

---

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
A.B.N. 17 008 394 250 AND CONTROLLED ENTITY**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER, 2008**

---

# **THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**

## **ABN 17 008 394 250 AND CONTROLLED ENTITY**

### **CONTENTS**

	<b>Page No.</b>
1. Independent Audit Report	1 - 2
2. Directors' Report	3 - 7
3. Directors' Declaration	8
4. Auditors Independence Declaration	9
5. Income Statement	10
6. Balance Sheet	11 - 12
7. Statement of Recognised Income & Expenditure	13 - 14
8. Cash Flow Statement	15
9. Notes to the Financial Statements	16 - 28

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**Independent Audit Report to the members of The Australian Elizabethan Theatre Trust**

**Report on the Financial Report**

We have audited the accompanying financial report of The Australian Elizabethan Theatre Trust (the company) and controlled entities which comprises the balance sheet as at 31 December 2008, and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Audit Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design a audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of The Australian Elizabethan Theatre Trust on 11 March 2009 would be in the same terms if provided to the directors as at the date of this auditor's report.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

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

**Audit Opinion**

In our opinion:

- (a) the financial report of The Australian Elizabethan Theatre Trust is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2008 and of their performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**W W VICK & CO**  
**Chartered Accountants**



Peter P Vlahopol CA – Partner  
5th Floor  
379-383 Pitt Street  
SYDNEY NSW 2000

Dated this 28<sup>th</sup> day of April, 2009

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

Your directors present their report on the company and its controlled entity for the financial year ended 31 December 2008.

**1. General Information**

**a. Directors**

The names of the directors in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Appointed/Resigned</b>
The Honourable Mr Justice Lloyd D S Waddy, RFD	1974
Mr Brian R Larking, FCA	1988
Dr Judy M White AM, PhD.	1992
Mr Gregory K Burton SC	1994
Mr James R G Bell LLB	2002
Mr John C Conde AO, MBA	2002

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

A director must be a member of the trust.

Particulars of the qualifications, experience and special responsibility of each Director:

The Honourable Mr Justice Lloyd D S Waddy, RFD  
New South Wales  
Chairman of the Board since 1992  
Director since 1974

Mr Brian R Larking, FCA  
Chartered Accountant  
New South Wales  
Director since 1988

Dr Judy White AM, PhD.  
Author and Publisher  
New South Wales  
Former Governor of the Trust  
Director since 1992

Mr Gregory K Burton SC  
Senior Counsel  
New South Wales  
Director since 1994

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008 (Continued)**

Mr James R G Bell LLB  
Solicitor  
New South Wales  
Director since July 2002

Mr John C Conde AO, MBA  
Company Director  
New South Wales  
Director since July 2002

The directors held eleven meetings in 2008. The number of meetings attended by each director was:

	Entitled to Attend	Attended
L D S Waddy	11	11
B R Larking	11	8
J M White	11	11
G R Burton	11	7
J R G Bell	11	8
J C Conde	11	7

**b. Principal Activities**

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

- Administration of an annual scholarship program for singers, musicians and conductors.
- Management of the Independent Theatre.
- Continuation of concert performances at the Independent Theatre North Sydney including concerts given by scholars of the Trust.
- Members services.

There have been no significant changes in the nature of the Group's principal activities during the financial year.

**2. Business Review**

**a. Operating Results**

The years activities of the Group resulted in an operating loss of \$73,566 (2007 Profit: \$150,584). The trust is exempt from income tax. During the year the trust made payments for Johnson scholarships amounting to \$23,358 (2007 \$57,286) to enable overseas study.

The operating loss arises from an income reduction of \$100,000 brought account by the global economic crisis which is reflected in the value of investments now reduced by \$678,000.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**DIRECTORS REPORT FOR THE YEAR ENDED 31 December 2008**  
**(Continued)**

**b. Review of Operations**

A review of the operations of the Group for the financial year and the results of those operations resulted in a loss of \$73,566 compared with a profit of \$150,584 for the year ended 31 December 2007.

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

The 2008 year was the seventh year of management by the Trust of The Independent Theatre, its third year of ownership and the first year of operation after the refurbishment of the theatre. In the opinion of the Directors the Theatre has potential for enhancement of the Trust's music scholarship program through the presentation of concerts, workshops and master-classes given by the scholars upon their return to Australia, and provides a suitable return on investment given the nature of the Trust's activities and commitment to the scholarship program.

**c. Dividends Paid or Declared**

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

The trust'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 since the end of the previous financial year.

**3. Other Items**

**a. Significant Changes in State of Affairs**

No significant changes in the Group's state of affairs occurred during the financial year.

**b. After Balance Day Events**

No matters or circumstance have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

**c. Future Developments**

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**DIRECTORS REPORT FOR THE YEAR ENDED 31 December 2008  
(Continued)**

**d. Auditors Independence Declaration**

The auditor's independence declaration for the year ended 31 December 2008 has been received and can be found on page 8 of the financial report.

**e. Environmental Issues**

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**4. Indemnifying Officers or Auditors**

**a. Insurance Premiums Paid for Directors**

The company has paid premiums to insure each of the following directors 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 director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$5,338 for all directors.

Lloyd D S Waddy  
Judy M White  
James R G Bell

Brian R Larking  
Gregory K Burton  
John C Conde

**b. Non-audit services**

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence because the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The fees for non-audit services are disclosed in the notes to the financial statements.

**5. Proceedings on Behalf the Company**

**a. No Leave or Proceedings**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**DIRECTORS REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2008 (Continued)**

**6. Directors' Benefits**

Since the end of the previous period no director has received or become entitled to receive a benefit by reason of a contract made by the trust with the director or with a firm of which he is a member or with a trust in which he has substantial interest.

This report has been made in accordance with a resolution of directors of The Australian Elizabethan Theatre Trust.



.....  
The Honourable Mr Justice Lloyd D S Waddy  
Director



.....  
Brian R Larking  
Director

Dated this 24<sup>th</sup> day of April, 2009

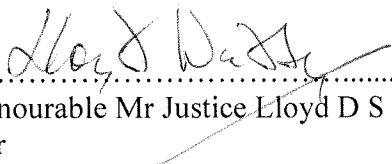
**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

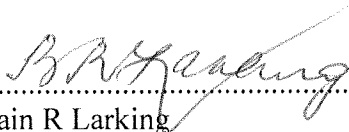
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 27, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001;  
and
  - (b) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the year ended on that date of the company and the economic entity.
2. In the directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

  
.....  
The Honourable Mr Justice Lloyd D S Waddy  
Director

  
.....  
Brain R Larking  
Director

Dated this 24<sup>th</sup> day of April, 2009

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**AUDITOR'S INDEPENDENCE DECLARATION**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 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**



Peter P Vlahopol CA - Partner  
5th Floor  
379-383 Pitt Street  
SYDNEY NSW 2000

Dated this 28<sup>th</sup> day of April, 2009

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	658,131	664,498	253,808	354,402
Other revenue	-	212,723	-	212,723
Employee costs	(198,000)	(183,288)	(80,889)	(77,751)
Depreciation, amortisation & impairments	(102,131)	(88,225)	(92,271)	(78,283)
Other expenses	(431,538)	(455,092)	(180,306)	(206,135)
Finance costs	<u>(28)</u>	<u>(32)</u>	<u>(28)</u>	<u>(32)</u>
Profit before income tax	<u>(73,566)</u>	<u>150,584</u>	<u>99,686</u>	<u>204,924</u>
Profit attributable to the parent entity	<u>(73,566)</u>	<u>150,584</u>	<u>99,686</u>	<u>204,924</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**BALANCE SHEET**  
**AS AT 31 December 2008**

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	2	182,785	417,467	158,456	395,912
Trader and other receivables	3	75,685	88,542	36,494	47,889
Other assets	6	<u>12,066</u>	<u>8,532</u>	<u>8,285</u>	<u>7,412</u>
<b>Total current assets</b>		<u>270,536</u>	<u>514,541</u>	<u>203,235</u>	<u>451,213</u>
<b>Non-current assets</b>					
Trader and other receivables	3	-	-	278,490	313,828
Other financial assets	4	2,209,554	2,648,619	2,209,554	2,648,619
Property, plant and equipment	5	<u>3,290,601</u>	<u>3,344,520</u>	<u>3,273,237</u>	<u>3,325,438</u>
<b>Total non-current assets</b>		<u>5,500,155</u>	<u>5,993,139</u>	<u>5,761,281</u>	<u>6,287,885</u>
<b>Total Assets</b>		<u>5,770,691</u>	<u>6,507,680</u>	<u>5,964,516</u>	<u>6,739,098</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	7	68,441	55,885	23,842	22,759
Provisions	8	23,774	11,523	23,774	11,523
Other liabilities	9	-	-	-	-
Liabilities directly associated with Non-current assets classified as held for sale	10	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>
<b>Total current liabilities</b>		<u>372,215</u>	<u>347,408</u>	<u>327,616</u>	<u>314,282</u>
<b>Non-current liabilities</b>					
Provisions	8	<u>12,177</u>	<u>22,028</u>	<u>12,177</u>	<u>22,028</u>
<b>Total non-current liabilities</b>		<u>12,177</u>	<u>22,028</u>	<u>12,177</u>	<u>22,028</u>
<b>TOTAL LIABILITIES</b>		<u>384,392</u>	<u>369,436</u>	<u>339,793</u>	<u>336,310</u>
<b>NET ASSETS</b>		<u>5,386,299</u>	<u>6,138,244</u>	<u>5,624,723</u>	<u>6,402,788</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**BALANCE SHEET**  
**AS AT 31 December 2008**

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>EQUITY</b>					
Reserves	11	(401,787)	276,591	(401,787)	276,591
Retained earnings		<u>5,788,086</u>	<u>5,861,653</u>	<u>6,026,511</u>	<u>6,126,197</u>
<b>Parent interest</b>		<u>5,386,299</u>	<u>6,138,244</u>	<u>5,624,724</u>	<u>6,402,788</u>
<b>TOTAL EQUITY</b>		<u>5,386,299</u>	<u>6,138,244</u>	<u>5,624,724</u>	<u>6,402,788</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 December, 2008**

<b>2008</b>	<b>Parent</b>		
	<b>Retained Earnings</b>	<b>Available for Sale Revaluation Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equity as at beginning of period	6,126,197	276,591	6,402,788
<b>Changes</b>			
Profit attributable to members of the parent entity	(99,686)	-	(99,686)
<b>Transfers to and from reserves</b>			
Available for Sale Revaluation Reserve	-	(678,378)	(678,378)
<b>Sub-total</b>	<u>(99,686)</u>	<u>(678,378)</u>	<u>(778,064)</u>
<b>Equity as at 31 December 2008</b>	<u>6,026,511</u>	<u>(401,787)</u>	<u>5,624,724</u>

<b>2007</b>	<b>Parent</b>		
	<b>Retained Earnings</b>	<b>Available for Sale Revaluation Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Equity as at beginning of period	5,921,273	626,514	6,547,787
<b>Changes</b>			
Profit attributable to members of the parent entity	204,924	-	204,924
<b>Transfers to and from reserves</b>			
Available for Sale Revaluation Reserve	-	(349,923)	(349,923)
<b>Sub-total</b>	<u>204,924</u>	<u>(349,923)</u>	<u>(144,999)</u>
<b>Equity as at 31 December 2008</b>	<u>6,126,197</u>	<u>276,591</u>	<u>6,402,788</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 December, 2008**

<b>2008</b>	<b>Consolidated</b>		
	<b>Retained</b>	<b>Available for</b>	
	<b>Earnings</b>	<b>Sale</b>	
	<b>\$</b>	<b>Revaluation</b>	<b>Total</b>
		<b>Reserve</b>	<b>\$</b>
		<b>\$</b>	
Equity as at beginning of period	5,861,653	276,591	6,138,244
<b>Changes</b>			
Profit attributable to members of the parent entity	(73,566)	-	(73,566)
<b>Transfers to and from reserves</b>			
Available for Sale Revaluation Reserve	<u>-</u>	<u>(678,378)</u>	<u>(678,378)</u>
<b>Sub-total</b>	<u>(73,566)</u>	<u>(678,378)</u>	<u>(751,944)</u>
<b>Equity as at 31 December 2008</b>	<u>5,788,087</u>	<u>(401,787)</u>	<u>5,386,300</u>

<b>2007</b>	<b>Consolidated</b>		
	<b>Retained</b>	<b>Available for</b>	
	<b>Earnings</b>	<b>Sale</b>	
	<b>\$</b>	<b>Revaluation</b>	<b>Total</b>
		<b>Reserve</b>	<b>\$</b>
		<b>\$</b>	
Equity as at beginning of period	<u>5,711,069</u>	<u>626,514</u>	<u>6,337,583</u>
<b>Changes</b>			
Profit attributable to members of the parent entity	150,584	-	150,584
<b>Transfers to and from reserves</b>			
Available for Sale Revaluation Reserve	<u>-</u>	<u>(349,923)</u>	<u>(349,923)</u>
<b>Sub-total</b>	<u>150,584</u>	<u>(349,923)</u>	<u>(199,339)</u>
<b>Equity as at 31 December 2007</b>	<u>5,861,653</u>	<u>276,591</u>	<u>6,138,244</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 December 2008**

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>Cash from operating activities</b>					
Receipts from customers		449,320	324,579	9,009	45,813
Payments to suppliers and employees		(620,440)	(673,730)	(191,045)	(336,774)
Interest received		<u>223,963</u>	<u>324,021</u>	<u>223,963</u>	<u>324,021</u>
<b>Total cash from operating activities</b>	15	<u>52,843</u>	<u>(25,130)</u>	<u>41,927</u>	<u>33,060</u>
<b>Cash flows from operating activities</b>					
Proceeds from sale of investment		-	914,119	-	914,119
Acquisition of Investments		(239,314)	-	(239,314)	-
Acquisition of property, plant and equipment		(48,211)	(834,172)	(40,069)	(821,863)
Acquisition of other non-current assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,881)</u>
<b>Net cash used by investing activities</b>		<u>(287,525)</u>	<u>78,943</u>	<u>(279,383)</u>	<u>47,375</u>
<b>Net cash increase/(decreases) in cash and cash equivalents</b>					
		(234,682)	54,817	(237,456)	80,435
Cash and cash equivalents at beginning of year		<u>417,467</u>	<u>362,650</u>	<u>395,912</u>	<u>315,477</u>
<b>Cash and cash equivalents at end of year</b>	2	<u>182,785</u>	<u>417,467</u>	<u>158,456</u>	<u>395,912</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 December 2008**

**1. Statement of Significant Accounting Policies**

**(a) General Information**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the economic entity of The Australian Elizabethan Theatre Trust and controlled entity, and The Australian Elizabethan Theatre Trust as an individual parent entity. The Australian Elizabethan Theatre Trust is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of The Australian Elizabethan Theatre Trust and controlled entity, and The Australian Elizabethan Theatre Trust as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(b) Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(c) 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 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**1. Statement of Significant Accounting Policies (Continued)**

**(d) Property, Plant and Equipment**

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

**Property**

Freehold land and buildings are shown at cost.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

**Depreciation**

The depreciable amount of all fixed assets including capitalised leased assets, but excluding freehold land and buildings, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciation assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and Equipment	15 - 20 %
Lighting Equipment	15 - 20 %
Furniture, Fixtures and Fittings	15%
Motor Vehicles	33%
Office Equipment	15%
Musical Instruments	10 - 15%
Computers	25%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

It is management's policy that charging depreciation on the buildings from the cost price would not accurately reflect true impairment of the asset as renovations have occurred to the building and additionally its market value has substantially increased over time. As this is the case, management have decided not to charge depreciation on buildings.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 December 2008**

**1. Statement of Significant Accounting Policies (Continued)**

**(f) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at cost. These financial assets are measured at amortised cost with any impairment recognised through the income statement.

**Available-for-sale financial assets**

Available-for-sale assets include any financial assets not included in the above categories. Available-for-sale assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

**Impairment**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arise.

**(g) Revenue**

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Membership fees are brought to account on a cash received basis.

General donations received for the support of activities carried out in the financial period are included as income in the Income Statement when received, other than funds for specific purposes, which are described below.

The company is the benefactor and administrator of monies that have been given to the company through bequest, which are held for specific purposes for third parties. This monies are only to be allocated to activities that satisfy the provisions under which the monies were initially received. These funds are recorded when cash is received.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 December 2008**

**1. Statement of Significant Accounting Policies (Continued)**

**(h) Revenue (Continued)**

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

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

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

**(i) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

**(j) Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**Provision for Scholarship**

The company offers scholarships to successful applicants, which become payable when the company's offer is accepted by the scholar and the proposed expenditure is approved by the company. The company brings the total costs of the scholarship to account at that time. The funds may not be disbursed by the company until after the end of the financial year. The balance of scholarships at year end to be distributed in future periods is included in the accrued scholarships account. Refer Note 9.

**(k) Principals of Consolidation**

A controlled entity is an entity that The Australian Elizabethan Theatre Trust has the power to control the financial and operating policies so as to obtain benefits from its activities.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**2. Cash Assets**

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
Cash on hand		1,600	1,600	100	100
Bank balances		92,479	328,326	69,651	308,271
Short-term deposits		<u>88,706</u>	<u>87,541</u>	<u>88,706</u>	<u>87,541</u>
		<u>182,785</u>	<u>417,467</u>	<u>158,456</u>	<u>395,912</u>

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	<u>182,785</u>	<u>417,467</u>	<u>158,456</u>	<u>395,912</u>
	<u>182,785</u>	<u>417,467</u>	<u>158,456</u>	<u>395,912</u>

**3. Receivables**

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>CURRENT</b>					
Trade receivables		61,249	87,103	22,059	36,369
Other receivables		<u>14,436</u>	<u>1,439</u>	<u>14,436</u>	<u>11,520</u>
		<u>75,685</u>	<u>88,542</u>	<u>36,494</u>	<u>47,889</u>

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
<b>NON-CURRENT</b>					
Amounts receivable from:					
Wholly-owned subsidiaries		<u>-</u>	<u>-</u>	<u>278,490</u>	<u>313,828</u>
		<u>-</u>	<u>-</u>	<u>278,490</u>	<u>313,828</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**4. Other Financial Assets**

Note	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Available for sale financial assets	<u>2,209,554</u>	<u>2,648,619</u>	<u>2,209,554</u>	<u>2,648,619</u>
<b>Investment in managed funds</b>	2,209,554	2,648,619	2,209,554	2,648,619
Less non-current portion	<u>(2,209,554)</u>	<u>(2,648,619)</u>	<u>(2,209,554)</u>	<u>(2,648,619)</u>
Current position	-	-	-	-

The company maintained investments in managed funds providing a combination of capital and income growth. The average rate of return on all managed funds is 16.22% (2007 – 11.29%).

**5. Property, Plant and Equipment**

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>LAND AND BUILDINGS</b>				
Land and Buildings – At Cost	<u>2,674,205</u>	<u>2,637,796</u>	<u>2,674,205</u>	<u>2,637,796</u>
Total Land and Buildings	<u>2,674,205</u>	<u>2,637,796</u>	<u>2,674,205</u>	<u>2,637,796</u>
<b>PLANT AND EQUIPMENT</b>				
Pianos	165,000	165,000	165,000	165,000
At deemed cost	25,495	25,495	25,495	25,495
Less Depreciation	<u>(4,805)</u>	<u>(2,256)</u>	<u>(4,805)</u>	<u>(2,256)</u>
Total Pianos	<u>185,690</u>	<u>188,239</u>	<u>185,690</u>	<u>188,239</u>
Furniture, fixtures and fittings				
At cost	339,876	331,684	283,739	281,981
Less accumulated depreciation	<u>(178,809)</u>	<u>(148,141)</u>	<u>(138,522)</u>	<u>(117,520)</u>
Total furniture, fixtures and fittings	<u>161,067</u>	<u>183,543</u>	<u>145,217</u>	<u>164,461</u>
Motor vehicles				
At cost	54,286	54,286	54,286	54,286
Less accumulated depreciation	<u>(54,286)</u>	<u>(54,286)</u>	<u>(54,286)</u>	<u>(54,286)</u>
Total motor vehicles	-	-	-	-

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**5. Property, Plant and Equipment (Continued)**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Theatre Audio, Lighting and Stage				
At cost	410,227	406,616	408,518	406,616
Less accumulated depreciation	(148,915)	(86,074)	(148,720)	(86,074)
Total theatre, audio, lighting & stage	<u>261,312</u>	<u>320,542</u>	<u>259,798</u>	<u>320,542</u>
Music Instruments				
At cost	4,000	4,000	4,000	4,000
Less accumulated depreciation	(4,000)	(3,999)	(4,000)	(3,999)
	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Website Development				
At cost	18,400	18,400	18,400	18,400
Less accumulated depreciation	(10,073)	(4,001)	(10,073)	(4,001)
Total website development	<u>8,327</u>	<u>14,399</u>	<u>8,327</u>	<u>14,399</u>
Total Plant and Equipment	<u>616,396</u>	<u>706,724</u>	<u>599,032</u>	<u>687,642</u>
Total Property, Plant and Equipment	<u>3,290,601</u>	<u>3,344,520</u>	<u>3,273,237</u>	<u>3,325,438</u>

**(a) Movements in Carrying Amounts**

**Parent**

	<b>Land &amp; Buildings</b>	<b>Pianos</b>	<b>Furniture, Fixtures &amp; Fittings</b>	<b>Theatre Audio, Lighting &amp; Stage</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying amount at start of year	2,637,796	188,239	164,462	320,542
Additions	36,409	-	1,759	1,902
Depreciation expense	-	(2,549)	(21,004)	(62,646)
Carrying amount at the end of year	<u>2,674,205</u>	<u>185,690</u>	<u>145,217</u>	<u>259,798</u>

**Parent**

	<b>Musical Instruments</b>	<b>Website Development</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying amount at start of year	1	14,399	3,325,438
Additions	-	-	40,070
Depreciation expense	(1)	(6,072)	(92,271)
Carrying amount at the end of year	<u>-</u>	<u>8,327</u>	<u>3,273,237</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**5. Property, Plant and Equipment (Continued)**

**Movements in Carrying Amounts (Continued)**  
**Consolidated**

	<b>Land &amp; Buildings</b>	<b>Pianos</b>	<b>Furniture, Fixtures &amp; Fittings</b>	<b>Theatre Audio, Lighting &amp; Stage</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at the beginning of year	2,637,796	188,239	183,543	320,542
Additions	36,409	-	1,759	10,044
Depreciation expense	<u>-</u>	<u>(2,549)</u>	<u>(24,235)</u>	<u>(69,274)</u>
Carrying amount at the end of year	<u>2,674,205</u>	<u>185,690</u>	<u>161,067</u>	<u>261,312</u>

**Consolidated**

	<b>Musical Instruments</b>	<b>Website Development</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying amount at start of year	1	14,399	3,344,520
Additions	-	-	48,212
Depreciation expense	<u>(1)</u>	<u>(6,072)</u>	<u>(102,131)</u>
Carrying amount at the end of year	<u>-</u>	<u>8,327</u>	<u>3,290,601</u>

**6. Other Assets**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>				
Prepayments	<u>12,066</u>	<u>8,532</u>	<u>8,285</u>	<u>7,412</u>
	<u>12,066</u>	<u>8,532</u>	<u>8,285</u>	<u>7,412</u>

**7. Trade and Other Payables**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>				
Unsecured liabilities				
Trade payables	17,428	20,869	9,475	7,944
Accrued expense	18,335	20,370	12,000	13,000
Accrued expense superannuation contributions	3,574	2,379	2,367	1,815
Other payables	<u>29,104</u>	<u>12,267</u>	<u>-</u>	<u>-</u>
	<u>68,441</u>	<u>55,885</u>	<u>23,842</u>	<u>22,759</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**8. Provisions**

**Parent**

	<b>Employee Entitlements</b>	<b>Total</b>
	\$	\$
Opening balance at 1 January 2008	33,551	33,551
Additional provisions	<u>2,400</u>	<u>2,400</u>
At 31 December 2008	<u>35,951</u>	<u>35,951</u>

**Consolidated**

	<b>Employee Entitlements</b>	<b>Total</b>
	\$	\$
Opening balance at 1 January 2008	33,551	33,551
Additional provisions	<u>2,400</u>	<u>2,400</u>
At 31 December 2008	<u>35,951</u>	<u>35,951</u>

**Analysis of Total Provisions**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	\$	\$	\$	\$
Current	23,774	11,523	23,774	11,523
Non-current	<u>12,177</u>	<u>22,028</u>	<u>12,177</u>	<u>22,028</u>
	<u>35,951</u>	<u>33,551</u>	<u>35,951</u>	<u>33,551</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**9. Other Liabilities**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accrued Scholarships	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**10. Liabilities directly associated with Non-current Assets**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Liabilities directly associated with assets	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>
<b>Specific purpose funds:</b>				
- Armstrong-Martin Scholarship	80,000	80,000	80,000	80,000
- Chalwin Fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>
<b>Held as follows:</b>				
Specific purpose funds – Other financial assets				
- Managed Funds	200,000	200,000	200,000	200,000
- Cash and Cash Equivalents – Term Deposit	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Total	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>	<u>280,000</u>

**11. Reserves**

**(a) Assets for Sale Revaluation Reserve**

The assets for sale revaluation reserve records revaluations of non-current assets held for resale.

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST**  
**ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 December 2008**

**12. Revenue**

	Note	Consolidated		Parent	
		2008	2007	2008	2007
		\$	\$	\$	\$
Operating activities					
- services revenue		404,323	310,096	-	-
- interest income		223,963	324,021	223,963	324,021
- grant		8,000	3,272	8,000	3,272
- other revenue		<u>21,845</u>	<u>27,109</u>	<u>21,845</u>	<u>27,109</u>
Total operating activities		<u>658,131</u>	<u>664,498</u>	<u>253,808</u>	<u>354,402</u>
Other Income					
- gain on disposal of investments		-	212,723	-	212,723
Total other income		-	<u>212,723</u>	-	<u>212,723</u>
Total Revenue		<u>658,131</u>	<u>877,221</u>	<u>253,808</u>	<u>567,125</u>

**13. Key Management Personnel Compensation**

**(a) Key Management Personnel**

Warwick D Ross

General Manager

**(b) Compensation**

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short term	93,776	91,057	93,776	91,057
Post employment	-	-	-	-
Other long term	-	-	-	-
Termination benefits	-	-	-	-
Share based payments	-	-	-	-
Total Compensation	<u>93,776</u>	<u>91,057</u>	<u>93,776</u>	<u>91,057</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 December 2008**

**14. Auditors' Remuneration**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the parent entity for:				
– Auditing or reviewing the financial report	15,750	13,460	12,000	6,260
– Other services	-	5,000	-	5,000

**15. Cash Flow Information**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net income/loss for the period	(73,566)	150,584	(99,686)	204,924
Cash flows excluded from profit from ordinary activities attributable to operating activities				
Non-cash flows in profit from ordinary activities				
Depreciation	102,130	88,225	92,270	78,283
Net profit on disposal of property, plant and equipment	-	(212,723)	-	(212,723)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term receivables	12,856	(15,898)	46,733	15,432
(Increase)/decrease in prepayments	(3,534)	4,046	(873)	2,666
Increase/(decrease) in trade payables and accruals	12,557	(34,070)	1,083	(50,228)
Increase/(decrease) in provision for scholarship	-	(10,000)	-	(10,000)
Increase/(decrease) in provisions	<u>2,400</u>	<u>4,706</u>	<u>2,400</u>	<u>4,706</u>
	<u>64,441</u>	<u>(25,130)</u>	<u>41,927</u>	<u>33,060</u>

**THE AUSTRALIAN ELIZABETHAN THEATRE TRUST  
ABN 17 008 394 250 AND CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 December 2008**

**16. Company Details**

The registered office of the company is:  
The Australian Elizabethan Theatre Trust  
BDO Chartered Accountants and Advisers  
Level 19  
2 Market Street  
SYDNEY NSW 2000

The principal place of business of the company is:  
The Australian Elizabethan Theatre Trust  
The Independent Theatre  
269 Miller Street  
NORTH SYDNEY NSW 2060

The Australian Elizabethan Theatre Trust is an Australian Public Company Limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company. At 31 December 2008 the number of members was 607 (2007 : 620).

The Sydney Independent Pty Limited (Formerly AETT (Management) Pty Limited) is a wholly owned subsidiary of The Australian Elizabethan Theatre Trust.

**17. Capital Commitments**

There were no commitments for capital expenditure at 31 December 2008.

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Capital expenditure commitments contracted for:				
- Building renovations	-	-	-	-
- Audio, staging and lighting	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>