

Museum of Brisbane Pty Ltd

ABN 098 223 413

Annual report

For the year ended 30 June 2014

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MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

DIRECTORS' REPORT

The directors present their report together with the financial report of Museum of Brisbane Pty Ltd for the year ended 30 June 2014 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

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

Sallyanne Atkinson AO (appointed 27 August 2012)

Jeffrey Ross Humphreys (appointed 10 September 2012)

Christopher Michael Tyquin (appointed 10 September 2012)

Andrew Edward Harper (appointed 10 September 2012)

Alison Kubler (appointed 10 September 2012)

David Martin Askern (resigned 27 August 2012 - but continues as company secretary)

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

Results

The profit of the company for the year amounted to \$30,426 (2013: profit \$1,341,354).

The Museum completed its first full year of operation with the successful delivery of a number of exhibits. There were 287,969 visitors to the Museum during the 12 months to 30 June 2014.

The financial result for the year has been in line with the expectations of the Board of Directors. While there is a significant variance between the profit for the year compared with the profit in 2013, the Directors note that the profit in 2013 was influenced by the initial contributions by Brisbane City Council to establish the Museum, which were required to be recognised as income in accordance with AASB1004. These initial contributions included:

- \$469,152 in assets;
- \$337,000 for additional set-up costs; and
- \$120,619 for the balance of employee leave provisions for transitioning staff.

At 30 June 2014 the Museum holds cash reserves in anticipation of the following expenditure commitments to occur during the 2015 financial year:

- | | |
|-----------------------------------------|----------|
| - Acquisitions for the collection | \$30,000 |
| - Completion of exterior signage | \$80,000 |
| - Construction of the donor wall | \$50,000 |
| - Enhancement of the level 3 entry/shop | \$50,000 |

The Museum of Brisbane Board of Directors will ensure that the term deposit is allocated to cover the amount of staff vesting leave provisions. It is agreed to carry a contingency of cash on hand to cover a two month trading period at any time.

DIRECTORS' REPORT

Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Principal activities

The principal activity of the company during the year was operating the Museum of Brisbane.

No significant change in the nature of these activities occurred during the year other than as disclosed above.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

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

Dividends paid, recommended and declared

No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

Indemnification of officers

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

Indemnification of auditors

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

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Signed on behalf of the board of directors.

Director:



Sallyanne Atkinson AO

Director:



Andrew Edward Harper

Dated this

FIFTEENTH

day of

AUGUST

2014

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Museum of Brisbane Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence Declaration

As lead auditor for the audit of Museum of Brisbane Pty Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been –

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



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



Queensland Audit Office
Brisbane

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	5	4,664,857	3,835,649
Less: expenses			
Employee benefits expense		(2,191,817)	(1,263,250)
Audience development expenses		(458,054)	(287,754)
Program (exhibition) expenses		(467,700)	(402,832)
Lease expense		(743,135)	(12,500)
Minor equipment		(33,045)	(129,602)
Consultancy expenses		(16,979)	(50,872)
Collection management		(61,468)	(69,218)
Depreciation and amortisation expense	6	(184,184)	(43,669)
Clock tower expenses		(19,860)	(37,901)
Internet and webhosting expenses		(83,269)	(35,212)
Asset contributed to BCC		(53,493)	-
Other expenses		<u>(321,427)</u>	<u>(161,485)</u>
		<u>(4,634,431)</u>	<u>(2,494,295)</u>
Profit for the year		<u>30,426</u>	<u>1,341,354</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>30,426</u></u>	<u><u>1,341,354</u></u>

The accompanying notes form part of these financial statements.

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	8	785,797	558,300
Receivables	9	11,392	241,197
Other assets	10	<u>6,028</u>	<u>200</u>
Total current assets		<u>803,217</u>	<u>799,697</u>
Non-current assets			
Property, plant and equipment	11	<u>845,766</u>	<u>841,377</u>
Total non-current assets		<u>845,766</u>	<u>841,377</u>
Total assets		<u>1,648,983</u>	<u>1,641,074</u>
Current liabilities			
Payables	12	50,830	191,150
Provisions	13	128,854	88,050
Other liabilities	14	<u>60,000</u>	<u>-</u>
Total current liabilities		<u>239,684</u>	<u>279,200</u>
Non-current liabilities			
Provisions	13	<u>37,518</u>	<u>20,519</u>
Total non-current liabilities		<u>37,518</u>	<u>20,519</u>
Total liabilities		<u>277,202</u>	<u>299,719</u>
Net assets		<u>1,371,781</u>	<u>1,341,355</u>
Equity			
Share capital	15	1	1
Retained earnings	16	<u>1,371,780</u>	<u>1,341,354</u>
Total equity		<u>1,371,781</u>	<u>1,341,355</u>

The accompanying notes form part of these financial statements.

MUSEUM OF BRISBANE PTY LTD
 ABN 098 223 413

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2014

	Contributed equity \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2012	1	-	1
Profit for the year	<u>-</u>	<u>1,341,354</u>	<u>1,341,354</u>
Total comprehensive income for the year	<u>-</u>	<u>1,341,354</u>	<u>1,341,354</u>
Balance as at 1 July 2013	1	1,341,354	1,341,355
Profit for the year	<u>-</u>	<u>30,426</u>	<u>30,426</u>
Total comprehensive income for the year	<u>-</u>	<u>30,426</u>	<u>30,426</u>
Balance as at 30 June 2014	<u>1</u>	<u>1,371,780</u>	<u>1,371,781</u>

The accompanying notes form part of these financial statements.

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Cash flow from operating activities			
Receipts from customers		972,681	22,120
Receipt of BCC funding income		3,882,950	3,096,850
Payments to suppliers and employees		(4,547,179)	(2,188,465)
Interest received		<u>53,475</u>	<u>7,090</u>
Net cash provided by operating activities	17(b)	<u>361,927</u>	<u>937,595</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		3,474	12,850
Payment for property, plant and equipment		<u>(137,904)</u>	<u>(392,146)</u>
Net cash provided by / (used in) investing activities		<u>(134,430)</u>	<u>(379,296)</u>
Reconciliation of cash			
Cash at beginning of the financial year		558,300	1
Net increase in cash held		<u>227,497</u>	<u>558,299</u>
Cash at end of financial year	17(a)	<u>785,797</u>	<u>558,300</u>

The accompanying notes form part of these financial statements.

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity Museum of Brisbane Pty Ltd as an individual entity. Museum of Brisbane Pty Ltd is a company limited by shares, incorporated and domiciled in Australia and wholly owned by the Brisbane City Council. Museum of Brisbane Pty Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report is presented in Australian dollars and has been prepared under the historical cost convention, unless otherwise stated.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards. 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 Australian Accounting Standards.

(c) Adoption of new and amended accounting standards that are first operative at 30 June 2014

In the current year, the Company adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Company's accounting policies.

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue

Revenue is recognised when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Sales Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Grants and Contributions

Grants, contributions, donations and gifts that are not-reciprocal in nature are recognised as revenue in the year in which the company obtains control over them (control is generally obtained on receipt). The museum has not received any reciprocal grants or contributions.

Contributed assets above the relevant asset recognition threshold are recognised assets and revenues at their fair value on the date of acquisition. Assets below the relevant recognition thresholds are recognised as revenues and expenses.

Interest Revenue

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

(e) Income tax

Museum of Brisbane Pty Ltd is a fully owned corporate entity of the Brisbane City Council. The Company's activities are exempt from all forms of Commonwealth Taxation, except for Fringe Benefits Tax (FBT) and Goods and Services tax (GST). Museum of Brisbane Pty Ltd is not a subject entity for participation in the Local Government Tax Equivalents regime in relation to income tax.

(f) Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

(g) Receivables

Trade Debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowances for impairment are based on loss events.

MUSEUM OF BRISBANE PTY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment

Property, plant and equipment is measured on cost basis less depreciation. The recognition threshold on items of property, plant and equipment are:

Plant & Equipment	\$5,000
Furniture & Fittings	\$5,000
IT Computers	\$5,000
Art and Collectibles	\$5,000

Items with the lesser value are expensed in the year of acquisition.

Assets acquired at no cost or for nominal consideration, other than from a transfer from the BCC, are recognised at their fair value at the date of acquisition in accordance with AASB116 *Property, Plant and Equipment*.

Property, plant and equipment acquired for exhibition purposes are expensed in the current financial year since it is considered that no economic benefit will be derived post this financial year.

Depreciation

Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

Class of fixed asset	Useful lives	Depreciation basis
Plant and equipment at cost	1 to 10 years	Straight line
Furniture, fixtures and fittings at cost	1 to 10 years	Straight line
Computer equipment at cost	1 to 4 years	Straight line

The company's Artwork and Collectibles are not depreciated due to the heritage and cultural nature of the assets.

(i) Impairment

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Company determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately as an expense in the Statement of Comprehensive Income. Where an impairment loss subsequently reverses, the carrying amount of the asset is recognised to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease payments are allocated between the principal component and the lease liability and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of liability.

(k) Payables

Trade Creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(l) Employee benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits. Payroll tax and workers compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured using remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the employee benefits liability. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Defined contribution superannuation plan

Contributions to defined contribution superannuation funds are recognised as an expensed as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments

Recognition

Financial assets and liabilities are recognised in the Statement of Financial Position when the company becomes party to the contractual provisions of the financial instruments.

Classification

Financial Instruments are classified and measured as follows:

- Cash and cash equivalents-held at fair value through profit or loss
- Receivables-held at cost
- Payables-held at cost.

The company does not enter into transactions for speculative purposes, nor for hedging. Apart for cash and cash equivalents, the company holds no financial assets classified at fair value through profit or loss.

(n) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

(o) Basis of consolidation

The company is the trustee for the Museum of Brisbane Trust. Consolidated statements have not been presented as the Trust's assets, liabilities, revenues and expenses are immaterial. The Trust received \$21,112 in donations during the 2014 financial year (2013: \$15) and the amount on hand as of 30 June 2014 consisted of \$20,840 in cash and \$10 settlement sum (2013: \$25 and \$10 respectively).

(p) Rounding

All balances are stated in Australian dollars and rounded to the nearest dollar.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2: ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT 30 JUNE 2014

The following standards and interpretations have been issued at the reporting date but are not yet effective. The directors' assessment of the impact of these standards and interpretations is set out below.

Financial Instruments (AASB 9)

AASB 9 will be effective for Company's reporting period commencing 1 July 2018 and must be applied retrospectively. Museum of Brisbane Pty Ltd has not early adopted the requirements of the revised AASB 9. AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement. The revised standard changes the classification, measurement and disclosure of financial assets. Under the new requirements, the four current categories of financial assets will be replaced with two measurement categories, fair value and amortised cost. This change will require Company to measure all financial assets at fair value or amortised cost rather than at cost. The application of the new accounting standard is not expected to have a material impact.

Other Standards

Other standards which will be applicable from 1 July 2014 are:

- **AASB 2011-7** Amendments to Australian Accounting Standards Arising from Consolidation and Joint Venture Arrangements
- **AASB 2013-8** Amendments to Australian Accounting Standards Australian Implementation Guidance for Not-for-Profit Entities - Control and Structure Entities

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company evaluates estimates and judgments incorporated into the financial report based on the historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Impairment of non-financial assets

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the company. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists the recoverable amount of the asset is determined. There have been no indicators of impairments identified for the 2014 financial year.

MUSEUM OF BRISBANE PTY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks comprising:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values

The board of directors have overall responsibility for identifying and managing operational and financial risks.

The company holds the following financial instruments:

	2014	2013
	\$	\$
Financial assets		
Cash and cash equivalents	785,797	558,300
Receivables	<u>11,392</u>	<u>241,197</u>
	<u>797,189</u>	<u>799,497</u>
Financial liabilities		
Payables	<u>50,830</u>	<u>191,150</u>
	<u>50,830</u>	<u>191,150</u>

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The company is exposed to interest rate risk through its cash deposited in interest bearing accounts. The company does not undertake any hedging in relation to interest rate risk. The interest rate risk is not significant due to the low effective interest rate to which cash and cash equivalents are subject to.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

The company has one individually significant receivable in 2013 - the Brisbane City Council - which represents 98% of receivables at year-end. Receivables in 2014 are immaterial.

The company minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

MUSEUM OF BRISBANE PTY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

(ii) Trade and other receivables

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms. The aging analysis of trade and other receivables is provided in Note 9.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company manages liquidity risk by continuously monitoring cash flows and maturity profiles of financial assets and liabilities.

Maturity analysis

The table below represents the undiscounted contractual settlement terms for financial instruments and managements expectation for settlement of undiscounted maturities.

Year ended 30 June 2014	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Payables	<u>50,830</u>	-	-	<u>50,830</u>	<u>50,830</u>
Net maturities	<u>50,830</u>	-	-	<u>50,830</u>	<u>50,830</u>
Year ended 30 June 2013	-	-	-	-	-
Payables	<u>191,150</u>	-	-	<u>191,150</u>	<u>191,150</u>
Net maturities	<u>191,150</u>	-	-	<u>191,150</u>	<u>191,150</u>

(d) Fair values

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in statement of financial position and notes to financial statements.

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 5: REVENUE		
Grant revenue		
BCC funding income	3,000,000	3,122,000
BCC rental funding	694,950	-
Other	<u>27,273</u>	<u>-</u>
	<u>3,722,223</u>	<u>3,122,000</u>
Sales revenue		
Merchandise income	52,677	22,119
Service level agreement revenue		
BCC clocktower/tours revenue	440,000	210,000
BCC CHVE initial funding	<u>188,000</u>	<u>-</u>
	<u>628,000</u>	<u>210,000</u>
Other revenue		
Donations*	107,641	-
Event income	20,694	857
Sponsorship income	62,301	-
Interest income	53,475	7,090
Public programs and education	13,882	791
Other revenue	<u>3,964</u>	<u>2,290</u>
	<u>261,957</u>	<u>11,028</u>
Other Income		
Gain on disposal of non current assets	-	1,350
Value of assets contributed by Brisbane City Council (refer note 21)	<u>-</u>	<u>469,152</u>
	<u>-</u>	<u>470,502</u>
	<u>4,664,857</u>	<u>3,835,649</u>

Included in donations revenue is an amount of \$107,636 (2013: \$ni) representing the fair value of artwork and collectibles donated for no consideration.

NOTE 6: OPERATING PROFIT

Profit / (losses) has been determined after:

Depreciation		
- plant and equipment	150,323	35,788
- furniture and fittings	32,108	6,626
- computer equipment	<u>1,753</u>	<u>1,255</u>
	184,184	43,669

MUSEUM OF BRISBANE PTY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 6: OPERATING PROFIT (CONTINUED)		
Employee benefits expense		
- Wages and salaries	1,711,855	900,393
- Employee provision expense	206,199	155,665
- Superannuation contributions	161,721	156,636
- Workers compensation premium	17,523	14,861
- Payroll tax	<u>94,519</u>	<u>35,695</u>
	2,191,817	1,263,250

Remuneration of auditors for:

Queensland Audit Office

The total audit fee in relation to 2014 financial year is estimated to be \$12,800 (2013: \$12,400).

NOTE 7: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the company

- short-term employee benefits	848,487	440,842
- post-employment benefits	<u>64,426</u>	<u>31,280</u>
	<u>912,913</u>	<u>472,122</u>

NOTE 8: CASH AND CASH EQUIVALENTS

Cash on hand	1,500	1,500
Cash at bank	102,305	556,800
Cash on deposit	<u>681,992</u>	<u>-</u>
	<u>785,797</u>	<u>558,300</u>

The Museum of Brisbane Board of Directors will ensure that the term deposit is allocated to cover the amount of staff vesting leave provisions. It is agreed to carry a contingency of cash on hand to cover a two month trading period at any time.

NOTE 9: RECEIVABLES

CURRENT

Trade debtors	3,064	235,150
Other receivables		
GST receivable	<u>8,328</u>	<u>6,047</u>
	<u>11,392</u>	<u>241,197</u>

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9: RECEIVABLES (CONTINUED)

Aged analysis

Trade and other receivables ageing analysis at 30 June is:

	Gross 2014 \$	Impairment 2014 \$	Gross 2013 \$	Impairment 2013 \$
Not past due	9,632	-	134,392	-
Past due 31-60 days	<u>1,760</u>	-	<u>106,805</u>	-
	<u>11,392</u>	-	<u>241,197</u>	-
			2014 \$	2013 \$

NOTE 10: OTHER ASSETS

CURRENT

Other current assets	<u>6,028</u>	<u>200</u>
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NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	687,573	629,499
Accumulated depreciation	<u>(185,614)</u>	<u>(35,788)</u>
	501,959	593,711
Furniture, fixtures and fittings at cost	238,690	247,281
Accumulated depreciation	<u>(37,616)</u>	<u>(6,626)</u>
	201,074	240,655
Computer equipment at cost	8,266	8,266
Accumulated depreciation	<u>(3,008)</u>	<u>(1,255)</u>
	5,258	7,011
Artwork and collectibles	<u>137,475</u>	-
Total property, plant and equipment	<u>845,766</u>	<u>841,377</u>

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Plant and equipment</i>		
Opening carrying amount	593,711	-
Additions	77,100	175,199
Disposals	(18,529)	(11,500)
Contribution of assets by Brisbane City Council (refer note 20)	-	465,800
Depreciation expense	<u>(150,323)</u>	<u>(35,788)</u>
Closing carrying amount	<u>501,959</u>	<u>593,711</u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	240,655	-
Additions	30,965	247,281
Disposals	(38,438)	-
Depreciation expense	<u>(32,108)</u>	<u>(6,626)</u>
Closing carrying amount	<u>201,074</u>	<u>240,655</u>
<i>Computer equipment</i>		
Opening carrying amount	7,011	-
Additions	-	8,266
Depreciation expense	<u>(1,753)</u>	<u>(1,255)</u>
Closing carrying amount	<u>5,258</u>	<u>7,011</u>
<i>Artwork and collectibles</i>		
Opening carrying amount	-	-
Additions	<u>137,475</u>	<u>-</u>
Closing carrying amount	<u>137,475</u>	<u>-</u>

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
NOTE 12: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	4,560	141,437
Other payables	<u>46,270</u>	<u>49,713</u>
	<u>50,830</u>	<u>191,150</u>
NOTE 13: PROVISIONS		
CURRENT		
Annual leave	107,002	60,544
Long service leave	16,276	23,815
Sick leave	<u>5,576</u>	<u>3,691</u>
	<u>128,854</u>	<u>88,050</u>
NON CURRENT		
Long service leave	<u>37,518</u>	<u>20,519</u>
(a) Number of employees at year end	20	21
NOTE 14: OTHER LIABILITIES		
CURRENT		
Deferred sponsorship income	<u>60,000</u>	<u>-</u>
NOTE 15: SHARE CAPITAL		
Issued and paid-up capital		
1 (2013: 1) Ordinary shares	<u>1</u>	<u>1</u>
Rights of each type of share		
Ordinary shares do not participate in dividends and the proceeds on winding up of the parent entity.		
At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.		
NOTE 16: RETAINED EARNINGS		
Retained earnings at beginning of year	1,341,354	-
Net profit	<u>30,426</u>	<u>1,341,354</u>
	<u>1,371,780</u>	<u>1,341,354</u>

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
NOTE 17: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash on hand	1,500	1,500
Cash at bank	102,305	556,800
At call deposits with financial institutions	<u>681,992</u>	<u>-</u>
	<u><u>785,797</u></u>	<u><u>558,300</u></u>
(b) Reconciliation of cash flow from operations with profit		
Profit from ordinary activities	30,426	1,341,354
Adjustments and non-cash items		
Depreciation	184,184	43,669
Net (gain) / loss on disposal of property, plant and equipment	53,493	(1,350)
Value of plant and equipment transferred from Brisbane City Council	-	(465,800)
Value of artwork and collectibles donated	(107,636)	-
Changes in assets and liabilities		
(Increase) / decrease in receivables	229,805	(241,197)
(Increase) / decrease in other assets	(5,828)	(200)
Increase / (decrease) in payables	(140,320)	152,550
Increase / (decrease) in other liabilities	60,000	-
Increase / (decrease) in provisions	<u>57,803</u>	<u>108,569</u>
Cash flows from operating activities	<u><u>361,927</u></u>	<u><u>937,595</u></u>
(c) Non-cash financing and investing activities		

During 2013 the Brisbane City Council transferred assets of a value of \$469,152 (of which \$465,800 was capitalised) for no cash consideration. Refer note 21 for further details.

During 2014 the company received donated artwork and collectibles recognised at a fair value of \$107,636 (2013: \$nil).

MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 18: RELATED PARTY TRANSACTIONS

The parent entity of the company is the Brisbane City Council (BCC). The following arrangements are in place between the company and BCC:

- BCC contributed assets to the company to the value of \$469,152 in 2013 as part of the Museum of Brisbane Transitioning Agreement (refer note 21 for further details) (2014: \$nil).
- BCC contributed ongoing funding income of \$3,000,000 (2013: \$2,122,000) to the company under the Museum of Brisbane Funding Agreement. In 2012 BCC provided additional funding of \$1,000,000 for the museum set-up including compensation for leave entitlements transferred of \$129,012.
- BCC compensated the company for conducting clock tower tours under a service agreement to the amount of \$440,000 (2013: \$210,000).
- From December 2012 the company rents its premises from BCC. \$713,240 rental payments were made to BCC during the 2014 year (2013:\$nil) for the period 1 April 2013 to 31 May 2014, in line with the executed lease between the parties.

	2014	2013
	\$	\$

NOTE 19: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

- not later than one year	742,391	3,102
- later than one year and not later than five years	<u>1,754,695</u>	<u>8,193</u>
	<u>2,497,086</u>	<u>11,295</u>

Operating leases relate to a premise lease, storage unit lease and equipment rental under normal commercial operating lease terms and conditions. The premises lease is for 5 years with no options to renewal and no annual increases. The storage unit lease is for 3 years with an option to renew for an additional 3 years with an annual increase of CPI or 4%, whichever is greater. Equipment rental payments are fixed and none of the leases have escalation clauses nor options to renew.

NOTE 20: TRUST LIABILITIES AND RIGHT OF INDEMNITY

The company acts as trustee of the Museum of Brisbane Trust. Liabilities incurred on behalf of the trust are not recognised in the financial statements if it is not probable that the company will have to meet any of the trust liabilities from its own resources. If the company becomes obligated to meet trust liabilities, the trustee has a right to be indemnified from trust assets. If it is probable that there will be a deficiency in trust assets, a liability is recognised by the company to the extent of that deficiency.

The Museum of Brisbane Trust has \$nil liabilities at year-end.

**MUSEUM OF BRISBANE PTY LTD
ABN 098 223 413**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

NOTE 21: CONTRIBUTION OF ASSETS BY THE BRISBANE CITY COUNCIL

On 1 November 2012, the Brisbane City Council transferred ownership of various items of plant and equipment with a value of \$469,152, for no consideration for the purpose of allowing the company to operate the Museum of Brisbane. This amount has been recognised as a contribution of assets by the Brisbane City Council.

NOTE 22: COMPANY DETAILS

The registered office of the company is:

Museum of Brisbane Pty Ltd
Brisbane Square
Level 23 266 George Street
Brisbane QLD 4000

The principal place of business is:

Museum of Brisbane Pty Ltd
City Hall
King George Square
Brisbane QLD 4000

NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2014 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2014, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2014, of the company.

NOTE 24: CONTINGENCIES

The directors are not aware of any contingent assets or liabilities as at 30 June 2014 (2013: \$nil)


DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 - 24, are in accordance with the *Corporations Act 2001*:
and
 - (a) comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position of the company as at 30 June 2014 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: 
Sallyanne Atkinson AO

Director: 
Andrew Edward Harper

Dated this FIFTEENTH day of AUGUST 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of Museum of Brisbane Pty Ltd

Report on the Financial Report

I have audited the accompanying financial report of Museum of Brisbane Pty Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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.

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Museum of Brisbane Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In my opinion, the financial report of Museum of Brisbane Pty Ltd is in accordance with the *Corporations Act 2001*, including –

- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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

Museum of Brisbane Trust

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Opening Cash Balance as at 1 July 2013	\$	\$
		25
Cash Receipts		
Donations	11,362	
Philanthropy	9,750	
Interest	<u>136</u>	21,248
Cash Disbursements		
Bank Fees	<u>433</u>	433
Closing Cash Balance as at 30 June 2014		20,840

Museum of Brisbane Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 1: Summary of Significant Accounting Policies:

The Museum of Brisbane Trust is a not for profit entity. The directors of the Trustee have determined that the trust is not a reporting entity as there are limited users dependant on the financial report. The financial report is a special purpose financial report prepared in order to satisfy the requirements of the Trust Deed, in accordance with clause 9.2. Accounting standards have not been applied in the preparation and presentation of the financial statements.

Comparatives have not been prepared in the financial report due to the Trust's assets, liabilities, revenues and expenses being immaterial. The Trust received \$15 in donations during the 2013 financial year and its cash balance consisted of \$25 which included a \$10 settlement sum.

The financial statements have been prepared on a cash basis.

Museum of Brisbane Trust

TRUSTEE DECLARATION

The Trustee of the Museum of Brisbane Trust declares that the trust is not a reporting entity and that this special purpose financial report has been prepared in accordance with Clause 9.2 of the Trust Deed of the Museum of Brisbane Trust dated 21 October 2011 and the accounting policies described in Note 1.

In the opinion of the Trustee:

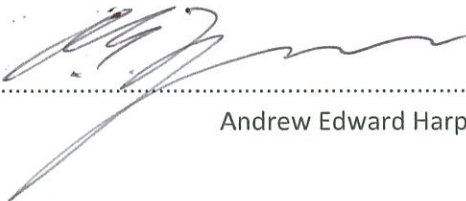
1. The financial statements and notes as set out on pages 1-2, present fairly the trusts financial position as at 30 June 2014 and its receipts and disbursements for the year ended in accordance with the accounting policies described in Note 1.
2. There are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Director.....



Sallyanne Atkinson AO

Director.....



Andrew Edward Harper

Dated this FIFTEENTH day of AUGUST 2014

INDEPENDENT AUDITOR'S REPORT

To the Trustee of Museum of Brisbane Trust

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of Museum of Brisbane Trust, which comprises the statement of cash receipts and disbursements for the year ending 30 June 2014, notes comprising a summary of significant accounting policies and declarations given by the Director of the Museum of Brisbane Pty Ltd, as Trustee for the Trust.

The Trustee's Responsibility for the Financial Report

The trustee is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the trust deed of Museum of Brisbane Trust dated 21 October 2011 and is appropriate to meet the needs of the trustee. The trustee's responsibility also includes such internal control as they determine 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.

Basis for Qualified Opinion

Donations, reported in the statement of receipts and disbursements of \$21,112 are a significant source of fundraising revenue for Museum of Brisbane Trust. Due to the inherent nature of the cash donations received, the Trustee has determined that it is impracticable to establish control over the collection of donations prior to entry into the Trust's financial records. Accordingly, as the evidence available to me regarding fundraising revenue from this source was limited, my audit procedures with respect to donations had to be restricted to the amounts recorded in the financial records. I am therefore unable to, and do not express an opinion on the completeness of donation revenue and whether all donations to the Trust have been brought to account and recorded in the financial report.

Qualified Opinion

In accordance with Clause 9.2 of the Trust Deed of Museum of Brisbane dated 21 October 2011, I have audited the financial report of Museum of Brisbane Trust, and except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, in my opinion, the financial report presents fairly, in all material respects, the transactions of the Trust for the financial year 1 July 2013 to 30 June 2014 in accordance with the accounting policies described in Note 1.

Emphasis of Matter - Basis of Accounting

Without further modification to my opinion, attention is drawn to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustee's financial reporting responsibilities under the trust deed. As a result, the financial report may not be suitable for another purpose.



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



Queensland Audit Office
Brisbane

