



black swan

STATE THEATRE COMPANY

BLACK SWAN STATE THEATRE COMPANY LTD

2009 ANNUAL REPORT

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PATRONS

Founding Patron Janet Holmes à Court AC
Patron Sally Burton

BOARD 2009

Sam Walsh (Chairman)
Andrew Drayton, Duncan Ord (Deputy Chairs), Craig Yaxley (Treasurer), Professor Alan Robson,
Vicki Robinson, Alan Cransberg, Kate O'Hara, Robert McKenzie

*Richard Duldig (Chairman), Anthony Douglas-Brown (Treasurer), Professor Izan, Robin Pascoe,
Jennifer Grove – to February – March 2009*

ARTISTIC DIRECTOR

Kate Cherry

GENERAL MANAGER

Keith Venning (interim to February 2009)
Shane Colquhoun (from March 2009)

Black Swan State Theatre Company Limited
A company limited by guarantee
Incorporated and domiciled in Australia.
ACN 053 092 961
ABN 28 053 092 961

BLACK SWAN'S VISION

Our vision is for Black Swan to be at the forefront of Australian theatre, earning critical acclaim,
attracting capacity audiences and offering our diverse community rich, meaningful theatre
experiences.

BLACK SWAN'S MISSION

Our mission is to produce theatre of exceptional quality that celebrates life, while entertaining and
enriching the hearts and minds of Australians

2009 OVERVIEW

During 2009, Black Swan State Theatre Company's *Year of Magical Thinking* season presented 129 performances over six mainhouse productions and two from Black Swan's emerging artists group, the HotBed Ensemble. The season was the first full year programmed by Artistic Director Kate Cherry, following the October 2008 launch of a new brand and name confirming the Company's position as Western Australia's State Theatre Company and the Resident Company within the new State Theatre Centre of Western Australia.

The range of work included the Perth International Arts Festival season of Joan Didion's *The Year of Magical Thinking* with Helen Morse, a co-production with Queensland Theatre Company of Yasmina Reza's popular satire, *God of Carnage* and Kate Cherry's exquisite production of Shakespeare's *Much Ado About Nothing*. New Australian work did not miss out with the world premiere seasons in Perth and Albury-Wodonga of Kate Mulvany's new play, *The Web*, co-commissioned and produced with HotHouse Theatre. Black Swan's HotBed Ensemble, led by Associate Director Adam Mitchell, produced two plays performed at the Perth Institute of Contemporary Arts including the world premiere of Angela Betzien's *The Dark Room* and Mark Ravenhill's *pool (no water)*. Over 80 actors and creative artists were engaged in Black Swan's season, with clear evidence of improved production and artistic standards and new showcasing and employment opportunities for WA artists through our national production partners.

The Rio Tinto Black Swan Commissions program continued its development of new works telling WA and Australian stories and providing opportunities for the introduction of new writers and creative teams to WA. During 2009, Black Swan had seven commissions in development, two of which have now been produced – *The Web* and Hannie Rayson's *The Swimming Club* (early 2010).

Subscribers increased by 41% with total paid attendances for the mainhouse and Hotbed Ensemble seasons totalling 21,472 or 52% capacity (total attendances: 27,996/67%), meeting our overall income targets. With a strategy to produce our mainhouse season at the one venue wherever possible, the Playhouse Theatre, it was pleasing to see overall attendances for these seasons increase by 14% from 2008. While audiences responded to Kate Cherry's first season, Black Swan's greatest challenge will continue to be building its audience over the next few years. A range of new audience development strategies continue to be introduced in the lead up to the move to the new State Theatre Centre in late 2010. *The Year of Magical Thinking* with Helen Morse toured regional Western Australia visiting 14 centres including eight remote communities from Albany to Kununurra with a further 1,610 attending Black Swan performances.

Financially and operationally 2009 proved a challenging year during the continued uncertainty of the global economic situation. The immediate issue was dealing with the previous year's operating loss and an accumulated deficit of \$34,155. With the support of our various stakeholders, a new and energised Board and the appointment of a highly professional and networked General Manager, Black Swan reported an end of year surplus of \$67,318 and a return to a positive financial situation.

During 2009, the Company undertook a comprehensive review of its governance, staffing structure, operations and financial management, including the development of a new business plan for 2010 – 12. A staff review and restructure resulted in a number of key new appointments by year end. A new three year fundraising strategy was developed during 2009 that is beginning to see some significant results. With the support of key stakeholders, the new Board and executive team are focused on ensuring Black Swan realises its vision as a sustainable and viable State Theatre Company for Western Australia. At the time of writing, we continue to argue our case to both the State and Australian Governments seeking a staged increase in core funding to enable Black Swan to increase its annual mainhouse productions from five to eight by 2013.

The Board appointed Sally Burton as Patron during 2009 in recognition of her commitment and support for Black Swan and its core program. Our Founding Patron, Janet Holmes a Court continues to provide her ongoing advice and support to Black Swan. We thank them both.

A special thanks to our government and corporate partners, to those that have been with us for some years and to a number of new sponsors who joined us in 2009. Black Swan's formal fundraising program was newly instigated in 2009 and I am particularly pleased to welcome and thank those individuals who have made a generous commitment to our work.

I take this opportunity to thank my fellow Directors for their energy, advice and support, together with our executive team and the small team who all work with enormous hard work and commitment to produce, promote and support great theatre for Western Australia.

Black Swan's Board and staff are both excited and very aware of the expectations being placed on the Company as we move to take up residence in the State Theatre Centre. We are confident that we will be prepared as best we can and within the resources available to us to move towards fulfilling our vision of earning critical acclaim, attracting capacity audiences and offering our diverse community rich, meaningful theatre experiences.

Sam Walsh
Chairman

BLACK SWAN STATE THEATRE COMPANY ACKNOWLEDGES THE SUPPORT OF OUR PARTNERS IN 2009:

PRINCIPAL PARTNER					
GOVERNMENT PARTNERS					
					
					
THE HOTBED ENSEMBLE		 RAC members are happier		LEADERSHIP AND PRODUCTION PARTNER	
				 MUCH ADO ABOUT NOTHING	
PRODUCTION PARTNER		PRODUCTION AND TOURING PARTNER		TOURING PARTNER	
 GOD OF CARNAGE		 THE MEMORY OF WATER		 THE YEAR OF MAGICAL THINKING	
SEASON PARTNERS					
					
				 ACCOMMODATION PARTNER	
EDUCATION PARTNERS					
					
WINE PARTNER					
					
MEDIA PARTNERS					
					
					
					
LEGAL ADVICE PROVIDED BY					
					
SUBSCRIBER INCENTIVE PARTNERS					
					
					
					

ARTISTIC PROGRAM

Mainhouse Season

The Year of Magical Thinking
By Joan Didion



Helen Morse and Iain Grandage. Image by Gary Marsh.

Presented by Black Swan State Theatre Company as part of the UWA Perth International Arts Festival

Season

Dolphin Theatre
10 February – 1 March 2009
18 performances

Cast

Helen Morse
Musician: Iain Grandage (Perth season)
Melanie Robinson (WA regional tour)

Production

Director – Kate Cherry
Associate Director – Paul English
Set & Costume Designer - Christina Smith
Lighting Designer – Matt Scott
Composer – Iain Grandage

Total attendance 3,653

Production Partner: Healthway, with its Act-Belong-Commit message was the Touring Partner for the WA regional tour of *The Year of Magical Thinking*

"Each element of the production - music, design and performance - is hauntingly beautiful..." **The West Australian**

"...a beautiful and satisfying production to remember for years to come." **Theatre Australia**

"...a remarkable performance of immense clarity; subtle, penetrating, and so acutely emotional..." **Post Newspapers**

The Glass Menagerie
By Tennessee Williams



Steve Turner, Melanie Munt, Gillian Jones. Image by Gary Marsh.

Season

Playhouse Theatre
18–29 March 2009
16 performances

Cast

Gillian Jones, Melanie Munt, Myles Pollard, Steve Turner

Production

Director - Kate Cherry
Set & Costume Designer - Adam Gardnir
Lighting Designer – Jon Buswell
Composer – Paul Grabowsky
Sound Designer - John Galbraith

Total attendance: 5,934

“...Steve Turner tackles yet another genre magnificently, but it was Melanie Munt in the second act who stole the play. The candlelit scene was one of the most delightfully tender moments that I have ever seen in the theatre. This play will be a sell-out.” **Theatre Australia.**

“...Cherry has done a wonderful job (again) of bringing the best out of the words and performers. Undoubtedly, each audience member will find something they relate to.” **Australian Stage.**

“Melanie Munt and Myles Pollard as the would-be lovers are excellent together and held the first night audience rapt and breathless throughout.” **The West Australian**

“Gardnir’s clever use of glass for walls, doors and floors beautifully represents Williams’ probing of human fragility and transparent emotions.” **The Australian**

God of Carnage
By Yasmina Reza



Benj D'Addario, Veronica Neave, Jodie Buzza and Andrew Buchanan. Image by Stephen Henry.

A co-production with Queensland Theatre Company

Season

Playhouse Theatre
13–28 June 2009
16 performances

Cast

Andrew Buchanan, Jodie Buzza, Benj D'Addario, Veronica Neave

Production

Director – Michael Gow
Assistant Director - Morgan Dowsett
Set & Costume Designer – Robert Kemp
Lighting Designer – Bernie Tan - Hayes
Sound Design – Tony Brumpton
Assistant Sound Design – Guy Gimpel

Total attendance: 3,761

Production Partner: Wesfarmers Arts

"There are many memorable and very funny moments - Annette's graphic vomiting, Veronique's tussle over the rum and Michael flinging off his argyle sweater and confessing that his wife has tried to pass him off as a leftie whereas he is a self-confessed 'Neanderthal'." **The West Australian**

"A great script, very well presented. Extremely funny. The audience loved it." **Theatre Australia**
"Designed by Robert Kemp the set was outstanding. ... It was a highly effective visual portrayal of the verbal garbage spewed on stage by the characters." **Australian Stage**

The Memory of Water
By Shelagh Stephenson



Stuart Halusz, Melinda Dransfield, Michelle Fornasier and Rebecca Davis. Image by Gary Marsh.

Season

Playhouse Theatre
8–19 July 2009
16 performances

Cast

Rebecca Davis, Melinda Dransfield, Michelle Fornasier, Stuart Halusz, Geoff Kelso, Julia Moody

Production

Director - Roger Hodgman
Set & Costume Designer – Steve Nolan
Lighting Designer – Joe Mercurio
Sound Designer - Ashley Gibson-Greig
Directing Secondment – Emily McLean

Total attendance: 3,863

Production Partner: Water Corporation

“It is a heartfelt story of family bonds, love and loss, trust and honour. Surprisingly with a key theme of death, it is a funny play, and it is this humour that adds extra poignancy to the later scenes full of revelations... .. a highly enjoyable evening full of laughs. All elements have blended together to create a wonderful, cohesive whole, and the cast and Creatives should be applauded for this. I encourage anyone wanting a good night out to go and see *The Memory of Water*.” **Australian**

Stage

“The set (designer Steve Nolan) is outstanding, with an amazing amount of attention to detail – even the dome clock in the passageway was working! It was truly an old lady’s bedroom.” **Theatre**

Australia

“...it taps into some universal truths about family myth-making, the fluidity of collective memory and how childhood grievances shape the adult down the track.” **The West Australian**

Much Ado About Nothing
By William Shakespeare



Kirsty Hillhouse and Kenneth Ransom. Image by Gary Marsh.

Season

Playhouse Theatre
22 August–6 September 2009
16 performances

Cast

Elizabeth Blackmore, Austin Castiglione, Brendan Ewing, Brendan Hanson, Stuart Halusz, Luke Hewitt, Kirsty Hillhouse, Geoff Kelso, Michael Loney, Kenneth Ransom, Tim Solly, Steve Turner, Irma Woods, Shubadra Young

Including WAAPA Acting 2nd year students – Emma Chesley Barnes, Griffin Blumer, Joshua Brennan, Jessica Jane Clarke, Charlotte Bryany Hazzard, Will Gaham Coleman, Michael Drysdale, Abby Earl, Kali Hulme, Ryan Lucas Jones, Phillippe Klaus, Ben O’Toole, Christian Redy, Lara Jade, Lise Schwerdt, Nicole Shostak, Nic Westaway, Alexander John Williams and Gemma Willing

Production

Director - Kate Cherry
Set & Costume Designer – Christina Smith
Lighting Designer – David Murray
Sound Designer - Ashley Gibson-Greig
Movement Director – Lisa Scott-Murphy

Total attendance: 5,558

Production Partner: ANZ

“Much Ado is arguably one of the most accessible of all Shakespeare’s plays. It’s relatively short and snappy – and an excellent choice to kick-start a much-needed reintroduction of large-scale, home-grown Shakespeare in Perth. I hope director Kate Cherry is already lining up another for next season.” **The West Australian**

“Cherry has created a visually beautiful, intellectually stimulating, finely produced outing with this deceptively complex story of love and betrayal.” **PerthNow**

The Web
By Kate Mulvany



Akos Armont, Susan Prior and Robin Goldsworthy. Image by Karen Donnelly.

A co-production with HotHouse Theatre (World Premiere)

Season

Playhouse Theatre
26 September–11 October 2009
16 performances

Cast

Akos Armont, Robin Goldsworthy, Susan Prior, Igor Sas, Amanda Woodhams

Production

Director - Marcelle Schmitz
Set & Costume Designer – Bryan Woltjen
Lighting Designer – Martin Kinnane
Sound Design – Russell Goldsmith
Dramaturgy – Campion Decent
Fight Director – Andy Fraser

Total attendance: 2,282

“Exploring the themes of separation and isolation, Mulvany crafts a compelling story of a lonely schoolboy, isolated and tormented by his grim past, seeking a sense of connection through the internet that he was unable to find in daily life. Dark undercurrents of manipulation and distorted realities create a wonderfully rich and engaging tale. With expert direction from Marcelle Schmitz, the unfolding drama is cleverly paced, maintaining tension right up to the final moments.” **The Australian**

“It is indeed a tangled web that is woven. The issues it raises about manipulation – the victims, the perpetrator and where the blame lies – are satisfyingly complex. Mulvany writes characters that actors can really sink their teeth into and plots that are affecting, thought-provoking and deliciously entertaining.” **The West Australian**

The Hotbed Ensemble

The HotBed Ensemble is Black Swan's professional development program for emerging Western Australian artists. It aims to nurture, stimulate and showcase a selection of Perth's most imaginative and talented theatre-makers. The program includes exclusive skills development and workshop opportunities with international visiting artists, close contact with Black Swan staff, and the opportunity to create original, edgy and contemporary work.

In 2009 the RAC continued as the Principal Sponsor for the HotBed Ensemble, which allowed the performers and the creative team to be fully waged for their rehearsal and performance periods during the year. The HotBed Ensemble was also supported by the Holmes à Court Foundation.

In 2009 the program offered:

- Nine month program to six performers and three designers (lighting, sound, set and costume).
- Invitations to all of Black Swan's mainstage productions, design presentations and Company events.
- Access to Black Swan's facilities including the rehearsal space, play library and office resources.

The development program included:

- Exclusive workshops/masterclasses and conversations with national and international artists including: Award winning UK Company 1927 and Druid Theatre Company from Dublin.
- Hosting and participating in skills development for visiting NIDA Directing students.
- Participation in the Thrills and Skills Program.

Hotbed Ensemble Productions

The Dark Room

By Angela Betzien



Arielle Gray. Image by Gary Marsh.

World Premiere

Awards

2009 Equity Guild Award Nominations:

Best Director – Adam Mitchell

Best Supporting Actor Female – Arielle Gray

Geoff Gibbs Best Newcomer Award – Will O'Mahony

Season

Perth Institute of Contemporary Art

1-17 May 2009

16 performances

Cast

Arielle Gray, Natalie Holmwood, Jacinta John, Will O'Mahony, Tom O'Sullivan, Kazimir Sas

Production

Director - Adam Mitchell

Set & Costume Designer – Alicia Clements

Lighting Designer – Trent Suidgeest

Sound Designer – Ben Collins

Total attendance: 1,632

Principal Sponsor, The HotBed Ensemble: RAC

"Truly deserving of their moniker "ensemble" the cast were excellent throughout. Adam Mitchell continues to demonstrate his talent as a director – he always seems able to get his money's worth from an actor." **The West Australian**

"Director Adam Mitchell has a difficult job managing such a tight, crowded space. His elegant direction helps clarify the multi-layered narrative aided by Ben Collins's subtle soundscape." **The Australian**

"***The Dark Room*** is for those who like to be challenged and who want their characters and story lines real and raw. This is an excellent opening show for the 2009 Hotbed Ensemble." **Australian Stage.**

Pool (no water)
By Mark Ravenhill



Natalie Holmwood, Jacinta John, Kazimir Sas, Arielle Gray, Will O'Mahony. Image by Gary Marsh.

Season

Perth Institute of Contemporary Art
11-27 September 2009
15 performances

Cast

Arielle Gray, Natalie Holmwood, Jacinta John, Will O'Mahony, Kazimir Sas

Production

Director - Adam Mitchell
Set & Costume Designer – Alicia Clements
Lighting Designer – Trent Suidgeest
Sound Designer – Ben Collins

Total attendance: 1,313

Principal Sponsor, The HotBed Ensemble: RAC

"I have come to have the highest of expectations from Black Swan's HotBed Ensemble under the direction of Adam Mitchell. I am always left with a sense of energy and passion for theatre after one of their plays. ... The latest production to fill me with renewed vigour is pool (no water) ... Mitchell and his team do not disappoint in this vibrant, disturbingly funny, cautionary tale about friendship, envy and the artistic imperative. ... A big thumbs up ..." **The West Australian**

"A powerful and compelling production of Mark Ravenhill's dark drama ... This finely paced and sophisticated production holds the attention from start to finish ... A terrific ensemble performance and highly recommended." **The Australian**

Research & Development

As part of Rio Tinto's principal partnership, Rio Tinto agreed to support a strategic commissioning program, the Rio Tinto Black Swan Commissions. The aim of this program is to enable Black Swan to contract Australia's leading playwrights to develop new works that will not only show Western Australians stories about themselves, but they will showcase our work to the rest of Australia and the world. The Rio Tinto Black Swan Commissions supports four distinct streams of writing:

- Plays about WA by senior local and national playwrights;
- Plays about WA's relationship with the rest of the world and in particular Asia;
- Adaptations of novels and short stories by Western Australian writers of note;
- The development of musicals based on WA stories.

Commissions

Works commissioned in 2008 – 09 and currently in development include:

The Damned by Reg Cribb

Boom Town by Matt Dyktynski

The White Divers of Broome by Hilary Bell

The Gap by Aidan Fennessy

Other works in development include:

Rising Water

Boundary Street by Reg Cribb (Major Festivals Initiative co-produced with Brisbane Festival and Perth Festival)

Artistic Peer Review Process

During 2009, the Board and management reviewed and approved a revised artistic peer review process which was submitted with the revised Business Plan 2010–12.

The Board was circulated with the notes of the December 2009 artistic review panel meeting, a brief report from the appointed national peer (Roger Hodgman) and the Board representative reported on the process and outcomes at the Board meeting in March 2010.

Artistic Review Panel appointed December 2009 for 12 months: Shelagh Magadza, Jon Buswell, Leith Taylor, David Filshie, Vivienne Garrett, Stuart Halusz, Amanda Woodhams, Barry Strickland, Roger Hodgman (national representative).

ACCESS

Audience Development

Mainhouse & Hotbed Ensemble Seasons

Total paid attendance: 21,472 (52% capacity)

Total attendances: 27,996 (67% capacity)

Total Subscribers: 1,110 (42% increase from 2008)

Overall attendances as a percentage of capacities were about the same as 2008. With a focus on the use of a single venue, paid attendances increased on average by 14% for the seasons at the Playhouse Theatre.

In order to work towards Black Swan's vision of attracting capacity audiences and offering our diverse community rich, meaningful theatre experiences, Black Swan continued to execute a number of audience development initiatives and also created a community outreach strategy in mid-2009. The community outreach strategy has the objectives of establishing or improving Black Swan's long-term relationship with influencers from a wide cross-section of the Perth community, increasing brand awareness of Black Swan across the community, encouraging current non-attenders to attend Black Swan plays, creating a foundation for future project or campaign based interaction. This included a stronger PR focus on multicultural and special interest publications in Perth, targeted invitations to various community groups to attend theatre previews as guests of

Black Swan and the addition of all mayors of metropolitan councils to Black Swan's preview invitation lists.

Furthermore, Black Swan aimed to increase the attendance of young people by widely promoting the availability of student rush tickets at all mainstage plays, and also introduced specially priced "parents tickets" for parents whose child was attending a Black Swan play as part of a school group. A performance with audio descriptor service for blind or vision impaired patrons was offered for all plays performed at the Playhouse Theatre. The service is continuing to grow in popularity.

Regional Touring

The main house production of Joan Didion's *The Year of Magical Thinking* toured regional Western Australia from 27 February to 3 April 2009, following its Perth Festival season, with 1,610 attendances in total (1,390 paid attendances). The tour included schools workshops and talks – see Education section.

27 February	Bunbury Regional Entertainment Centre
28 February	Margaret River Cultural Centre
4 March	Albany Town Hall
5 March	Albany Town Hall (Schools only matinee)
7 March	Cummins Theatre Merredin
10 March	Moora Performing Arts Centre
12 March	Queens Park Theatre, Geraldton
14 March	Denham Town Hall
17 March	Camel Lane Theatre, Carnarvon
19 March	Tom Price Community Recreation Centre
21 March	Newman Recreation Centre
24 March	Matt Dann Cultural Centre, Port Hedland
26 March	Walkington Theatre, Karratha
28 March	Exmouth Shire Hall
3 April	Kununurra Leisure Centre

The tour was made possible through funding from the WA Department of Local Government and Regional Development and the Department of Culture and the Arts.

Tour Sponsors: Water Corporation and Healthway promoting the Act-Belong-Commit message)

Education

There was again a slight decrease in school performance bookings during 2009 with a total of 4,074 students attending our productions. This was 716 less than the 2008 total of 4,790 due to the unavoidable scheduling of two mainstage productions during school holidays.

48 students from Governor Stirling SHS, identified as socio-economically disadvantaged, were given free tickets to Black Swan's production of *The Year of Magical Thinking* in 2009. Access was made possible through sponsorship from the Sony Foundation.

The most popular productions were *The Glass Menagerie* and *Much Ado About Nothing*, which are both on the Curriculum Council Set Text List.

Accessibility of productions for student groups continues to be enhanced with the programming of both pre-show and post-show forums and the development and distribution of comprehensive Education Resource Kits for use by students and teachers in the classroom. The kits are distributed free of charge to any school that makes a school group booking for a Black Swan production. Twenty five schools (778 students) attended pre show talks and 11 schools (486 students) participated in post show Q & A's with the Director and cast of the particular productions.

The Company's workshop program continues to increase in popularity with teachers responding positively to the clear links between workshops and the Drama Syllabus requirements for Upper School Students. 11 schools participated in performance workshops addressing Drama performance TEE requirements, consisting of 27 individual workshops. There were nine schools that participated in Production & Design workshops during 2009, consisting of 15 individual workshops.

Tutors that represented the company in schools in 2009 were: Brad Reid (Set Designer), Fleur Kingsland (WAAPA Costume Lecturer), Ingrid Proos (WAAPA Lecturer & Costume Designer), Trent Suidgeest (Lighting Designer) Ben Collins (Sound Designer), Thomas Papathanassiou (actor, writer, Director), Anna Brockway (Actor), Caitlin Beresford-Ord (Actor) Pippa Davis (Black Swan Artistic Administrator) and Adam Mitchell (Black Swan Associate Director).

A group of high school students from Singapore, in WA on a drama study tour, attended specially coordinated workshops at Black Swan in the areas of costume and set design. Students also attended the HotBed Ensemble production of *pool (no water)* at PICA, with a special post performance Q&A with Director Adam Mitchell.

There were a series of Professional Development workshops conducted in Merredin for their Repertory Club by Adam Mitchell and Thomas Papathanassiou.

Three days of specially co-ordinated workshops were offered to schools in the Albany region in conjunction with *The Year of Magical Thinking* regional tour. Three schools participated in the workshops, attended the complimentary pre performance talk and attended the performance. Black Swan's Education Manager and Associate Director travelled to Albany to represent the company's education program in the region.

In 2009 our Education Manager was again nominated as the Industry Representative on the DramaWest Board. She attended the National Conference for Drama Educators in Melbourne and co presented a slide show to delegates about the next National Conference to be hosted by WA and DramaWest in 2011 at the new State Theatre centre of WA.

An education poster was again created this year, in time for the 2009 season launch. The poster was distributed to all Drama and English teachers in the state, and contains information about all of Black Swans productions for 2010, as well as information about our workshops, forums, Q & A's and education resources.

Community Access

During 2009 the Company offered three 10 week courses in a range of theatre skills run by leading professional theatre artists and open to anyone aged 16 and over. A total of 60 people from varying backgrounds enrolled in the courses and the feedback received was excellent. The courses were:

- | | |
|----------|--|
| Course 1 | IMPROVISATION: A TOOL FOR ACTORS
Tutor: Sam Longley |
| Course 2 | IMPROVISATION: A TOOL FOR ACTORS (Repeated due to popular demand)
Tutor: Sam Longley |
| Course 3 | ACTORS BOOT CAMP
Tutors: Adam Mitchell, Thomas Papathanassiou, Polly Low, Kenneth Ransom & Andy Fraser. |

FINANCIAL VIABILITY

Finance

Financially and operationally 2009 proved a challenging year during the continued uncertainty of the global economic situation. The immediate issue was dealing with the previous year's end of year operating loss and an accumulated loss of \$34,155. A major budget review was undertaken in March 2009 reducing anticipated box office by 20% overall and expenditure across all areas wherever possible. With the support of the funding bodies, a new and energised Board and the appointment of a new General Manager, Black Swan posted a 2009 end of year surplus of \$67,318 and a return to a positive financial situation.

There was a rigorous review of all expenditure, in particular production related expenditure to ensure budgets were more accurately developed and monitored. At year end, production expenditure was \$113,570 under budget.

A focus on sponsorship and the introduction of a new fundraising strategy provided a good basis for increased income in these budget lines from 2010. Low base salaries were increased where possible with all salaries increased by indexation of 2.5% in 2010.

Fundraising Strategy

With DCA funding from Black Swan's state allocation of the Reserves Incentive Scheme, a part-time Fundraising Manager was engaged in July 2009. Black Swan now has a dedicated resource focussed on fundraising, aiming to generate funds outside the State and Federal government funding.

Following the industry principles of fundraising, Black Swan has implemented a robust fundraising strategy. In 2009-10, the plan has four areas of focus:

- 1) Implementation of the Encore! Programme – aligned with other arts organisations, Encore! provides levels of support ranging from \$500 - \$10,000.
- 2) Newly formed Creative Development Fund – set up to attract funds over \$10,000 aiming to raise \$2M over the next four years to support improved production values for main house productions.
- 3) Research of opportunities with Trusts & Foundations– seeking grant opportunities outside government funding.
- 4) Bequests – developing material and useful information for people to use when they consider leaving a bequest to Black Swan in their Will.

Activities include asking for a gift to be sent at the time of subscribing, direct mail outs to subscribers and in general, publishing a request for a gift in all publications where appropriate. Black Swan developed a private giving brochure that is now being distributed at productions in 2010; online donation facilities and use of reply paid envelopes contribute to a more professional approach to fundraising. In addition, understanding the importance of recognising and thanking donors, Black Swan now publishes a list of supporter's names in each production programme.

Patrons Sally Burton and Janet Holmes à Court continue to make generous gifts supporting our main house productions and education programmes. Black Swan is participating in the Artsupport mentoring programme, providing invaluable support to attract more major gifts to our newly created Creative Development Fund. There have been initial donations across all areas to date. It is estimated that the donations budget line will increase by a minimum of 100% to \$180,000 in 2010.

Business Plan 2010–12

With additional funding from the Australia Council, a comprehensive assessment of our position was undertaken to assist in developing a new and detailed Business Plan 2010 – 12, including a risk register and management plan. The Business Plan was submitted to the funding agencies in September 2009. KPMG were also engaged to do a review and assessment of Black Swan's financial budgets – this report is still being finalised and will assist in looking at future trends.

The accompanying budgets for 2010–12 included increases in corporate sponsorship, fundraising and box office, in line with a new business development focus by Black Swan's Board and management and the imminent move to the State Theatre Centre.

Management and Staff

The immediate financial situation impacted on management and staff with interim measures taken that contributed to increased workload and stress during 2009. A number of significant changes were made in relation to management staff. With the support of the funding agencies, a new Fundraising Manager was engaged mid-year. A new team has now settled in place with a commitment to the implementation of Black Swan's new vision and mission. Increased salary levels, the introduction of a new staff development system with a focus on professional development were changes introduced in 2009.

Relocation to State Theatre Centre of WA

At the time of writing, Black Swan continues its preparations to relocate to the State Theatre Centre of WA by mid September 2010. The venue will be officially opened in December and programming will commence with the 2011 Perth Festival. A new storage facility has been leased in Bayswater to co-locate all sets, props, costumes and archives. Black Swan is negotiating to lease a space for a wardrobe making facility, in close proximity to the Centre.

Black Swan Staff 2009

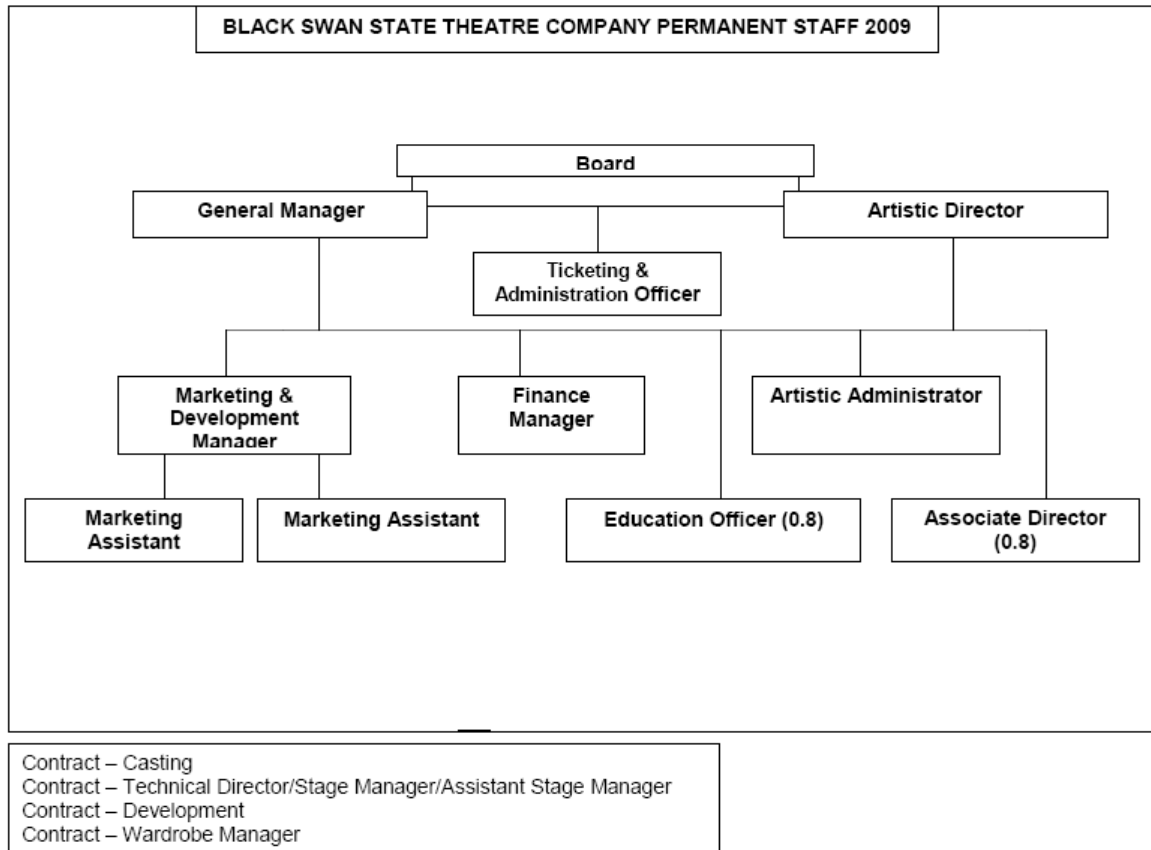
Artistic Director	Kate Cherry
General Manager	Keith Venning (interim until February)
	Shane Colquhoun (from March)
Marketing and Development Manager	Nancy Hackett
Development Manager	Estelle Hajigabriel (from July)
Artistic Administrator	Pippa Davis (until November)
Artistic Co-ordinator	Chantelle Iemma (from November)
Production Manager	Andrew Earle (until April)
	Ashley Page (from November)
Finance Manager	Amanda Luke
Education Manager	Alena Tompkins
Associate Director	Adam Mitchell
Ticketing and Administration Officer	Chantelle Iemma (until November)
	Fleur Hardy (from December)
Marketing Coordinator	Madolyn Grove (from August)
Marketing Assistant	Madolyn Grove
	Kathleen White (until July)
	Emmet Butler (from August to October)
	Kerry Miller (from November)
Wardrobe Manager	Sacha Maboub (from May to December)

Arts Angel Volunteers

Evelyn Broad, Di Campbell, Veronica Fitzpatrick, Joy Flower, Brian Heller, Chlo Hodge, Ishbelle Johnstone, Lorna Lachlan, Fay Thurling, Margrit Weuger, Peggy MacIver, Graham Dahl, Cathy Penglis, Tania Hudson, Chloe Bartle, Kathryn McGarvey.

KEY ANNUAL KPIs 2009				
ARTISTIC VIBRANCY	MEASURE	2009	Comment	2008
Diversity in programming, with 'excellence' the key driver	Mainhouse/HotBed productions Net Promoter Score	6/2 35%	The Sapphires moved to PIAF & national tour 2010	6/2 Plus 1 x presenter NA
Commissioning new works by Australian writers	Production of new Black Swan commissioned work	1	The Web	1 (Jandamarra)
	Creative Developments	2	Focus on development	2
	New Commissions	0		5
Industry leadership & collaboration with other arts companies and organisations	Co-production partnerships with national and/or WA producers	2	QTC & Hothouse Theatre	2 WA
Engagement of outstanding performers, directors, designers, and other 'creatives'	Engagement of WA & national artists and creatives (Mainstage and Hotbed)	80		82 (does not include presenter work)
ACCESS				
Programming annual seasons with broad audience appeal (Mainhouse & Hotbed)	Paid ticket sales: no & % capacity Total attendances (includes sponsors, staff, VIPs)	21,472/52% 27,996/67%		26,228/53% 32,597/66%
Strengthening audience loyalty	No of Subscribers Retention rate	1,011 70%	41% increase	716 65%
Increasing access across the broader community through a significant education and community based program	Regional WA tour Tour total attendances Multi-state national tour Schools attendances Community and education-workshop attendances	14 centres, 8 remote 1,610/37% No tour 4,074/19% 1,110	YOMT Tour	5 centres, 0 remote 902/56% No tour 4,790/18% NA
FINANCIAL VIABILITY				
Significantly increased earned income	Box office Sponsorship Donations (\$ & % income)	\$761K (23%) \$343K (10%) 98K (3%)		\$840K (26%) \$365K (11%) 124K (4%)
Maintenance of adequate reserves	End of Year Surplus Rebuild Reserves Reserves % of turnover	\$67K \$33K 1%		(\$436K) (\$34K)

2009 ORGANISATIONAL STRUCTURE



DIRECTORS' REPORT

The Directors present their report together with the financial statements of Black Swan State Theatre Company Limited ("the Company") for the financial year ended 31 December 2009.

Directors:

The names of the Directors of the Company at any time during the financial year are:

Samuel Maurice Cossart Walsh (Chair, Appointed 31 March 2009)
Andrew Stephen Drayton (Deputy Chair, Appointed 20 January 2009)
Duncan St John Ord (Deputy Chair, Appointed 31 March 2009)
Craig Yaxley (Treasurer, Appointed 18 May 2009)
Robert Leslie McKenzie
Vicky-Lynne Robinson (Appointed 20 January 2009)
Kathleen Jessica O'Hara (Appointed 12 May 2009)
Alan John Cransberg (Appointed 20 May 2009)
Professor Alan David Robson (Appointed 31 March 2009)
Richard Duldig (Resigned 1 June 2009)
Anthony Hayes Douglas-Brown (Resigned 22 June 2009)
Jennifer Grove (Resigned 19 February 2009)
Professor Izan Hy Izan (Resigned 1 June 2009)
Robin Pascoe (Resigned 31 March 2009)

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

Principal Activities

The principal activities of the Company during the financial year consisted of the staging of theatre productions and development of all associated arts. No significant change in the nature of these activities occurred during the year.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which 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 of operations

Likely developments in the operations of the Company 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 Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Insurance of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings on behalf of the Company

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 Company is limited by guarantee. If the Company were to wind up, the liability of the members is limited to two dollars as per the Articles of Association.

Information on Directors

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

Sam Walsh (Appointed 31 March 2009)

Chairman

Chief executive of Iron Ore Group Rio Tinto since 2004. Joined Rio Tinto in 1991; chief executive aluminium group for three years from 2001. Prior to Rio Tinto, worked for 20 years in the automotive industry at General Motors and Nissan Australia. In 2001, was awarded an Australian Export Hero and Western Australian Citizen of the Year – Industry & Commerce. Director of Rio Tinto Limited, Rio Tinto plc and West Australian Newspapers; Chair of WA Chapter, Australia Business Arts Foundation. Patron of State Library Foundation and a Patron of UWA Hackett Foundation. In 2010 was awarded Honorary Doctor of Commerce, Edith Cowan University.

Duncan Ord (Appointed 31 March 2009)

Deputy Chair Member of Marketing & Development Committee

Executive Director Department of Indigenous Affairs (Regional Outcomes), senior public servant for past seven years, previously 30 years in the Arts industry including eight years at the WA Academy of Performing Arts and four years as General Manager Black Swan Theatre. Fives years as member of the Performing Arts Board of the Australia Council. Previous Chairman of Spare Parts Puppet Theatre, Skadada dance circus.

Andrew Drayton (Appointed 20 January 2009)

Deputy Chair Member of Finance Committee

General Manager – Procurement Rio Tinto. Currently responsible for all procurement and supply chain activities supporting Rio Tinto operations in Western Australia. Graduate of the Royal Military College, Duntroon with 15 years of service as an officer in the Australian Regular Army serving in Australia, the United Kingdom and Germany. Experience since leaving the Army includes line management and management consulting roles with companies like Booz-Allen and Hamilton, Kellogg Brown and Root, and Rio Tinto, operating in Sydney, London, Budapest and Perth. Qualifications - Bachelor of Science (with Honours) and a Masters of Strategic Studies

Craig Yaxley (Appointed 18 May 2009)

Treasurer Chair of Finance Committee

Tax partner with KPMG since 1994 with over 25 years corporate tax experience. Fellow of the Taxation Institute of Australia and Associate of the Institute of Chartered Accountants in Australia. Executive Councillor and Treasurer of the Association of Mining and Exploration Companies Inc and previously Treasurer of the Friends of the Ballet (WA).

Robert McKenzie

Oversight of legal issues Member of Marketing & Development Committee

Director of McKenzie Moncrieff Lawyers. Former partner with major national law firm and predecessors for 22 years. Over 20 years experience in legal aspects of state funded theatre companies. Former director for 10 years of Indian Pacific Ltd and West Coast Eagles. Was a member appointed by Federal Attorney-General and Treasurer to review Insolvency Practitioners and Controllers and was a member of the Federal Government Non Government Schools Funding Review Committee. Taught part time at UWA for 10 years. Former National Chair of Law Council of Australia Insolvency and Reconstruction Law Committee and past Chair of Law Society of WA Commercial Lawyers Committee. Is a director of Mundo Minerals Ltd

Alan Cransberg (Appointed 20 May 2009) Member

Appointed Managing Director, Alcoa of Australia on February 1, 2008. Accountable for Alcoa's interests in the Australian region, with responsibility for the bauxite mines, alumina refineries and aluminium smelters in Australia. Responsible for best practice knowledge sharing and equipment/technology development for Alcoa's global refining and mining system. Alan is also a Vice President of Alcoa Inc. From December, 2004, Alan was President, Global Manufacturing for Alcoa's Global Primary Products group based in New York, with responsibility for the company's mining, smelting and refining operations in the US, Canada, Brazil, Australia, Surinam, Europe and Jamaica. He also served as chair of Alcoa's Employee Relations Council in the US. Alan began his Alcoa career after graduating in 1980 from the University of Western Australia with an honours degree in Civil Engineering.

Kate O'Hara (Appointed 12 May 2009) Chairman, Marketing & Development Committee

Marketing career began in the late 1980s and expands across many sectors including retail, tourism, construction, mining and finance. After starting with JMG Marketing, and then spending four years in Singapore, she returned to Perth as Group Account Director and a Senior Manager with The Shorter Group. After several years as State Manager for The Capital Group, and following the creation of Intersect Communications consultancy, she now oversees Hawaiian's communications strategy across all aspects of the company's business as its General Manager of Marketing and PR. Committee member of The 500 Club.

Vicki-Lynne Robinson (Appointed 20 January 2009) Member Oversight of the artistic peer review process

Legal Counsel with Wesfarmers Limited. General Manager of Energy Generation Pty Ltd, part of Wesfarmers Energy from 2007 to 2009 (prior to going on maternity leave), Legal Counsel with Wesfarmers Limited from 2003 to 2007 and Solicitor and then Senior Associate with Clayton Utz between 1998 and 2003. Holds a Bachelor of Laws and a Bachelor of Commerce from UWA.

Professor Alan Robson (Appointed 31 March 2009) Member

Vice-Chancellor University of Western Australia since 2004. Deputy Vice-Chancellor and Provost from 1993. Currently the Hackett Professor of Agriculture. Fellow of the Australian Academy of Technological Sciences and Engineering and the Australian Institute of Agricultural Science. Member of the Board of Directors of the Australian Vice-Chancellors' Committee. Awarded the Australian Medal of Agriculture Science. Professor Robson is a Member of the Order of Australia.

Richard Duldig (Resigned 1 June 2009)
Formerly Deputy Executive Director, Training and Development Services, The Australian Institute of Management.

Tony Douglas Brown (Resigned 22 June 2009)
Director of Grant Thornton Perth, Chartered Accountants. Over fifteen years experience in financial aspects of Arts Organisations. Previously acted as Treasurer of other major Arts Organisations and former member of the Major Organisations Fund of the Australia Council.

Professor Izan (Resigned 1 June 2009)
Professor Izan Izan is currently Professor of Accounting and Finance, and Deputy Dean, at UWA's Business School. Previously Executive Dean at the Division of Business, IT and Law at Murdoch University.

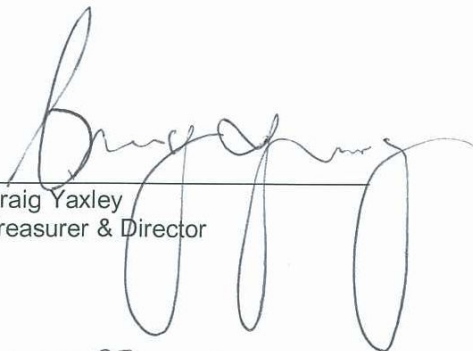
Robin Pascoe (Resigned 31 March 2009)
Senior Lecturer in the School of Education at Murdoch University; Chair of the Drama Syllabus Committee and Chief Examiner for Drama for the WA Curriculum Council; member of Executive of Drama Australia, the National Association for Drama Education; Chair of the Western Australian Youth Theatre Company; Co-Director of the *National Review of Music Education* (DEST); Research Team member of the *National Review of Visual Education* (OZCO/DEST).

Jennifer Grove (Resigned 19 February 2009)
Executive search senior Consultant with Gerard Daniels. Previously Adviser to the Commonwealth Attorney-General and political journalist with The West Australian. Associate Member of the Australian Institute of Management. Holds a BA in Politics and History.

During the financial year, 7 Board Meetings and 6 Finance Committee meetings were held. Attendance was as follows:

Directors	Board Meetings		Finance Committee Meetings	
	No. Eligible to Attend	Attended	No. Eligible to Attend	Attended
Sam Walsh	6	5	N/A	N/A
Andrew Drayton	7	6	5	5
Duncan Ord	6	4	N/A	N/A
Craig Yaxley	4	2	4	4
Robert McKenzie	7	6	N/A	N/A
Vicki-Lynne Robinson	7	3	N/A	N/A
Kate O'Hara	5	3	N/A	N/A
Alan Cransberg	4	3	N/A	N/A
Professor Alan Robson	6	1	N/A	N/A
Richard Duldig	3	3	N/A	N/A
Tony Douglas-Brown	3	2	2	2
Professor Izan Izan	3	3	2	2
Robin Pascoe	1	1	N/A	N/A
Jennifer Grove	1	1	N/A	N/A

Signed in accordance with a resolution of the Board of Directors



Craig Yaxley
Treasurer & Director

Dated this 25 day of March 2010
Perth, Western Australia

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 \$	2008 \$
Revenues from ordinary activities	2,3	3,341,135	3,181,372
Other income		-	-
		<u>3,341,135</u>	<u>3,181,372</u>
Production and theatre expenses		(2,112,099)	(2,463,466)
Administration expenses		(1,130,698)	(1,115,102)
Other expenses from ordinary activities	4	<u>(31,020)</u>	<u>(38,931)</u>
Profit /(Loss) from ordinary activities before income tax expense	4	67,318	(436,127)
Income tax expense relating to ordinary activities	1(a)	-	-
Net Profit /(Loss) from ordinary activities after income tax		<u>67,318</u>	<u>(436,127)</u>
Net Profit /(Loss) for the year		<u>67,318</u>	<u>(436,127)</u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash assets	5	381,560	244,926
Receivables	6	210,521	301,020
Other	7	315,515	127,204
TOTAL CURRENT ASSETS		907,596	673,150
NON-CURRENT ASSETS			
Property, plant and equipment	8	25,030	48,374
TOTAL NON-CURRENT ASSETS		25,030	48,374
TOTAL ASSETS		932,626	721,524
CURRENT LIABILITIES			
Payables	9	827,604	713,080
Provisions	10	71,859	42,599
TOTAL CURRENT LIABILITIES		899,463	755,679
TOTAL LIABILITIES		899,463	755,679
NET ASSETS		33,163	(34,155)
EQUITY			
Retained profits	11	33,163	(34,155)
TOTAL EQUITY		33,163	(34,155)

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2009**

	2009	2008
	\$	\$
CHANGES IN EQUITY		
Equity at beginning of the financial year	(34,155)	401,972
Net operating result	67,318	(436,127)
Equity at end of the financial year	<u>33,163</u>	<u>(34,155)</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 \$	2008 \$
Cash flow from operating activities			
Receipts from ticket sales		845,382	668,560
Receipts from grants, sponsorships and donations		2,352,526	2,333,930
Payments to suppliers and employees		(3,417,537)	(3,322,461)
Interest received		22,736	29,998
Other revenue		341,203	123,000
Net cash provided by/(used in) operating activities	14(ii)	144,310	(166,973)
Cash flow from investing activities			
Proceeds from sale of plant and equipment		-	-
Payments for plant and equipment		(7,676)	(50,931)
Net cash (used in) investing activities		(7,676)	(50,931)
Net increase/(decrease) in cash held		136,634	(217,904)
Cash at the beginning of the financial year		244,926	462,830
Cash at the end of the financial year	5	381,560	244,926

The accompanying notes form part of these financial statements.

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Black Swan State Theatre Company Limited has adopted AIFRS.

Black Swan State Theatre Company Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values. Cost is based on fair values of the consideration given in exchange for assets.

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

(a) Income Tax

The Company is a non-profit organisation primarily operating for the encouragement of the Arts and is therefore exempt from tax under section 50-45 of the *Income Tax Assessment Act 1997*.

(b) Property, Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the amount of service of those assets in their remaining lives.

Depreciation is provided on equipment on the diminishing value basis at rates calculated to allocate the cost of the assets over their estimated useful lives. Estimates of remaining useful lives are reviewed on an annual basis.

Class of Fixed Assets	Depreciation Period	Depreciation Method
Plant & Equipment	2 – 10 years	Diminishing value
Motor Vehicles	3 – 5 years	Diminishing value

(c) Employee Entitlements

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees as at balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

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

(d) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Revenue

Grant income is accounted for on an accruals basis. Specific purpose grants received in the current year relating to activities to be conducted in subsequent periods are treated as unexpended grants carried forward. They are recognised in the statement of financial performance once they are applied in accordance with the specific purpose of the grants. Revenue on ticket sales is recognised when the related production has taken place.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) Production Prepayments

Significant costs incurred in respect of productions which are scheduled to be staged in subsequent years are recorded as prepayments and are expensed in the year that the productions are held, subject to the Directors being satisfied that such costs are certain of being recouped against future revenue.

(h) Changes in accounting policies

There have been no changes in accounting policies.

(i) Comparatives

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

(j) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether other assets are acquired. Cost is measured at the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

(k) Receivables

All debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition. The collection of debtors is reviewed on an ongoing basis and debts that are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(l) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 45 days.

(m) Leases

The cost of leasehold improvements is amortised over the unexpired period of the lease, which is currently 5 years. Operating lease payments are charged to the income statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) has adopted IFRS for application to reporting periods beginning on or after 1 January 2006.

The company has adopted AIFRS.

(o) Impairment of Assets

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

When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The company has reassessed its impairment testing policy and tested all assets for impairment at 31 December 2009.

No material write downs occurred during the year. No assets have been assessed as impaired due to obsolescence and/or physical damage.

(p) Adoption of New and Revised Accounting Standards

During the current year, the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and impact on the company's financial statements.

Disclosure impact

Terminology changes – The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity – The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income.

Statement of comprehensive income – The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income.

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
2 REVENUE		
Revenue from operating activities		
Trading activities		
- Box office sales	761,552	840,336
- Programme sales	7,584	11,423
- Other production income	95,126	-
	<u>864,262</u>	<u>851,759</u>
Grants, sponsorships and donations		
- Australia Council (Note 3)	537,682	359,873
- Department of Culture and the Arts WA (Note 3)	1,432,508	1,324,882
- Healthway sponsorship	15,000	-
- Other sponsorship	328,182	365,227
- Donations	97,820	123,588
	<u>2,411,192</u>	<u>2,173,570</u>
Sub-total revenue from operating activities	<u>3,275,454</u>	<u>3,025,329</u>
Revenue from outside operating activities		
- Interest	22,736	29,998
- Sundry income	42,945	126,045
	<u>65,681</u>	<u>156,043</u>
Total revenue from ordinary activities	<u>3,341,135</u>	<u>3,181,372</u>

3 GRANTS

	Grants Income Received this Year	Grant Expenditure this Year (Net Grant Income)	Unexpended Grants carried forward to next financial year
Australia Council			
MPAB Base Grant	336,070	336,070	-
Transition Planning Grant	175,118	175,118	-
Strategic & Business Planning Grant	30,000	15,330	14,670
Creative Professional Grant	19,000	11,164	7,836
Australia Council Total	<u>560,188</u>	<u>537,682</u>	<u>22,506</u>
State Arts			
Base Grant	1,252,200	1,252,200	-
Development Manager Grant	80,000	30,308	49,692
Touring Grant	150,000	150,000	-
Department of Culture and the Arts Total	<u>1,482,200</u>	<u>1,432,508</u>	<u>49,692</u>
TOTAL GRANTS	<u>2,042,388</u>	<u>1,970,190</u>	<u>72,198</u>

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 \$	2008 \$
4 PROFIT /(LOSS) FROM ORDINARY ACTIVITIES		
Profit /(Loss) from ordinary activities before income tax has been determined after deducting the following specific expenses:		
Amortisation of leasehold improvements	-	385
Depreciation of plant & equipment	31,020	38,546
Gain on the sale of plant & equipment	-	-
Rental expense relating to operating leases	35,267	40,042
Remuneration of auditor (Parkinson & Co) – audit services	10,650	7,350
	<hr/>	<hr/>
5 CASH ASSETS		
Cash at bank and on hand	381,560	244,926
	<hr/>	<hr/>
6 RECEIVABLES		
Trade debtors	209,854	202,485
Other debtors	667	98,535
	<hr/>	<hr/>
	210,521	301,020
	<hr/>	<hr/>
7 OTHER ASSETS		
Production prepayments	251,133	87,388
General Prepayments	57,470	30,579
Bond/Deposits Paid	6,912	9,237
	<hr/>	<hr/>
	315,515	127,204
	<hr/>	<hr/>
8 PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment – at cost	201,377	193,701
Less: Accumulated depreciation	(178,649)	(148,480)
	<hr/>	<hr/>
	22,728	45,221
	<hr/>	<hr/>
Motor Vehicles – at cost	10,909	10,909
Less: Accumulated depreciation	(8,607)	(7,756)
	<hr/>	<hr/>
	2,302	3,153
	<hr/>	<hr/>
Leasehold improvements – at cost	58,181	58,181
Less: Accumulated amortisation	(58,181)	(58,181)
	<hr/>	<hr/>
	0	0
	<hr/>	<hr/>
Total property, plant & equipment	25,030	48,374
	<hr/>	<hr/>

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$
Balance at the beginning of the year	45,221	3,153	0	48,374
Additions	7,676	-	-	7,676
Disposals				
Depreciation & amortisation expense	(30,169)	(851)		(31,020)
Carrying amount at the end of the year	<u>22,728</u>	<u>2,302</u>	<u>-</u>	<u>25,030</u>

9 PAYABLES

	2009	2008
	\$	\$
Trade creditors	102,404	199,200
Other creditors	257,207	204,516
Unexpended Grants carried forward	72,198	150,000
Income in advance - Sponsorships	230,341	159,364
Income in advance - Productions	165,454	-
	<u>827,604</u>	<u>713,080</u>

10 PROVISIONS

Employee entitlements	<u>71,859</u>	<u>42,599</u>
Number of employees at year end	<u>10</u>	<u>10</u>

11 CONTRIBUTED EQUITY

The Company is limited by guarantee and as such has no share capital. In the event of winding up or dissolution of the Company, the liability of the members of the Company is limited to two dollars.

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

12 REMUNERATION AND RETIREMENT BENEFITS

There has been no income paid or payable to any director of the Company by the Company and any related parties.

13 SEGMENT REPORTING

The Company operates predominantly in one business and geographical segment being staging of theatre and development of all associated arts within Australia.

14 NOTES TO STATEMENT OF CASH FLOWS

	Notes	2009 \$	2008 \$
(i) Reconciliation of Cash			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash at bank and on hand	5	381,560	244,926
(ii) Reconciliation of cash flow from operations with (loss)/profit from ordinary activities after income tax			
Net profit /(loss)/from ordinary activities after income tax		67,318	(436,127)
Add / (less) non-cash items:			
- Depreciation & amortisation	4	31,020	38,931
- Net (gain)/loss on sale of plant and equipment	4		-
Net cash (used in)/provided by operating activities before change in assets and liabilities		98,338	(397,196)
Changes in operating assets and liabilities during the financial year:			
- Decrease/(Increase) in trade debtors and receivables	6	90,499	(253,858)
- (Increase)/Decrease in other assets	7	(188,311)	39,917
- Increase in creditors and other payables	9	114,524	442,249
- Increase in provisions	10	29,260	1,915
Net changes in operating assets and liabilities		45,972	230,223
Net cash provided /(used in) by operating activities		144,310	(166,973)

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

15 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the range of interest rates on those financial assets and financial liabilities, is as follows:

	Floating Interest Rate \$		Fixed Interest Rate \$		Non-Interest Bearing \$		TOTAL \$	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial Assets								
- Cash at Bank	374,507	242,140	-	-	7,053	2,786	381,560	244,926
- Other Receivables	-	-	-	-	210,521	301,020	210,521	301,020
	<u>374,507</u>	<u>242,140</u>	<u>-</u>	<u>-</u>	<u>217,574</u>	<u>303,806</u>	<u>592,081</u>	<u>545,946</u>
Financial liabilities								
- Payables	-	4,313	26,306	-	801,298	708,767	827,604	713,080
	<u>-</u>	<u>4,313</u>	<u>26,306</u>	<u>-</u>	<u>801,298</u>	<u>708,767</u>	<u>827,604</u>	<u>713,080</u>
Net Financial Assets	<u>374,507</u>	<u>237,827</u>	<u>(26,306)</u>	<u>-</u>	<u>(583,724)</u>	<u>(404,961)</u>	<u>(235,523)</u>	<u>(167,134)</u>

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

(c) Net Fair Values

The carrying amount of bank accounts and accounts payable approximate net fair value. The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to and forming part of the accounts.

16 EVENTS SUBSEQUENT TO REPORTING DATE

At the date of this report, no matter or circumstances have arisen since the financial year ended 31 December 2009 that has significantly affected, or may significantly affect the company's operations; or the results of those operations; or the company's state of affairs.

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

17 CONTINGENT LIABILITIES AND OPERATING LEASES

The Company does not have any contingent liabilities for the financial year ended 31 December 2009 (2008 - \$NIL).

OPERATING LEASES

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2009	2008
	\$	\$
Masonic Hall Rent		
Within 1 year	-	-
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Photocopier Rental		
Within 1 year	5,227	5,227
Later than one year but not later than 5 years	2,178	7,405
Later than 5 years	-	0
	<u>7,405</u>	<u>12,632</u>

18 ECONOMIC DEPENDENCY

The company depends for a significant volume of revenue on the Australian Federal Government and the State Government of Western Australia. During the year ended 31 December 2009, approximately 59% (2008: 53%) of the company's revenue was sourced from government funding.

19 COMMITMENTS FOR EXPENDITURE

The company has no commitments as at 31 December 2009.

20 REMUNERATION OF DIRECTORS

No income has been paid or is payable, or has otherwise been made available to directors by the company in connection with the management of affairs of the company. No retirement benefits have been paid or are payable to any director.

21 RELATED PARTIES

a) Details of Key Management Personnel

Key Management Personnel has been taken to comprise the directors and members of the executive management responsible for the day to day financial and operational management of the company.

Directors

Sam Walsh (Appointed 31 March 2009) Chairman **Andrew Drayton** (Appointed 20 January 2009) Deputy Chairman **Duncan Ord** (Appointed 31 March 2009) Deputy Chairman **Craig Yaxley** (Appointed 18 May 2009) Treasurer **Rob McKenzie Alan Cransberg** (Appointed 20 May 2009) **Kate O'Hara** (Appointed 12 May 2009) **Vicky-Lynn Robinson** (Appointed 20 January 2009) **Professor Alan Robson** (Appointed 31 March 2009) **Richard Duldig** (Resigned 1 June 2009) **Tony Douglas-Brown** (Resigned 22 June 2009) **Professor Izan Izan** (Resigned 1 June 2009) **Robin Pascoe** (Resigned 31 March 2009) **Jennifer Grove** (Resigned 19 February 2009)

**NOTES TO AND FORMING PART OF
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

21 RELATED PARTIES (CONTINUED)

Executive Management

Shane Colquhoun General Manager (Appointed 3 March 2009) **Katherine Cherry** Artistic Director

b) Compensation of Key Management Personnel

	2009	2008
	\$	\$
Short-term employee benefits	179,538	162,466
Post employment benefits	16,158	13,283
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-

Loans to directors and director-related entities

There were no loans to directors or director-related entities during the year.

Black Swan State Theatre Company Limited
ACN 053 092 961

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 6 to 19:

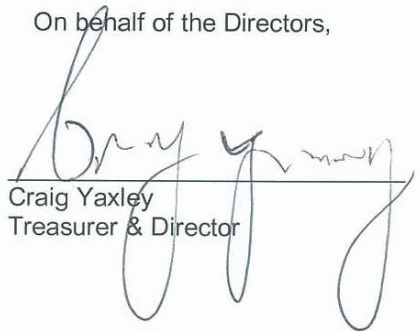
- a) Comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) Give a true and fair view of the company's financial position as at 31 December 2009 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on 31 December 2009.

In the directors' opinion:

- a) The financial statements and notes are in accordance with the *Corporations Act 2001*; and
- b) There are reasonable grounds to believe that the company will be able to pay all its debts as and when they become due and payable

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

On behalf of the Directors,



Craig Yaxley
Treasurer & Director

Dated this 25 day of March 2010
Perth, Western Australia



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BLACK SWAN STATE THEATRE COMPANY LIMITED

We have audited the accompanying financial report of Black Swan State Theatre Company Limited (the company) which comprises the statement of financial position as at 31st December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors declaration.

The Responsibility of the Directors 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 Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls 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

Auditors Responsibility

Our responsibility is to express an opinion on the financial report is 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 judgment, 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 audit procedures that are appropriate in the circumstances, but not for expressing an opinion on 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 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 Corporation Act 2001, provided to the directors of Black Swan State Theatre Company Limited on 31st December 2009, would be in the same terms if provided to the directors as at the date of this auditors report.

Audit Opinion

In our opinion, the financial report of Black Swan State Theatre Company Limited is in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the financial position of Black Swan State Theatre Company Limited as at 31 December 2009, and of its performance for the year ended on that date, and
- complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001

Parkinson Audit Services

L R Stagoll
Partner
At Perth, 26 March 2010