

BRISBANE POWERHOUSE FOUNDATION
30 June 2012 Financial Report

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
REVENUE		
Donations	247,440	200,350
Grants	135,660	193,505
Interest	17,511	16,954
Total revenue and other income	<u>400,611</u>	<u>410,809</u>
EXPENSES		
Bank fees	97	61
Contribution to Brisbane Powerhouse Pty Ltd	337,660	408,505
Total Expenses	<u>337,757</u>	<u>408,566</u>
NET SURPLUS(DEFICIT)	<u>62,854</u>	<u>2,243</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>62,854</u>	<u>2,243</u>
BALANCE SHEET AS AT 30 JUNE 2012		
	2012 \$	2011 \$
CURRENT ASSETS		
Cash & cash equivalents	250,932	183,575
Receivables	45,489	128,972
Total Current Assets	<u>296,421</u>	<u>312,547</u>
CURRENT LIABILITIES		
Payables	94,716	77,666
Deferred Income	30,630	126,660
Total Current Liabilities	<u>125,346</u>	<u>204,326</u>
NET ASSETS	<u>171,075</u>	<u>108,221</u>
UNITHOLDER'S FUNDS		
Unitholder's interests	10	10
Undistributed surplus (deficit)	171,065	108,211
Total Unitholder's Funds	<u>171,075</u>	<u>108,221</u>

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



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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
NET CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES			
Receipts from			
Donations		247,440	200,350
Grants		170,126	193,505
Interest revenue		6,266	16,308
Payments to suppliers and donations to BPH Pty Ltd		(356,475)	(382,093)
Net cash flows (used in)/ from operating activities		<u>67,357</u>	<u>28,070</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		183,575	155,505
Cash and cash equivalents at the end of the period		<u>250,932</u>	<u>183,575</u>

STATEMENT OF CHANGES IN UNITHOLDERS FUND'S FOR THE YEAR ENDED 30 JUNE 2012

	2012 Unitholder interests \$	2011 Unitholder interests \$
Balance at beginning of period	10	10
Change attributable to period	-	-
Balance at end of period	<u>10</u>	<u>10</u>
	Undistributed surplus/(deficit) \$	Undistributed surplus/(deficit) \$
Balance at beginning of period	108,211	105,968
Surplus (Deficit) attributable to period	62,854	2,243
Balance at end of period	<u>171,065</u>	<u>108,211</u>

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

BRISBANE POWERHOUSE FOUNDATION 30 June 2012 Financial Report

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 04 November 2008 (the Deed). The financial report of the Trust for the period ended 30 June 2012 was authorised for issue by Brisbane Powerhouse Pty Ltd (the Trustee) on 27 September 2012.

The registered office of the Trustee is 119 Lamington Street, New Farm Qld 4006.

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) Review of results

For the year ending 30 June 2012 the Trust has made an accounting surplus of \$62,854 (2011: surplus of \$2,243). This surplus has occurred as a result of the receipt of donations and grants as income and their subsequent disbursement as an expense to Brisbane Powerhouse Pty Ltd for presentation of its artistic program (refer to note 5). Brisbane Powerhouse Pty Ltd must apply to the Foundation for contributions towards its artistic program. The Foundation cannot make distributions, or incur liabilities, in excess of its available assets.

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 and the requirements of the Trust Deed dated 4 November 2008. The financial report is presented in Australian dollars and has been prepared on the basis of historical cost.

b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting Standards cannot be made due to the Trust applying the not-for-profit sector specific requirements contained in the AIFRS.

Australian Accounting Standards and Interpretations that have been issued but are not yet effective have not been detailed in this report as the impact of adoption in future periods has not been assessed.

**BRISBANE POWERHOUSE FOUNDATION
30 June 2012 Financial Report****Notes to and forming part of the financial statements****2. Summary of accounting policies (continued)****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 profit and loss when received. Special purpose reciprocal grants are initially recognised as deferred income and subsequently in the profit and loss 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

All donations are brought to account as received. No amounts are included in the financial statements for services donated by volunteers.

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 balance sheet and cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. 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 interest earned and GST receivable from the ATO.

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 notional amount of the creditors and payables is deemed to reflect fair value.

h) Taxation**Income Tax**

The Trust is endorsed to access income tax exemption under Subdivision 50-B of the Income Tax Assessment Act 1997.

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 ATO is included as part of receivables or payables.

Cash flows are included in the Cash Flow 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

3. 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 follows:-

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.

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.

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Notes to and forming part of the financial statements

3. Financial Instruments (continued)

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.

	2012	
	6 months or less \$	Effective interest Rate %
Financial Instruments		
Cash	100,932	3.25
Short Term Deposits	150,000	4.90
Total financial instruments	250,932	

	2011	
	6 months or less \$	Effective interest rate %
Financial Instruments		
Cash	183,575	4.50
Short Term Deposits	-	-
Total financial instruments	183,575	

d) Credit risk

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

	2012 \$	2011 \$
Financial assets		
Cash	250,932	183,575
Receivables	45,489	128,972
Total financial assets	296,421	312,547

e) Liquidity Risk

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

4. Cash flow information

Reconciliation of surplus / (deficit) for the period to net cash flows from operations

	2012 \$	2011 \$
Surplus / (deficit) for the period	62,854	2,243
(Increase) / decrease in assets		
Receivables	83,483	(123,500)
Increase / (decrease) in liabilities		
Payables	17,050	22,667
Deferred Income	(96,030)	126,660
Net cash flow from operations	67,357	28,070

5. Related Party Transactions with Brisbane Powerhouse Pty Ltd

During the period ended 30 June 2012 Brisbane Powerhouse Foundation contributed an amount of \$337,660 (2011 \$408,505) to Brisbane Powerhouse Pty Ltd (the Trustee) to assist with the presentation of its artistic program. The Trustee has also engaged legal services to assist the Trust and provided the Trust with administration services at no cost to the Trust.

Trustee's Report for the year ended 30 June 2012

The financial statements for the year ended 30 June 2012 have been prepared by the Trustee, Brisbane Powerhouse Pty Ltd, as required by the Trust Deed dated 4 November 2008.

The auditors of the Trust, Queensland Audit Office, who have been appointed by us in accordance with the Trust Deed, have conducted an audit of these financial statements.

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 6 complies with Australian Accounting Standards (including Australia Accounting Interpretations) and presents fairly the results and cash flows for the year ended 30 June 2012, and the state of affairs at 30 June 2012; 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



Justin O'Neill
Chair
27 September 2012
Brisbane



Kevin Griffiths
Director
27 September 2012
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 balance sheet as at 30 June, the statement of comprehensive income, statement of changes in unit holders funds and cash flow statements for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the chair and director of Brisbane Powerhouse Pty as 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 4 November 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 dated 4 November 2008, 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 2012, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.



D A STOLZ FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane