



**BRISBANE POWERHOUSE FOUNDATION
Financial Report for the year ended 30 June 2016**

**STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30 June 2016**

Note	2016 \$	2015 \$
REVENUE		
Donations & contributions	236,676	145,138
Grants	142,395	194,500
Interest	13,396	13,527
Program revenue	624,494	509,579
Total Revenue and Other Income	1,016,961	862,744
EXPENSES		
Bank fees	651	429
Artist fees and show costs	1,003,825	849,131
Total Expenses	1,004,476	849,560
OTHER COMPREHENSIVE INCOME		
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	12,485	13,184

**STATEMENT OF FINANCIAL POSITION
As at 30 June 2016**

	2016 \$	2015 \$
CURRENT ASSETS		
Cash & cash equivalents	325,745	433,607
Receivables	270,363	277,843
Other assets	70,189	-
Total Current Assets	666,297	711,450
CURRENT LIABILITIES		
Payables	151,088	245,430
Deferred income	312,218	275,514
Total Current Liabilities	463,306	520,944
NET ASSETS	202,991	190,506
UNITHOLDER'S FUNDS		
Unitholder's interests	10	10
Undistributed surplus/(deficit)	202,981	190,496
Total Unitholder's Funds	202,991	190,506

The above statements should be read in conjunction with the notes and summary of significant accounting policies.



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CASH FLOW STATEMENT

	Note	2016 \$	2015 \$
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
Receipts from			
Donations & contributions		51,676	25,138
Grants		142,395	169,500
Interest revenue		12,823	12,638
Program ticket sales		584,246	477,444
Payments to suppliers		(823,577)	(468,031)
GST received from the ATO		(75,425)	(120,779)
Net Cash Flows (used in) from Operating Activities	6	(107,862)	95,910
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		433,607	337,697
Cash and Cash Equivalents at the End of the Period		325,745	433,607

STATEMENT OF CHANGES IN EQUITY

For year ended 30 June 2016	Unitholder Interest \$	Accumulated Surplus \$	Total \$
Opening balance	10	190,496	190,506
Comprehensive income for year	-	12,485	12,485
Balance at end of period	10	202,981	202,991

For year ended 30 June 2015	Unitholder Interest \$	Accumulated Surplus \$	Total \$
Opening balance	10	177,312	177,322
Comprehensive income for year	-	13,184	13,184
Balance at end of period	10	190,496	190,506

The above statements should be read in conjunction with the notes and summary of significant accounting policies.



**BRISBANE POWERHOUSE FOUNDATION
Financial report for the year ended 30 June 2016**

Notes to and forming part of the financial statements

1. Reporting entity

a) Trust information

Brisbane Powerhouse Foundation (the Trust) is a charitable trust and was established pursuant to a Trust Deed dated 4 November 2008 (the Deed). The financial report of the Trust for the year ended 30 June 2016 was authorised for issue by Brisbane Powerhouse Pty Ltd (the Trustee) on 26 September 2016.

The registered office of the Trustee is 119 Lamington Street, New Farm Qld 4005.

In accordance with the Deed, the Trust was established exclusively for the furtherance of the Trust's Purposes. The Trust's Purposes are:

- to lead arts practice and innovation in arts practice in Brisbane and Australia;
- to promote, encourage, produce and present artistic programs, including performing and visual arts, with a repertoire that is local, national and international;
- to promote knowledge, understanding and enjoyment of the arts and public participation and interest in the arts;
- to provide an environment in which the public can gather to experience the performing arts and which symbolises Brisbane's cultural achievements and reputation; and
- to provide or assist in providing suitable facilities, equipment, resources and expertise in the furtherance of the above Purposes and to erect, acquire or maintain such facilities, equipment or resources necessary to carry out the Purposes.

The Trust is controlled by the Trustee, Brisbane Powerhouse Pty Ltd.

b) Operating results

For the year ending 30 June 2016 the Trust has made an accounting surplus of \$12,485. (2015: surplus of \$13,184). The Brisbane Powerhouse Presents Program is conducted in the Trust. The Trust's Deductible Gift Recipient status and Charity Endorsement support the Brisbane Powerhouse Presents Program by attracting grants and philanthropic donations.

2. Summary of accounting policies

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations, the requirements of the Trust Deed dated 4 November 2008 and interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

The financial statements have been prepared on an accruals basis and, except as stated, in accordance with the principles of historical cost.

The financial statements are presented in Australian dollars rounded to the nearest dollar. Consequently, rounded balances in the notes may not agree exactly to the primary statements. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.



BRISBANE POWERHOUSE FOUNDATION
Financial report for the year ended 30 June 2016

Notes to and forming part of the financial statements

2. Summary of accounting policies (continued)

b) Statement of compliance

The financial report complies with Australian Accounting Standards. An assessment of revised and new accounting standards has been made. The Trust has chosen not to early adopt Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Trust has reviewed accounting standards which became effective on 1 July 2016 and these will have no material effect on the financial statements. Brisbane Powerhouse is still reviewing the way that revenue is measured and recognised to identify whether *AASB 15 Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified. AASB 15 is effective from 1 January 2018 and will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers. Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have material impacts on the financial statements.

The preparation of the financial statements requires the determination and use of certain critical accounting estimates and management assumptions that have potential to cause a material adjustment to the carrying amount of assets and liabilities within the financial year. Such estimates, judgements and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following accounting policies and subsequent notes.

c) Revenue

Revenue is recognised when the Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Grants

Non-reciprocal grants are brought to account in the statement of comprehensive income when received. Reciprocal grants are initially recognised as deferred income and subsequently in the statement of comprehensive income at the time the obligation is fulfilled.

Interest

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Donations and contributions

All donations are brought to account as received. Contributions are recognised as income when the Trust obtains control of the contribution and the amount can be measured reliably. No amounts are included in the financial statements for services donated by volunteers.

Program revenue

Program revenue is recognised upon the final performance of the show for which the tickets have been sold.



BRISBANE POWERHOUSE FOUNDATION
Financial report for the year ended 30 June 2016

Notes to and forming part of the financial statements

2. Summary of accounting policies (continued)

d) Expenses

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and cash flow statement comprise cash at bank and in hand. For the purposes of the cash flow statements cash and cash equivalents consist of cash and cash equivalents as defined above.

f) Receivables

Receivables comprise amounts due from Brisbane Powerhouse Pty Ltd, interest earned and net recoverable GST from the ATO. Normal terms of settlement are 30 days.

The collectability of debts is assessed on an ongoing basis, including at period end, with allowance being made for impairment. All known bad debts are written off at year end. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs. If an amount is recovered in a subsequent period it is recognised as revenue.

g) Payables

Payables represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The amount of the creditors and payables is deemed to reflect fair value.

h) Deferred income

Deferred income is the unutilised amounts of tickets sales received for shows on the condition that the specified show is delivered. The shows are usually delivered within six months of receipt of these monies.

i) Taxation

Income tax

The Trust is endorsed to access income tax exemption under Subdivision 50-B of the Income Tax Assessment Act 1997. The Foundation is an endorsed charity and holds deductible gift recipient status.

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 which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables. Cash flows are included in the Cash Flows Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.



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Notes to and forming part of the financial statements

2. Summary of accounting policies (continued)

The Foundation provides GST Free Ticket Sales for every season of performances that meets the requirements under paragraph 38-250(2)(b)(ii) of the GST Act. The calculation for each season of performances is made in accordance with the Australian Taxation Office methodology provided in the 'Summary of GST Treatment of supplies by organisations in the cultural and performing arts sector'.

j) Financial assets and financial liabilities

The Foundation recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Foundation becomes a party to the contractual provisions of the instrument. The Foundation has categorised and measured the financial assets and financial liabilities held at balance date as follows;

Financial assets

- Cash and cash equivalents
- Receivables – measured at amortised cost (Note 4)

Financial liabilities

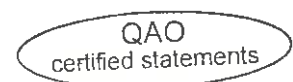
- Payables – measured at amortised cost

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

The fair value of cash and cash equivalents and financial liabilities approximate their carrying amount and are not disclosed separately. The fair value of trade receivables approximates the amortised cost less any impairment. The value of payables approximates their cost. The Foundation does not recognise financial assets or financial liabilities at fair value in the statement of financial position. All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 5.

3. Revenue

	2016	2015
	\$	\$
Grants	142,395	194,500
Donations & contributions		
Contributions	185,000	120,000
Foundations	16,000	-
Individual donors	35,676	25,138
Interest	13,396	13,527
Program revenue		
Net ticket sales	604,543	506,768
Other program revenue	19,951	2,811
Total Revenue	1,016,961	862,744





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Notes to and forming part of the financial statements

4. Receivables

	2016	2015
	\$	\$
Financial assets		
Trade debtors	194,365	156,175
Accrued income	573	889
GST receivable	75,425	120,779
Total financial assets	270,363	277,843

5. Financial instruments

a) Financial risk management - objectives and policies

The Trust's financial instruments comprise cash and cash equivalents, receivables and payables. The risks arising from the Trust's financial instruments are interest rate risk, liquidity risk and credit risk. The Trust measures risk exposure using a variety of methods as set out below.

The Trustee has overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the Trust's financial instruments, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits. The Finance and Audit Committee of the Trustee is responsible for monitoring the effectiveness of risk management policies and processes and regularly reviewing risk management policies and systems, taking into account changes in market conditions and the Trust's activities. The Finance and Audit Committee is responsible for developing and monitoring investment policies.

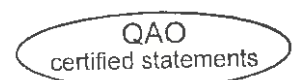
Exposure to financial risk is managed in accordance with the Trustee's policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Trust. The Trustee's policies for managing each of these risks are summarised below. The policies are subject to approval by the Board of the Trustee and are reviewed regularly.

Interest rate risk

The Trust is exposed to interest rate fluctuations on its cash and cash equivalents. The Trust actively monitors interest rates for cash at bank and on deposit to maximize interest income. The Trust uses sensitivity analysis to measure interest rate risk.

Liquidity risk

The Trust manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are maintained. The Trust uses maturity analysis to measure liquidity risk.





**BRISBANE POWERHOUSE FOUNDATION
Financial report for the year ended 30 June 2016**

Notes to and forming part of the financial statements

5. Financial instruments (continued)

Credit risk

Credit risk exposure refers to the situation where the Trust may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

The Trust is exposed to credit risk through its deposits held with banks or other financial institutions and receivables. Funds are deposited only with those banks and financial institutions approved by the Board of the Trustee. Such approval is only given in respect of Australian based banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote. The Trust uses aging analysis to measure credit risk.

b) Fair values

Carrying amounts of financial assets and liabilities recorded in the financial statements represent their net fair values, as determined in accordance with the accounting policies disclosed in Note 2.

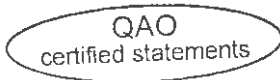
c) Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk as at the reporting date.

	2016	
	6 months or less	Effective interest rate
	\$	%
Financial instruments		
Cash	325,745	1.8
Total financial instruments	325,745	

	2015	
	6 months or less	Effective interest rate
	\$	%
Financial instruments		
Cash	433,607	1.75
Total financial instruments	433,607	

If interest rates were 100 basis points higher then interest earned on investments held at 30 June 2016 would be \$3,257 higher (30 June 2015 \$4,336). If interest rates were 100 basis points lower then interest earned on investments held at 30 June 2016 would be \$3,257 lower (30 June 2015 \$4,336).



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Notes to and forming part of the financial statements

5. Financial instruments (continued)

d) Credit risk

The following table represents the Trust's maximum exposure to credit risk.

	2016 \$	2015 \$
Financial assets		
Cash	325,745	433,607
Receivables - trade	194,938	156,175
Receivables - other	75,425	121,668
Total financial assets	596,108	711,450

	Fully performing \$	Past due less than 30 days \$	Past due 30-60 days \$	Past due greater than 60 days \$	Total \$
Receivables 2016	263,405	500	-	6,458	270,363
Receivables 2015	277,495	348	-	-	277,843

e) Liquidity risk

All financial liabilities are due within 6 months of financial period end.

6. Cash flow information

	2016 \$	2015 \$
Surplus/(deficit) for the period	12,485	13,184
(Increase)/decrease in assets		
Receivables	7,480	223,093
Other assets	(70,189)	
Increase/(decrease) in liabilities		
Payables	(94,342)	(108,232)
Deferred Income	36,704	(32,135)
Net cash flow from operations	(107,862)	95,910



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Notes to and forming part of the financial statements

7. Related party transactions with Brisbane Powerhouse Pty Ltd

During the year Brisbane Powerhouse Pty Ltd donated \$185,000 (2015: \$120,000) to Brisbane Powerhouse Foundation to assist with the presentation of the artistic program which is conducted in the Foundation.

Brisbane Powerhouse Pty Ltd has also provided administrative support to Brisbane Powerhouse Foundation at no charge.

8. Contingent assets and liabilities

There were no significant contingent assets or liabilities at 30 June 2016.

9. Subsequent events

No other matters or circumstances have arisen since 30 June 2016 that will significantly affect or may significantly affect

- a) the Trust's operations in the current and future financial years, or
- b) the result of those operations in the current and future financial year, or
- c) the Trust's stated affairs in the current and future financial year

10. Economic dependency

The Foundation is dependent upon the ongoing support from Brisbane Powerhouse Pty Ltd to ensure the continuance of its artistic program.



Trustee's report for the year ended 30 June 2016

The financial statements for the year ended 30 June 2016 have been prepared by the Trustee, Brisbane Powerhouse Pty Ltd, as required by the Trust Deed dated 4 November 2008.

In the opinion of the Trustee, based on our ongoing program of monitoring the Trust, we believe that:

- (a) the Trust's activities have been conducted in accordance with the Trust Deed dated 4 November 2008;
- (b) the financial report of the Trust set out on pages 1 to 11 complies with Australian Accounting Standards (including Australian Accounting Interpretations) and presents fairly the results and cash flows for the year ended 30 June 2016; and
- (c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Trustee, Brisbane Powerhouse Pty Ltd

David Conry
Chair
26 September 2016
Brisbane

Kevin Griffiths
Director
26 September 2016
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Trustee and Members of Brisbane Powerhouse Foundation

Report on the Financial Report

I have audited the accompanying financial report of Brisbane Powerhouse Foundation, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the directors of Brisbane Powerhouse Pty Ltd for signing the certificate of the trustee.

The Trustee's Responsibility for the Financial Report

The trustee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the trust deed of Brisbane Powerhouse Foundation dated 30 October 2008. The trustee's responsibility also includes such internal control as the trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about 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 audit procedures that are appropriate in the circumstances, but not for the purpose of 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 trustee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with the provisions of the trust deed of Brisbane Powerhouse Foundation, I have audited the financial report of Brisbane Powerhouse Foundation, and –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion the financial report presents fairly, in all material respects, the financial position of Brisbane Powerhouse Foundation as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



J MACGREGOR CPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane