



BRISBANE POWERHOUSE FOUNDATION
Financial Report for the Year Ended 30 June 2013

STATEMENT OF COMPREHENSIVE INCOME

	Note	2013 \$	2012 \$
REVENUE			
Donations & Contributions		437,075	247,440
Grants		470,953	135,660
Interest		16,578	17,511
Program revenue		632,741	-
Total Revenue and Other Income		<u>1,557,347</u>	<u>400,611</u>
EXPENSES			
Bank fees		147	97
Artist fees and show costs		1,597,680	-
Contribution to Brisbane Powerhouse Pty Ltd		-	337,660
Total Expenses		<u>1,597,827</u>	<u>337,757</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(40,480)</u>	<u>62,854</u>

BALANCE SHEET

		2013 \$	2012 \$
CURRENT ASSETS			
Cash & cash equivalents	4	193,012	250,932
Receivables	5	264,829	45,489
Total Current Assets		<u>457,841</u>	<u>296,421</u>
CURRENT LIABILITIES			
Payables	6	158,136	94,716
Deferred income		140,110	1,630
Total Current Liabilities		<u>298,246</u>	<u>96,346</u>
NET ASSETS		<u>159,595</u>	<u>200,075</u>
UNITHOLDER'S FUNDS			
Unitholder's interests		10	10
Undistributed surplus/(deficit)	9	159,585	200,065
Total Unitholder's Funds		<u>159,595</u>	<u>200,075</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

	Note	2013 \$	2012 \$
NET CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES			
Receipts from			
Donations & Contributions		257,075	247,440
Grants		470,953	170,126
Interest revenue		16,707	6,266
Program ticket sales		771,221	-
Payments to suppliers and donations to BPH Pty Ltd		(1,499,397)	(356,475)
GST Paid to the ATO		(74,479)	-
Net Cash Flows (used in)/ from Operating Activities	7	(57,920)	67,357
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS			
		(57,920)	67,357
Cash and cash equivalents at the beginning of the period	4	250,932	183,575
Cash and Cash Equivalents at the End of the Period	4	193,012	250,932

STATEMENT OF CHANGES IN EQUITY

		Unitholder interests \$	Unitholder interests \$
Balance at Beginning of Period		10	10
Change attributable to period		-	-
Balance at End of Period		10	10
		Undistributed surplus/(deficit) \$	Undistributed surplus/(deficit) \$
Balance at Beginning of Period		200,065	108,211
Surplus/ (Deficit) attributable to period		(40,480)	62,854
Adjustment	9	-	29,000
Balance at End of Period		159,585	200,065

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 2013

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 period ended 30 June 2013 was authorised for issue by Brisbane Powerhouse Pty Ltd (the Trustee) on 3 October 2013.

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) Operating results

For the year ending 30 June 2013 the Trust has made an accounting deficit of \$40,480 (2012: surplus of \$62,854). In accordance with its Policies and Procedures, Brisbane Powerhouse Pty Ltd has resolved to make a payment of \$45,000 to the Foundation in the 2014 Financial Year to ensure the deficit in the 2013 Financial Year does not impact on the financial sustainability of the Foundation.

There has been an emphasis on the activation of the Foundation in the 2013 Financial Year. The Brisbane Powerhouse Presents Program is now conducted in the Foundation rather than the Company as was the case in previous financial years. The Foundation's Deductible Gift Recipient status and Charity Endorsement support the Brisbane Powerhouse Presents Program by attracting grants and philanthropic donations. This change positions the Group for compliance with the Australian Charities and Not-for-profits Commission requirements.

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 2013**

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, 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 Company applying the not-for-profit sector specific requirements contained in the AIFRS which are inconsistent with IFRS.

The Foundation has chosen not to early adopt Australian Accounting Standards and Interpretations that have been issued but are not yet effective. AASB 9 Financial Instruments will be effective for the period commencing 1 July 2015 and will have no material effect on the financial statements. AASB 119 Employee Benefits will be effective for the period commencing 1 July 2013 and will have no material effect on the financial statements. AASB 10 Consolidated Financial Statements may be effective for the reporting period commencing 1 July 2013.

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 profit and loss when received. 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 and contributions

All donations are brought to account as received. Un-received contributions, where the revenue recognition criteria has been satisfied are recognised as receivables. 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.

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 six 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 Brisbane Powerhouse Pty Ltd, and interest earned and GST receivable from the ATO.

BRISBANE POWERHOUSE FOUNDATION
Financial Report for the Year Ended 30 June 2013

Notes to and forming part of the financial statements

2. Summary of Accounting Policies (continued)

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) 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.

The Foundation provided 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 (Note 4)
Receivables – measured at amortised cost (Note 5)

Financial liabilities

Payables – measured at cost (Note 6)

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 of financial liabilities at fair value in the Balance Sheet. All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 7.

**BRISBANE POWERHOUSE FOUNDATION
Financial Report for the Year Ended 30 June 2013**

Notes to and forming part of the financial statements

3. Revenue

	2013 \$	2012 \$
Grants	470,953	135,660
Donations & Contributions		
Charitable foundation donors	250,000	245,000
Contributions	180,000	-
Individual donors	7,075	2,440
Interest	16,578	17,511
Program revenue		
Net ticket sales	586,302	-
Other program revenue	46,439	-
Total Revenue	1,557,347	400,611

4. Cash and Cash Equivalents

	2013 \$	2012 \$
Cash at bank	193,012	100,932
Short term deposits	-	150,000
Total Financial Assets	193,012	250,932

5. Receivables

	2013 \$	2012 \$
Financial Assets		
Trade Debtors	180,887	35,898
Accrued Income	1,014	1,143
GST Receivable	82,928	8,448
Total Financial Assets	264,829	45,489

BRISBANE POWERHOUSE FOUNDATION
Financial Report for the Year Ended 30 June 2013

Notes to and forming part of the financial statements

6. Payables

	2013 \$	2012 \$
Payables		
Trade Creditors	158,136	94,716
Total Payables	158,136	94,716

7. 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.

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.

BRISBANE POWERHOUSE FOUNDATION
Financial Report for the Year Ended 30 June 2013
Notes to and forming part of the financial statements
7. 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.

	2013	
	6 months or less	Effective interest Rate
	\$	%
Financial Instruments		
Cash	193,012	2.50
Short Term Deposits	-	-
Total Financial Instruments	193,012	

	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	

d) Credit risk

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

	2013	2012
	\$	\$
Financial Assets		
Cash	193,012	250,932
Receivables - trade	180,887	35,898
Receivables - other	83,942	9,591
Total Financial Assets	457,841	296,421

	Fully Performing	Past due less than 30 days	Past due 30-60 days	Past due greater than 60 days	Total
	\$	\$	\$	\$	\$
Receivables 2013	264,829	-	-	-	264,829
Receivables 2012	45,489	-	-	-	45,489

BRISBANE POWERHOUSE FOUNDATION
Financial Report for the Year Ended 30 June 2013

Notes to and forming part of the financial statements

7. Financial Instruments (continued)

e) Liquidity risk

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

8. Cash Flow information

	2013 \$	2012 \$
Surplus/(deficit) for the period	(40,480)	62,854
(Increase)/decrease in assets		
Receivables	(219,340)	83,483
Increase/ (decrease) in liabilities		
Payables	63,420	17,050
Deferred Income	138,480	(96,030)
Net Cash Flow from Operations	(57,920)	67,357

9. Adjustment and Correction of Errors

Retained surplus in 2012 Financial Year has been adjusted to reflect the receipt of a grant of \$29,000 in the 2012 financial year. The grant related to a show being toured to India in the 2013 financial year and was held in the deferred income account at 30 June 2012. The adjustment has reduced the deferred income and increased retained earnings by \$29,000.

	Previously 2012 \$	Adjusted 2012 \$
Deferred Income	30,360	1,360
Retained Earnings	171,075	200,075

10. Related Party Transactions with Brisbane Powerhouse Pty Ltd

During the year Brisbane Powerhouse Pty Ltd donated \$180,000 to Brisbane Powerhouse Foundation to assist with the presentation of the artistic program which has been conducted in the Foundation since 1 July 2012. In accordance with its Policies and Procedures Brisbane Powerhouse Pty Ltd has resolved to make a payment of \$45,000 to the Foundation in the 2014 Financial Year to ensure the deficit in the 2013 Financial Year does not impact on financial sustainability of the Foundation.

In the 2012 Financial Year Brisbane Powerhouse Foundation contributed \$337,660 to Brisbane Powerhouse Pty Ltd to assist with the presentation of its artistic program which was conducted in the Company until 30 June 2012. Brisbane Powerhouse Pty Ltd has also provided administrative support to Brisbane Powerhouse Foundation at no charge.

**BRISBANE POWERHOUSE FOUNDATION
Financial Report for the Year Ended 30 June 2013**

Notes to and forming part of the financial statements

11. Contingent Assets and Liabilities

There were no significant contingent assets or liabilities at 30 June 2013

12. Subsequent Events

In accordance with its Policies and Procedures Brisbane Powerhouse Pty Ltd has resolved to make a payment of \$45,000 to the Foundation in the 2014 Financial Year to ensure the deficit in the 2013 Financial Year does not impact on financial sustainability of the Foundation.

No other matters or circumstances have arisen since 30 June 2013 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.

13. 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 2013

The financial statements for the year ended 30 June 2013 have been prepared by the Trustee, Brisbane Powerhouse Pty Ltd, as required by the Trust Deed dated 4 November 2008.

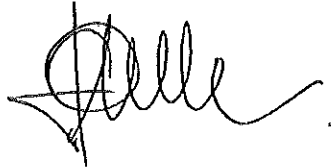
The auditors of the Trust, Queensland Audit Office, who have been appointed by us in accordance with the Trust Deed, have conducted an audit of these financial statements.

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 10 complies with Australian Accounting Standards (including Australian Accounting Interpretations) and presents fairly the results and cash flows for the year ended 30 June 2013, and the state of affairs at 30 June 2013; 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
3 October 2013
Brisbane



Kevin Griffiths
Director
3 October 2013
Brisbane



INDEPENDENT AUDITOR'S REPORT

To the Trustee and Member 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 2013, 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 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. 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 2013, 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.



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



Queensland Audit Office
Brisbane