**5,528,874**	5,361,056
Non-current assets			
Property, plant & equipment	*8*	**183,535**	104,476
Right-of-use assets	*9*	**331,859**	471,074
Intangible assets	*10*	**89,930**	103,307
Total non-current assets		**605,324**	678,857
Total assets		**6,134,198**	6,039,913
Liabilities and equity			
Current liabilities			
Trade and other payables	*11*	**877,914**	716,729
Employee benefits	*12*	**222,257**	263,259
Lease liabilities - current	*9*	**141,837**	134,125
Deferred revenue	*13*	**2,508,362**	3,226,407
Total current liabilities		**3,750,370**	4,340,520
Non-current liabilities			
Employee benefits liabilities	*12*	**41,116**	45,060
Lease liabilities - non current	*9*	**205,760**	347,596
Total non-current liabilities		**246,876**	392,656
Total liabilities		**3,997,246**	4,733,176
Equity			
Retained earnings		**2,136,952**	1,306,737
Total Equity		**2,136,952**	1,306,737
Total liabilities and equity		**6,134,198**	6,039,913

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2020

	Retained earnings	Fair value reserve of financial assets	Total equity
	$	$	$
As at 1 January 2020	**1,306,737**	**-**	**1,306,737**
Profit for the year	**830,215**	**-**	**830,215**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive profit	**830,215**	**-**	**830,215**
As at 31 December 2020	**2,136,952**	**-**	**2,136,952**
As at 1 January 2019	754,408	(4,934)	749,474
Profit for the year	557,263	-	557,263
Other comprehensive income	(4,934)	4,934	-
Total comprehensive profit	552,329	4,934	557,263
As at 31 December 2019	1,306,737	**-**	1,306,737

The above statement of change of equity should be read in conjunction with the accompanying notes

Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**2020**	2019
		$	$
Operating activities			
Receipts from patrons, customers and grant providers		**7,398,113**	11,991,063
Payments to suppliers and employees		**(7,091,036)**	(11,255,999)
Payment of interest portion of lease liabilities		**(17,338)**	(21,949)
Net cash from operating activities		**289,737**	713,115
Investing activities			
Purchase of property, plant & equipment	*8*	**(128,998)**	(20,485)
Purchase of intangible assets	*10*	**(9,526)**	(14,667)
Investment Income received		**7,876**	26,168
Purchase of investments		**(250,000)**	(500,000)
Net cash from investing activities		**(380,648)**	(508,984)
Financing activities			
Payments of principal portion of lease liabilities		**(134,124)**	(123,217)
Net cash from financing activities		**(134,124)**	(123,217)
Net (decrease) / increase in cash and cash equivalents		**(225,035)**	80,914
Cash and cash equivalent at 1 January		**2,930,234**	2,849,320
Cash and cash equivalent at 31 December	*5*	**2,705,199**	2,930,234

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1 CORPORATE INFORMATION

The financial report of Belvoir for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 29 March, 2021.

Belvoir is a public not-for-profit company limited by guarantee, incorporated and operating in Australia.

The registered office and principal place of business of the Company is 18 Belvoir Street, Surry Hills, NSW 2010, Australia.

The nature of the operations and principal activities of the Company are described in the directors' report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and the Australian Charities and Not-for-Profits Commission.

The financial report has been prepared on the basis of the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets.

The financial report is presented in Australian dollars unless otherwise stated. The amounts contained in this report have been rounded to the nearest dollar (where rounding is applicable).

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a not-for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs).

(c) Going concern

The financial report has been prepared on a going concern basis which assumes the Company will be able to pay its debts as and when they become payable for a period of at least 12 months from the date the financial report is authorised.

The Company generated a profit for the year of $830,215 (2019: profit of $557,263), and at year end had a surplus of net assets of $2,136,952 (2019: $1,306,737) and net current assets of $1,778,504 (2019: $1,020,536). The Company generated net cash inflows from operating activities of $289,737 (2019: $713,115). The Company does not have any bank or other external debt.

The Company’s Directors have undertaken a thorough going concern assessment; this review considered the operating budgets, projected balance sheet position and cash flow forecast for the Company for the period 12 months from the date of the financial statements.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Going concern (continued)
The COVID-19 pandemic resulted in the cancellation/postponement of five Belvoir productions since 17 March 2020. However, the Company presented five productions throughout the year – two prior to the COVID-19 pandemic and three following the reopening, under reduced capacity, from mid-September 2020. These performed better than forecasted ticket sales as capacity was increased from one third to 75%. The Directors recently received confirmation from the NSW government that the theatre can now increase to 100% capacity. The cancellation of future performances due to COVID-19 would result in future reduction in revenue and operating cash flows. However, the Company has budgeted for performances at 60% capacity in 2021 and now has the ability to sell a further 40% going forward. This further insulates the Company from uncertainty in its forecasting.

The Company has secured funding in 2021 from the NSW government's Arts Rescue and Restart fund and from the Federal government's Sustainability fund. In addition, the Company's government funding from the National Performing Arts Partnership Framework is secured through December 2021.

(d) Changes in accounting policy, disclosure, standards and interpretations
New and amended standards and interpretations
The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory in previous periods. There are no new standards and interpretations applicable for the current reporting period.

(e) Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve 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 the normal operating cycle - It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

(f) Cash
Cash in the statement of financial position comprise cash at bank and on hand.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash as defined above.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Trade and other receivables
Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at cost using the effective interest method, less an allowance for impairment.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(h) Inventories
Inventories consist of finished goods and are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(i) Impairment of non-financial assets
The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

All non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as an expense.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Investments

Investments at amortised cost

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as debt instruments measured at amortised cost.

Investments at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

(k) Property, plant and equipment

Construction in progress, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Plant and equipment	3 to 7 years
Motor vehicles	5 to 7 years
Furniture and fittings	5 to 10 years
Leasehold improvements	3 to 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Property, plant and equipment (continued)
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(l) Leases
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

Company as a lessee
The company applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

i) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and equipment 3 to 7 years
- Motor vehicles 5 to 7 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-to-use assets are also subject to impairment. Refer to the accounting policies section impairment of non-financial assets.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leases (continued)

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Intangibles
The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement profit or loss and other comprehensive income when the asset is derecognised.

For intangible assets with finite useful lives, amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Software	3 to 10 years

(n) Trade and other payables
Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect to the purchase of these goods and services.

(o) Provisions and employee benefit liabilities
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Provisions and employee benefit liabilities (continued)
Wages and salaries
Liabilities for wages and salaries, including non-monetary benefits which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave and annual leave
The Company does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Company recognises a liability for long service leave and annual leave 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 high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(p) Revenue recognition
Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements, because it controls the goods before transferring them to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Production income
Revenue is recognised upon the performance of productions to which the ticket revenue relates.

Interest
Interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Sponsorship revenue
Sponsorship commitments are brought to account as revenue in the year in which sponsorship benefits are bestowed.

Donations revenue
Income arising from the donation of an asset to the Company is recognised when, and only when, all the following conditions have been satisfied:

- the Company has obtained control of the donation or the right to receive the donation:
- it is probable that economic benefits compromising the donation will flow to the Company; and
- the amount of the donation can be measured reliably.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Taxes
The Company is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997, as granted by the Commissioner of Taxation on 8 June 2000. Consequently, the Company has not provided for any liability for income tax in these financial statements.

Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:
- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable
- When receivables and payables are stated with the amount of GST included

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(r) Government grants
Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Funding revenue is received from the government for specific activities. The funding is received based on payment schedules contained in the funding agreement between the funding bodies and the Company. The funding is recognised in the calendar year for which it is intended under the terms of the agreement due to the conditional nature of the funding.

(s) Productions
The total cost of staging productions, including the manufacturing cost of costumes, scenery sets and properties, is charged to income and expenditure in the period each production is performed. This procedure conforms to standard theatrical accounting practice as adopted in Australia and other parts of the world. Costs of production and other associated expenditure in respect of performances not yet performed but will be in the next 12 months are included in the statement of financial position as part of prepaid expenditure.

(t) Advance box office
Monies received from both subscribers and non-subscribers for advanced bookings are included in income progressively during each production to which they relate, and not before. All monies received in advance for 2021 box office income is recorded as deferred revenue and transferred to income when the respective performance concludes.

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2020

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Leases

At the commencement date of the lease, the Company recognises right of use assets and lease liabilities measured at the present value of lease payments to be made over the lease term. Management judgement is required surrounding the exercise price of a purchase option reasonably certain to be exercised and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, management judgement is required in determining the incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

4 REVENUE AND OTHER INCOME

	Unexpended grants b/fwd 2019 $	Grant funds received 2020 $	Grant income recognised 2020 $	Unexpended grants c/fwd 2021 $
(a) Government grants received				
Australia Council - base funding	-	1,083,505	1,083,505	-
Create NSW - base funding	-	1,020,479	1,020,479	-
Australia Council - project funding				
Curious Works	62,212	-	-	62,212
Jungle & the Sea	94,210	-	-	94,210
Other Government funding				
Dept Foreign Affairs / China Tour	34,300	-	-	34,300
Jobkeeper wages subsidy		974,600	974,600	-
Cash flow boost		100,000	100,000	-
Total grants	**190,722**	**3,178,584**	**3,178,584**	**190,722**

All government funding has been spent in accordance with funding agreements

Belvoir was eligible for the Australian Government's Jobkeeper subsidy in 2020 and as a result $974,600 was received in the current year.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

4 REVENUE AND OTHER INCOME (Continued)

(b) Company B Ltd undertakes fundraising appeals throughout the year; it holds an authority to fundraise under the Charitable Fundraising Act 1991 (NSW).

Information on fundraising appeals

The following disclosures are made under the requirements of various pieces of state based legislation for charitable funding.

	2020 $
Fundraising Income	
Event fundraising	446,968
Total Fundraising Income	446,968
Fundraising costs	
Direct fundraising costs	(13,753)
Indirect fundraising costs	(12,000)
Total Fundraising costs	(25,753)
Net fundraising income	421,215
Production income	1,498,439
Grant income	3,178,584
Bar income	174,829
Box office income	193,012
Other revenue	2,508,937
Expenses from other activities	(6,961,780)
Operating profit for the year	1,013,236

During the year, the Company had one fundraising significant appeal. Artists at Work was a public campaign run at the end of the financial year to help generate support for Belvoir as a result of the impact of COVID-19. The campaign was run across various channels including print, digital, direct mail, video and phone.

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

5 CASH

	2020	2019
	$	$
Cash at bank and on hand	**2,705,199**	2,930,234

For the purposes of the statement of cash flows, cash and cash equivalents consists of cash on hand and cash at bank.

Cash held in Escrow - Reserves Incentive Funding Scheme
The funds received under the Reserves Incentive Funding Scheme of the Australia Council and Create NSW, together with any interest earned on these funds, are held in escrow and cannot be accessed without the express agreement of the funding bodies under prescribed circumstances. These funds have not been used to secure any liabilities of the Company. As at 31 December 2020, the Company held $173,712 (2019: $173,695) under this scheme.

6 TRADE AND OTHER RECEIVABLES

	2020	2019
	$	$
Current		
Trade receivables	**146,968**	130,383
Receivable from Belvoir Street Theatre Limited	**-**	39,241
Provision for doubtful accounts	**(6,928)**	(52,746)
Goods and services tax receivable	**96,090**	15,777
Other receivables	**12,623**	5,198
	248,753	137,853

7 INVESTMENTS

	2020	2019
	$	$
Current		
At amortised cost	**1,661,401**	1,258,481
At fair value through profit and loss	**699,528**	830,810
	2,360,929	2,089,291
Fair value hierachy:		
Level 1	**699,528**	830,810
Level 2	**-**	-
Level 3	**-**	-

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

8 PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment $	Motor vehicles $	Furniture and fittings $	Leasehold improve-ments $	Total $
Cost					
At 1 January 2019	356,504	22,273	92,281	136,466	607,524
Additions	20,485	-	-	-	20,485
Disposals	(25,925)	-	(6,014)	(5,548)	(37,487)
At 31 December 2019	**351,064**	**22,273**	**86,267**	**130,918**	**590,522**
Additions	**90,697**	**-**	**38,301**	**-**	**128,998**
Disposals	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**441,761**	**22,273**	**124,568**	**130,918**	**719,520**
Accumulated depreciation					
At 1 January 2019	273,044	2,795	73,476	123,110	472,425
Depreciation	27,540	4,455	6,409	12,704	51,108
Disposals	(25,925)	-	(6,014)	(5,548)	(37,487)
At 31 December 2019	**274,659**	**7,250**	**73,871**	**130,266**	**486,046**
Depreciation	**39,654**	**4,466**	**5,517**	**302**	**49,939**
Disposals	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**314,313**	**11,716**	**79,388**	**130,568**	**535,985**
Net book value					
At 31 December 2020	**127,448**	**10,557**	**45,180**	**350**	**183,535**
At 31 December 2019	76,405	15,023	12,396	652	104,476

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

9 LEASES

An operating lease for a workshop and storage space in Marrickville was renegotiated in October 2018. The lease term is for five years with a termination date of 24th of October 2023.

In 2012, Company B became obliged to pay Belvoir Street Theatre Limited (BSTL) the first installment of a ten year commitment of the sinking fund as required under the lease rental agreement between BSTL and Company B for the Belvoir Street theatre and warehouse premises. The sinking fund is to enable Belvoir Street Theatre Limited to carry out works on the premises on a scheduled basis over 10 years in order to maintain and repair the building in which the theatre is housed in and the property plant and equipment used on the premises.

An operating lease for rent of the warehouse and theatre is currently in place with Belvoir St Theatre Limited (BSTL). The rental amount is a varying figure, being the equivalent of the annual outgoings incurred by BSTL and therefore is excluded under AASB 16.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property	Other	Total
Cost			
At 1 January 2020	598,309	15,501	613,810
Additions	-	-	-
At 31 December 2020	**598,309**	**15,501**	**613,810**
Accumulated depreciation			
At 1 January 2020	141,961	775	142,736
Depreciation	136,115	3,100	139,215
At 31 December 2020	**278,076**	**3,875**	**281,951**
Net book value			
At 31 December 2020	**320,233**	**11,626**	**331,859**
At 31 December 2019	456,348	14,726	471,074

Set out below are the carrying amounts of lease liabilities (including interest-bearing loans and borrowings)

	2020 $
As at 1 January 2020	481,721
Accretion of interest	17,338
Payments	(151,462)
As at 31 December 2020	**347,597**
Current	141,837
Non-current	205,760
Total	347,597

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

9 LEASES (continued)

The following are the amounts recognised in profit or loss:

	2020 $
Depreciation expense of right-of-use assets	**139,215**
Interest expense on lease liabilities	**17,338**
Expense relating to short-term leases (within administrative expenses)	**154,987**
Total amount recognised in profit or loss	**311,540**

There were no expenses relating to leases of low-value assets.

Expenses relating to short-term leases are recognised within the payments to suppliers and employees.

Belvoir as a lessor

Belvoir has entered into operating leases on its property consisting of retail space. This lease is short term rolling on a monthly basis. The lease includes a clause to enable upward revision of the rental charge on an annual basis according to CPI prevailing at the time. Rental income recognised by Belvoir during the year is $91,001 (2019:$126,360)

10 INTANGIBLE ASSETS

	IT systems $	Total $
Cost		
At 1 January 2019	157,326	157,326
Additions	14,667	14,667
Disposals	(9,966)	(9,966)
At 31 December 2019	**162,027**	**162,027**
Additions	**9,526**	**9,526**
At 31 December 2020	**171,553**	**171,553**
Accumulated Amortisation		
At 1 January 2019	39,556	39,556
Amortisation	21,777	21,777
Disposals	(2,613)	(2,613)
At 31 December 2019	**58,720**	**58,720**
Amortisation	**22,903**	**22,903**
At 31 December 2020	**81,623**	**81,623**
Net book value		
At 31 December 2020	**89,930**	**89,930**
At 31 December 2019	103,307	103,307

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

11 TRADE AND OTHER PAYABLES

	2020	2019
	$	$
Current		
Trade payables	**215,740**	89,968
Payable to Belvoir Street Theatre Limited	**26,178**	-
Accrued payroll expenses	**374,381**	421,634
Accrued expenses	**261,615**	205,129
	877,914	716,729

12 EMPLOYEE BENEFITS

	2020	2019
	$	$
Current		
Long service leave	**50,976**	79,961
Annual leave	**171,281**	183,298
	222,257	263,260
Non-current		
Long service leave	**41,116**	45,060
	41,116	45,060

13 DEFERRED REVENUE

	2020	2019
	$	$
Current		
Advance ticket sales	**1,985,139**	2,898,185
Government grants in advance	**200,723**	190,721
Other income in advance	**322,500**	137,500
	2,508,362	3,226,406

14 RELATED PARTY DISCLOSURES

There were no transactions with related parties during the year other than those with Directors. Payments made to directors are not for their services as directors of the Company for which no fee is received. Payments were made by the Company to some executive directors for their contributions as employees of, or contractors to the Company. Total short-term employment benefits paid to executive directors amounted to $342,056 (2019: $359,744).

Directors from time to time make donations to the Company for its principal activities. The total donations from directors, executive directors and their director related entities in 2020 was $160,282 (2019: $321,544)

Notes to the financial statements
FOR THE YEAR ENDED 31 DECEMBER 2020

15 MEMBERS' GUARANTEE

Belvoir is incorporated in New South Wales as a company limited by guarantee. In the event of the Company being wound up, each member undertakes to contribute a maximum of $20 respectively for payment of the Company's liabilities. As at 31 December 2020, there were 17 members of Belvoir and the amount of capital that could be called up in the event of Belvoir being wound up is $340.

16 COMMITMENTS AND CONTINGENCIES

(a) Writers commission commitments
At 31 December 2020, the Company had commitments of $59,670 (2019: $59,060) relating to the completion of scripts that have been commissioned by the Company.

17 EVENTS AFTER REPORTING DATE

The Company has secured funding in 2021 from the NSW government's Arts Rescue and Restart fund of $750,000 and from the Federal government's Sustainability fund of $500,000. These amounts will be received and realised in 2021. There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may signficantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' declaration

Directors' Declaration under the NSW Charitable Fundraising Act 1991

In accordance with a resolution of the directors of Company B Ltd, I state that in the opinion of the directors:

(a) the Statement of comprehensive income gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;

(b) the Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;

(c) the provisions and regulations of the NSW Charitable Fundraising Act 1991 and the conditions attached to the authority to fundraise have been complied with by the Company; and

(d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

On behalf of the Board

Samantha Meers
Chair

Sydney
29 March, 2021

Directors' declaration

In accordance with a resolution of the directors of Company B Ltd, I state that in the opinion of the directors:

(a) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* , including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Samantha Meers
Chair

Sydney
29 March, 2021

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Building a better working world

Independent Auditor's Report to the Members of Company B Ltd

Opinion

We have audited the financial report of Company B Ltd (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with 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 2020 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial 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.

Building a better working world

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 the Directors for the Financial Report

The directors 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-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) the financial report of Company B Ltd has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2020, in all material respects, in accordance with:

i. sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
ii. sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;

Building a better working world

b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 31 December 2020 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

Ernst & Young

Ernst & Young

Yvonne Barnikel
Partner
Sydney
29 March 2021