



TRUSTEE'S REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Directors of Brisbane Powerhouse Pty Ltd as Trustee for Brisbane Powerhouse Foundation (the Foundation) present their report for the year ended 30 June 2020 and the auditor's report therein.

Directors

The names of each person who has been a Director of Brisbane Powerhouse Pty Ltd (the Trustee) during the year and to the date of this report are:

Libby Anstis BBusComm

Libby Anstis is an experienced Chief Executive and Non-Executive Director with high-level skills in leadership, strategy, advocacy and operations in Queensland's iconic arts and cultural organisations. She has had more than twenty years experience in the performing arts industry with a variety of executive roles at Queensland Theatre Company, Queensland Symphony Orchestra, Brisbane Festival and Centenary of Federation Queensland. Current and former board positions include Business South Bank, SunPAC, the Conservatorium Advisory Board (current), Fraser Coast Tourism and Events (current), Camerata – Queensland's Chamber Orchestra (current) and various funding assessment panels for state and federal governments. She provides strategic and management consultancy services to the arts and cultural sectors, as well as coaching and mentoring to various arts organisations.

Jason Bird FDIA MIES BAppSc (BltEnv) GradDiplnDes (Dist)

With experience gained as a designer working internationally, in 2007 Jason Bird launched Luxxbox, which has become one of the most innovative lighting manufacturers in Australia and North America. Jason has won many national and international awards and his work has been selected to show at several international exhibitions including the International Contemporary Furniture Fair in New York (2010, 2015); London Design Festival (2010, 2011); and Tokyo Design Tide (2010), Neocon Chicago (2019) where Luxxbox came away with multiple industry Awards. In 2013 Jason authored Hightide: Queensland Design Now, a comprehensive showcase of Queensland design. Jason has been a Board Member of the Brisbane Powerhouse since 2013. He is a Fellow of the Design Institute of Australia and a Member of the Illuminating Engineering Society of North America. In 2017, Jason launched Luxxbox USA Inc and now heads up the North America team in San Francisco.

David Conry AM, Chair – resigned 2 May 2020

David Conry is Managing Director of Damarcon, a privately owned advisory and investment business. He has over a decade of experience on private-, government- and community-sector boards including roles as Chair. David personally has a strong community focus and was awarded the honour of Queensland's Australian of the Year 2007 and EY Social Entrepreneur of the Year and in 2019 an Order of Australia for his community and arts sector contribution.

John Cotter

John Cotter is the CEO of Initiative Capital, a private investment firm in alternative infrastructure assets with over \$200m of assets under development. As the founder and CEO of the Flinders Group, now part of the global firm Arcadis, John has led project teams across Australia through concept, business case and delivery phases of complex infrastructure projects. Prior to joining the Board of Brisbane Powerhouse, John chaired the Fortitude Valley Economic Board which oversaw the \$4m revitalisation of the Valley Mall leading to over \$2b of investments into the Valley. John serves on the boards of Phosphate International, Translational Research Institute (Strategy & Commercialisation Committee), Gladstone Agricultural Terminal and Queensland Urban Utilities, and is councillor of the Royal National Agricultural and Industrial Association of Queensland.

Emma Fredericks

Emma Fredericks has a 25 year career in accounting and legal professional services firms such as EY and CGW Lawyers. Her areas of expertise and where she currently consults advisory and board roles include audit, corporate finance specifically acquisitions, due diligence, financial modelling, capital raisings, property transactions etc. She has expertise and skills in corporate governance, risk management, strategic direction, business plans, partnering, business development/revenue growth, and technology challenges. Emma has experience in identifying, understanding, navigating and resolving complex business issues and growing pains in the best commercial interests of the company.



Kevin Griffiths AICD ACA BA (Hons)

Kevin Griffiths is a Partner of EY and has over 20 years' experience as a qualified Chartered Accountant. Kevin now leads EY's Tax Division in Queensland, specialising in corporate and international tax. Kevin has led the successful management and resolution of significant transfer pricing disputes and Advance Pricing Agreement negotiations throughout Asia Pacific, Europe, North America, South America and Africa. His strong performance and dedication to nurturing committed partnerships have earned him many satisfied long-term clients and a reputation as a trusted adviser. Kevin is a Fellow of the Institute of Chartered Accountants in Australia and is a member of the Australian Institute of Company Directors.

Valmay Hill

Valmay Hill has executive management experience both internationally and in Australia across a variety of sectors in publicly listed and not for profit companies, and government agencies. Valmay's expertise in the cultural sector includes positions as Chief Executive Officer of Brisbane Festival from 2010 to 2018 and as Project Director of large-scale international events for Sydney Opera House including APEC, World Youth Day, and FIFA World Wide Congress. Prior commercial experience includes as Treasurer for TNT Worldwide, consultant on acquisitions and strategic management for Health Services Australia, and an extended period with Esso Australia, including five years as an expatriate with Exxon in the United States, culminating as Treasurer in Australia. Valmay resides in Brisbane and is currently a Board Director of the Queensland Museum Network and of the Queensland Symphony Orchestra, and a member of the Lord Mayor's Creative Brisbane Advisory Board and Queensland Conservatorium Griffith University Advisory Board. She has also served as a director in the finance and superannuation sectors, has a Bachelor of Economics from Sydney University, and a diploma from the Australian Institute of Company Directors. Valmay's move from the commercial to the cultural sector was underpinned by her lifelong involvement with the performing arts and her belief that cultural engagement is a cornerstone of community life.

Hayley Johnson LTCL MAICD BAMus BAMusTheatre AMusA

Hayley Johnson has enjoyed a varied career as a musical theatre/cabaret performer, teacher and musical director throughout Brisbane, Sydney, Melbourne, Osaka, Atlantic City and New York City. Combining her family background in business with her career contacts, Hayley initiated the involvement of The BMD Group and Power Arts as major sponsors, investors and co-producers for theatrical pursuits. Since 2007, Power Arts has evolved into an investment and production company that focuses on new and exciting performing arts projects. They have been proudly associated with several award-winning organisations including The Gordon Frost Organisation, Opera Australia, The Hayes Theatre, Sydney Theatre Company, State Theatre Company of South Australia, The Queensland Ballet, Expressions, La Boîte, The Brisbane Festival, QPAC and Zen Zen Zo.

David Lyons BA BBus LLB (Hons)

David Lyons is a partner of DLA Piper and has over 20 years' experience as a lawyer. David specialises in the financial services sector and has extensive experience in advising clients in relation to transactional, advisory/regulatory and corporate matters. David has acted on behalf of many Australian and international banks, financiers, corporate entities and government-owned entities, and has a long-standing interest in business and trade in Asia. He has extensive experience in infrastructure, resource and project finance, regulatory issues, capital markets and all aspects of corporate, property, acquisition finance, leasing, agricultural and trade finance. Board positions include Diving Australia, Australia China Business Council, Lord Mayor's Brisbane-Shenzhen Sister City and Asia Pacific Sister Cities Summit Committee. He is a Fellow of the Queensland Institute of Medical Research, past Vice Chairman of the Financial Services and Products Committee, International Section of the American Bar Association and Past President of the Hong Kong Australia Business Association in Queensland.

Catherine Michael

Catherine Michael created CM Ink, a strategic communications and marketing consultancy, after a 20-year career helping iconic international and national brands grow with her practical, creative but commercial approach. She provides frank advice, based on experience and insight, on all areas of marketing to boards, shareholders and senior management in both small to large, public and private companies. CM Ink is 'boutique' in size but not in nous, as Catherine has held senior and director level in-house roles with the Foster's Group, Golden Casket Lotteries, Nintendo, Kmart Australia, Mincom, Triumph International and The Body Shop. Consulting clients have included 7-Eleven, Paradise Foods, EY, Technology One, Energex, Merlo Coffee, Lady Gowrie, Telstra, Dominos and Kingfisher Bay Resort on Fraser Island for the Royals visit in 2018.



Cameron Noble – resigned 30 June 2020

Cameron Noble has been involved in the banking industry for over 25 years, with key experience in commercial and corporate property finance. Cameron has been involved in construction and investment transactions across a wide range of asset classes, from simple to complex financial structures. He is a founding director of Vertica Capital and has held senior management positions with Capital Finance Australia Limited (Lloyds Banking Group plc), ANZ Corporate & Institutional Banking and Suncorp-Metway.

Company Secretary

Amanda Boland GAICD FCIA FCIS is the proprietor and Managing Director of Business Governance Solutions Pty Ltd, a leading independent consultancy providing corporate governance and strategic business advisory services to clients all over Australia. She has degrees in business and corporate governance, and was appointed Company Secretary on 9 May 2019.

Chair

Mr David Conry was appointed as Chair on 30 March 2015 and resigned on 2 May 2020.

Ms Valmay Hill took office as Chair on 3 August 2020.

Trustee Board meetings

Name	Date Appointed	Board Meetings	
		A (Attended)	B (Eligible to Attend)
L Anstis	25/11/2013	11	13
J Bird	22/11/2013	10	13
D Conry	30/03/2015	9	9
J Cotter	30/05/2017	11	13
K Griffiths	20/06/2011	10	13
H Johnson	25/11/2013	10	13
D Lyons	10/10/2012	10	13
C Michael	30/05/2017	12	13
E Fredericks	30/05/2019	12	13
C Noble	30/05/2019	11	13



Board Committees

Finance and Audit Committee: The objective of the Finance and Audit Committee is to assist the Board to exercise due care, diligence and skill in relation to the Trust's financial management and to improve the effectiveness of the internal and external audit functions.

Name	Finance and Audit Committee Meetings	
	A (Attended)	B (Eligible to Attend)
L Anstis	9	10
K Griffiths	7	10
H Johnson	6	10
D Lyons	8	10
C Michael	9	10
E Fredericks	9	10
C Noble	8	10
D Conry	2	2
J Bird	2	2
J Cotter	1	1

Principal activities

The Trust was established:

- (a) To lead arts practice and innovation in arts practice in Brisbane and Australia;
- (b) To promote, encourage, produce and present artistic programs, including performing and visual arts, with a repertoire that is local, national and international;
- (c) To provide an environment which:
 - (i) invites people to gather, to experience the performing arts and to engage with each other;
 - (ii) is an integral part of the fabric of public life and the experience of growing up in Brisbane;
 - (iii) symbolises Brisbane's cultural achievements and reputation
 - (iv) is the hub of an expanding community, cultural, recreational and educational precinct;
 - (v) is a state-of-the-art technical production facility; and
 - (vi) maximises public enjoyment of the arts by complementing the experience of the performing arts with visual arts, learning, socialising and dining.
- (d) To achieve the objects in a financially and environmentally sustainable manner.

There were no changes in the nature of these activities during the course of the financial year.



Operating results

The 2020 financial result was \$10,827 (2019: \$22,462).

Review of Foundation operations

The 2019–20 year was the fourth year of delivery of the new organisational strategy *Brisbane Powerhouse 2020+20*. The following strategic goals apply to The Foundation:

- To be Brisbane's back deck, Brisbane's go-to destination for locals and the unique place tourists rave about;
- To be Brisbane's home for living art and ideas; to be artists' and promoters' venue of choice for our facilities, services and culture;
- To be Brisbane's home for experiences;
- To have a strong income and investment base; and
- To support the best people to do their job well – we all work for artists and audiences – without them we wouldn't be here.

From March to June 2020, The Foundation faced significant impacts as a result of the worldwide COVID-19 pandemic. Due to the stage 4 restrictions implemented by the Queensland State Government at the beginning of the pandemic, the Brisbane Powerhouse was unable to be open to the general public between March 17 and June 30. The 106-day closure of the Powerhouse Theatre proved to have a strongly negative influence on the Foundation's financial results as reported in the accounts.

Before the building closure in March 2020, the Foundation's key achievement was its contribution to the highly successful artistic program including three successful festivals: Wonderland, MELT, and the Brisbane Comedy Festival. The Foundation presented 28 Brisbane Powerhouse shows and continued to present its free artistic program which included weekly music and comedy and the children's program known as Powerkids. In the last quarter of the FY20, Powerkids was offered digitally which saw over 2,788 engagements online. During the 2019-20 financial year, 178 free performances were presented, attended by 77,473 visitors.

Brisbane Powerhouse Foundation sponsors Brisbane Powerhouse's visual arts program. 10 exhibitions were held during the year including the highly successful World Press Photographic Exhibition which attracted over 23,780 visitors.

Signed in accordance with a resolution of the Directors.

On behalf of the Board

Valmay Hill
Chair
6 October 2020
Brisbane

Kevin Griffiths
Director
6 October 2020
Brisbane



**BRISBANE POWERHOUSE FOUNDATION
Financial Report for the year ended 30 June 2020**

STATEMENT OF COMPREHENSIVE INCOME

	Note	2020 \$	2019 \$
REVENUE			
Donations & contributions		173,366	99,190
Grants		25,225	9,200
Interest		1,954	3,036
Program revenue		666,622	939,890
Total Revenue and Other Income	3	867,167	1,051,316
EXPENSES			
Artist fees and show costs		850,860	1,022,957
Other costs		5,480	5,897
Total Expenses		856,340	1,028,854
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		10,827	22,462

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		2020 \$	2019 \$
CURRENT ASSETS			
Cash & cash equivalents		381,925	142,234
Receivables	4	2,322	264,729
Other assets		21,794	88,367
Total Current Assets		406,041	495,330
CURRENT LIABILITIES			
Payables		24,088	91,043
Advance ticket sales		1,533	108,935
Deferred Income		74,240	-
Total Current Liabilities		99,861	199,978
NET ASSETS		306,180	295,352
UNITHOLDER'S FUNDS			
Unitholder's interests		10	10
Accumulated surplus		306,170	295,342
Total Unitholder's Funds		306,180	295,352

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



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
Receipts from			
Donations & contributions		253,366	19,190
Grants		99,465	9,200
Interest revenue		2,170	2,994
Program and ticket sales		703,295	1,005,337
Payments to suppliers		(818,605)	(1,182,138)
Net Cash Flows (used in)/from Operating Activities	6	239,691	(145,417)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		142,234	287,651
Cash and Cash Equivalents at the End of the Period		381,925	142,234

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2020	Unitholder Interest \$	Accumulated Surplus \$	Total \$
Opening balance	10	295,343	295,353
Comprehensive income for year	-	10,827	10,827
Balance at end of period	10	306,170	306,180

For the year ended 30 June 2019	Unitholder Interest \$	Accumulated Surplus \$	Total \$
Opening balance	10	272,880	272,890
Comprehensive income for year	-	22,462	22,462
Balance at end of period	10	\$295,342	\$295,352

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



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 a not-for-profit entity established pursuant to a Trust Deed dated 30 October 2008 (the Deed). The Trust is controlled by the Trustee, Brisbane Powerhouse Pty Ltd. The financial report of the Trust for the year ended 30 June 2020 was authorised for issue by the Trustee on 8 October 2020.

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

b) Impacts from the COVID-19 pandemic

Brisbane Powerhouse Foundation's operations were impacted by the COVID-19 pandemic. The Foundation assessed the impacts on its financial statements for the current year, and further impacts are expected to continue into 2021, as detailed in the Brisbane Powerhouse Foundation Annual Plan and Budget 2020-21.

Due to the stage 4 restrictions implemented by the Queensland State Government at the beginning of the COVID-19 pandemic, the Brisbane Powerhouse was unable to be open to the general public between March 17 and June 30. This resulted in several shows being cancelled, including:

- Women of the World
- Over 15 Visual Arts exhibitions, Writers and Ideas and free children's programs.
- The Lord Mayors children's concert
- 9 other Brisbane Powerhouse Presents shows

The impacts of COVID-19 have reduced the ability to earn revenue from ticket sales. The Brisbane Powerhouse Foundation incurred costs associated with cancelled shows and exhibitions, and refunds of ticket sales.

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 30 October 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.

b) Statement of compliance

The financial report complies with Australian Accounting Standards. An assessment of revised and new accounting standards has been made. The Foundation has chosen not to early adopt Australian Accounting Standards and Interpretations that have been issued but are not yet effective.



2. Summary of accounting policies (continued)

New and revised Accounting Standards adopted during the year

AASB 15 Revenue is effective from 1 January 2019 for not-for-profit entities and will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers.

AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers. The Brisbane Powerhouse Foundation assessed all of its revenue streams and made the assessment that at 30 June, the movement in revenue recognition was not material. Income from Grants falls within AASB 15 where a contract is enforceable and contains specific obligations, if not then AASB 1058 is the applicable standard.

Amendments to AASB 16 Leases are effective 1 January 2019. Brisbane Powerhouse Foundation does not have any leases in place at 30 June 2020.

Standards issues by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020 but have future commencement dates. These are not likely to have material impacts on the financial statements. These include:

AASB 17 Insurance Contracts;
AASB 1059 Service Concession Arrangements: Grantors;
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material;
AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform;
AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5);

c) Estimates and judgements

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.

d) 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, donations and contributions

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. Where the grant agreement is enforceable and contains sufficiently specific performance obligations, the transaction is accounted for under AASB 15 Revenue from Contracts with Customers. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied. Otherwise, the grant is accounted for under AASB 1058 Income of Not-for-Profit Entities, whereby revenue is recognised upon receipt of the grant funding.



2. Summary of accounting policies (continued)

Interest

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

Program revenue

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

e) Expenses

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and cash flow statement comprise cash at bank.

g) Receivables

Receivables comprise amounts due from Brisbane Powerhouse Pty Ltd, other debtors, 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.

h) 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.

i) 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.



2. Summary of accounting policies (continued)

j) 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 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'.

k) 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 6.



3. Revenue

	2020 \$	2019 \$
Grants,	25,225	9,200
Donations & contributions		
Contributions	140,000	80,000
Individual donors	33,366	19,190
Interest	1,954	3,036
Program revenue		
Ticket sales	541,486	625,685
Other program revenue	125,136	314,205
Total Revenue	867,167	1,051,316

4. Receivables

	2020 \$	2019 \$
Current	2,322	264,729
Trade debtors	165	116,838
Accrued income	2,157	135,241
Less: Loss Allowance	-	-
	2,322	252,079
GST receivable	-	12,650
Total receivables	2,322	264,729

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.



5. Financial instruments (continued)

a) Financial risk management – objectives and policies (continued)

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.

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.

	2020	
	6 months or less \$	Effective interest rate %
Financial instruments		
Cash	381,925	.75
Total financial instruments	381,925	

	2019	
	6 months or less \$	Effective interest rate %
Financial instruments		
Cash	142,234	1.9
Total financial instruments	142,234	

If interest rates were 100 basis points higher than interest earned on investments held at 30 June 2020 would be \$3,819 higher (30 June 2019: \$1,422). If interest rates were 100 basis points lower than interest earned on investments held at 30 June 2020 would be \$3,819 lower (30 June 2019: \$1,422).



5. Financial instruments (continued)

d) Credit risk

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

	2020 \$	2019 \$
Financial assets		
Cash	381,925	142,234
Receivables – trade	2,322	252,079
Receivables – other	-	12,650
Total financial assets	384,247	406,963

	2020			2019		
	Gross Receivables	Loss Rate	Expected Credit Loss	Gross Receivables	Loss Rate	Expected Credit Loss
	\$	%	\$	\$	%	\$
Current	113	-	-	329	-	-
1 to 30 days overdue	2,209	-	-	264,400	-	-
31 to 60 days overdue	-	-	-	-	-	-
61 to 90 days overdue	-	-	-	-	-	-
> 90 days overdue	-	-	-	-	-	-
Total	2,322			264,729		

	2020 \$	2019 \$
Loss allowance as at 1 July	-	-
Increase/ decrease in allowance recognised in operation result	-	-
Amount Written-off during the year	-	-
Loss allowance as at 30 June	-	-

No loss allowance is recorded for these receivables on the basis that the Brisbane Powerhouse Foundation receives payments from Brisbane Powerhouse Pty Ltd within terms of 30 days.

e) Liquidity risk

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



6. Cash flow information

	2020 \$	2019 \$
Surplus/(deficit) for the period	10,827	22,462
(Increase)/decrease in assets		
Receivables	116,889	7,683
Other assets	132,868	(99,621)
Increase/(decrease) in liabilities		
Payables	12,269	(155,069)
Deferred Income	(33,162)	79,128
Net cash flow from operations	239,691	(145,417)

7. Related party transactions

a) Transactions with Brisbane City Council and controlled entities

Brisbane Powerhouse is a controlled entity of Brisbane City Council. During the financial year the following transactions occurred with Brisbane City Council:

Nature of Transaction	2020 \$	2019 \$
Revenue		
Grant	20,000	-
Expenses		
	-	-

At 30 June 2020 \$0 was receivable from Brisbane City Council (2019: \$0) and \$0 (2019: \$0) was owed to Brisbane City Council

b) Transactions with Brisbane Powerhouse Pty Ltd

Brisbane Powerhouse Group comprises the consolidation of Brisbane Powerhouse Pty Ltd (the Company) and Brisbane Powerhouse Foundation (the Foundation).

- During the year Brisbane Powerhouse Pty Ltd donated \$140,000 (2019: \$80,000) to Brisbane Powerhouse Foundation to assist with the presentation of the artistic program which is conducted in the Foundation.
- Brisbane Powerhouse Pty Ltd sold tickets to the value of \$666,622 (2019: \$939,890) to BPH Presents shows on behalf of Brisbane Powerhouse Foundation.
- Brisbane Powerhouse Pty Ltd arranged production to the value of \$283,805 (2019: \$403,620) on behalf of Brisbane Powerhouse Foundation.
- Brisbane Powerhouse Foundation paid \$97,518 (2019: \$127,460) in ticket fees to Brisbane Powerhouse Pty Ltd for this service.
- Brisbane Powerhouse Pty Ltd supplied administrative support and the use of theatre space to Brisbane Powerhouse Foundation at no charge.
- At 30 June 2020 \$1,430 (2019: \$22,045) was payable to Brisbane Powerhouse Pty Ltd and \$165 (2019: \$116,838) was receivable from Brisbane Powerhouse Pty Ltd.



7. Related party transactions (continued)

c) Transactions with key management personnel

Brisbane Powerhouse Pty Ltd provides administrative support for Brisbane Powerhouse Foundation at no charge. Consequently, all transactions with key management personnel (KMP) occur in the Company.

d) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Nature of Transaction	2020 \$	2019 \$
Revenue		
Donations	1,500	4,500

8. Contingent assets and liabilities

There were no contingent assets or liabilities at 30 June 2020.

9. Subsequent events

There are no subsequent events requiring disclosure at 30 June 2020.

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 2020

The financial statements for the year ended 30 June 2020 have been prepared by the Trustee, Brisbane Powerhouse Pty Ltd, as required by the Trust Deed dated 30 October 2008.

In the opinion of the Trustee, we believe that:

- (a) The financial statements and notes of Brisbane Powerhouse Foundation are in accordance with *the Australian Charities and Not for Profits Commission Act 2012*, including:
 - (i) Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not for Profits Commission Regulation 2013*; and
- b) There are reasonable grounds to believe that Brisbane Powerhouse Foundation 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

Valmay Hill
Chair
6 October 2020
Brisbane

Kevin Griffiths
Director
6 October 2020
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the Trustee and Members of Brisbane Powerhouse Foundation

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Brisbane Powerhouse Foundation.

In my opinion, the financial report:

- a) gives a true and fair view of the trust's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the Trust Deed of Brisbane Powerhouse Foundation, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the trustee's declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

Other information comprises the information included in the Trustee's report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon.

The trustee is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the trust for the financial report

The trustee is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Trust Deed of Brisbane Powerhouse Foundation, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards, and for such internal control as the trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The trustee is also responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trust.
- Conclude on the appropriateness of the trust's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.

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

I communicate with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



John Welsh
as delegate of the Auditor-General

8 October 2020

Queensland Audit Office
Brisbane