

Museum of Brisbane Pty Ltd

ABN 52 098 223 413

Annual report

For the year ended 30 June 2015

Museum of Brisbane Pty Ltd

ABN 52 098 223 413

Annual report

For the year ended 30 June 2015

Table of Contents

Directors' Report	1 - 3
Auditor's independence declaration	4
Financial Report	
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to financial statements	9 - 24
Directors' declaration	25
Independent auditor's report	26 - 27

Directors' Report

The Directors present their report together with the financial report of Museum of Brisbane Pty Ltd for the year ended 30 June 2015 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

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)

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

Company Secretary

David Martin Askern held the position of Company Secretary at the end of the financial year. Mr Askern has held this position since October 2013. Mr Askern resigned as a Director on 27 August 2012.

Operating Results

The profit of the Company for the year amount to \$207,386 (2014: profit \$30,426).

At 30 June 2015 the Museum hold further cash reserves in anticipation of expenditure commitments to occur during the 2016 financial year, including exhibition lighting, forklift, air purifier and other assets. Reserves are also held for future exhibition development and research.

This year the Museum firmly established its operations and has set itself as a must see cultural destination in the city, delivering a number of exhibitions and activities, including the national award winning Costumes from the Golden Age of Hollywood. There was a 12.3% increase in visitation with 326,212 visitors to the Museum during the 12 months to 30 June 2015.

The financial result for the year has been in line with expectations of the Board of Directors. The Museum has increased its return on income generating activities above projections.

Museum of Brisbane Board of Directors will ensure that term deposits are allocated to cover the amount of staff vesting leave provisions and a two month trading period at any time.

Directors' Report (continued)

Review of Operations

The Company continued to engage in its principle 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 Activity

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 matter 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 Issues

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 financial year. No recommendation for payment of dividends has been made.

Indemnification of Officer

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 Auditor

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.

Auditor's independence declaration

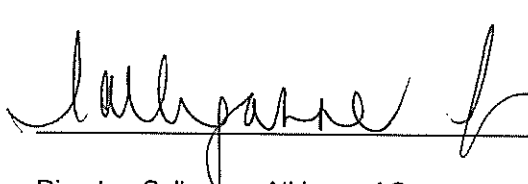
A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Directors' Report (continued)

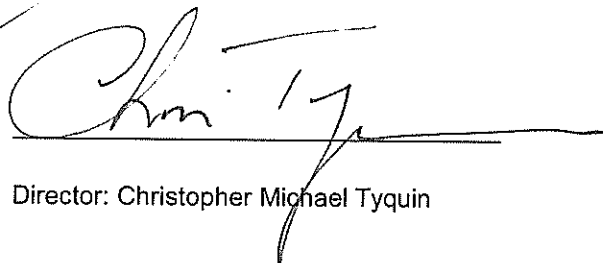
Proceedings on Behalf of the Company

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: Christopher Michael Tyquin

Dated this *TWENTY-FIFTH*

day of *SEPTEMBER*

2015

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 2015, 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.



C J WEH FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Museum of Brisbane Pty Ltd
ABN 52 098 223 413

Statement of Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	5	5,401,378	4,664,857
Less: expenses			
Employee benefits expense	7	(2,271,920)	(2,191,817)
Audience development expenses		(1,122,533)	(458,054)
Program (exhibition) expenses		(507,622)	(467,700)
Lease expense		(684,819)	(743,135)
Minor equipment		(36,138)	(33,045)
Consultancy expenses		(40,463)	(16,979)
Collection management		(30,824)	(61,468)
Depreciation and amortisation expenses	6	(95,540)	(184,184)
Clock tower expenses		-	(19,860)
Internet webhosting expenses		(128,877)	(83,269)
Asset contributed to BCC		-	(53,493)
Other expenses		(275,256)	(321,427)
Total expenses		(5,193,992)	(4,634,431)
Profit for the year		207,386	30,426
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		207,386	30,426

The accompanying notes form part of these financial statements.

Museum of Brisbane Pty Ltd
ABN 52 098 223 413

Statement of Financial Position
As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	835,958	785,797
Receivables		18,978	11,392
Other assets		6,017	6,028
Total current assets		<u>860,953</u>	<u>803,217</u>
Non-current assets			
Property, plant and equipment	11	1,150,637	845,766
Total non-current assets		<u>1,150,637</u>	<u>845,766</u>
Total assets		<u>2,011,590</u>	<u>1,648,983</u>
LIABILITIES			
Current liabilities			
Payables	12	220,138	50,830
Provisions	13	126,658	128,854
Other liabilities	14	30,000	60,000
Total current liabilities		<u>376,796</u>	<u>239,684</u>
Non-current liabilities			
Provisions	13	55,627	37,518
Total non-current liabilities		<u>55,627</u>	<u>37,518</u>
Total liabilities		<u>432,423</u>	<u>227,202</u>
Net assets		<u>1,579,167</u>	<u>1,371,781</u>
EQUITY			
Share capital	15	1	1
Retained earnings	16	1,579,166	1,371,780
Total equity		<u>1,579,167</u>	<u>1,371,781</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the year ended 30 June 2015

	Note	Contributed Equity \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2013		1	1,341,354	1,341,355
Profit for the year		-	30,426	30,426
Total comprehensive income for the year		<u>1</u>	<u>30,426</u>	<u>30,426</u>
Balance as at 1 July 2014		1	1,371,780	1,371,781
Profit for the year		-	207,386	207,386
Total comprehensive income for the year		<u>-</u>	<u>207,386</u>	<u>207,386</u>
Balance as at 30 June 2015		<u>1</u>	<u>1,579,166</u>	<u>1,579,167</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		259,509	972,681
Receipt of BCC funding income		4,298,333	3,882,950
Payments to suppliers and employees		(4,294,051)	(4,547,179)
Interest received		45,560	53,475
Net cash provided by operating activities	17 (b)	309,351	361,927
Cash flows from investing activities			
Proceeds from sale of property plant and equipment		5,222	3,474
Payments for property, plant & equipment		(264,412)	(137,904)
Net cash provided by/ (used in) investing activities		(259,190)	(134,430)
Reconciliation of cash			
Cash at beginning of the financial year		785,797	558,300
Net increase in cash held		50,161	227,497
Cash at end of year	17 (a)	835,958	785,797

The accompanying notes form part of these financial statements.

Museum of Brisbane Pty Ltd
ABN 52 098 223 413

Notes to the Financial Statements
For the year ended 30 June 2015

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 is 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 non-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 2015

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 the Company's accounting policies.

Notes to the Financial Statements

For the year ended 30 June 2015

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 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 purpose 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.

Notes to the Financial Statements For the year ended 30 June 2015

Note 1: Statement of significant accounting policies (continued)

(g) 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	\$1

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 AASB 116 *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 asset 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.

(h) 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. No indicators of possible impairment have been identified this financial year.

Notes to the Financial Statements For the year ended 30 June 2015

Note 1: Statement of significant accounting policies (continued)

(i) Leases

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.

(j) 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.

(k) 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 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.

Notes to the Financial Statements For the year ended 30 June 2015

Note 1: Statement of significant accounting policies (continued)

(iii) Defined contribution superannuation plan

Contributions to defined contribution superannuation funds are recognised as an expense 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.

(l) 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.

(m) 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.

(n) Basis of consolidation

The company is the trustee for the Museum of Brisbane Trust. The consolidated statements have not been presented as the Trust's assets, liabilities, revenues and expenses are immaterial. The Trust received \$61,349 in donations during the 2015 financial year (2014: \$21,112) and the amount on hand as of 30 June 2015 consisted of \$82,304 in cash and \$10 settlement sum (2014: \$20,840 and \$10 respectively).

(o) Rounding

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

Museum of Brisbane Pty Ltd
ABN 52 098 223 413

Notes to the Financial Statements
For the year ended 30 June 2015

NOTE 2: ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT 30 JUNE 2015

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.

From reporting periods beginning on or after 1 July 2016, the Company will need to comply with the requirements of AASB 124 *Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The Company already discloses information about the remuneration expenses for key management personnel (refer to note 7) and related party transactions (refer note 18). Therefore, the most significant implications of AASB 124 for the Company's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

AASB 15 *Revenue from Contracts with Customers* will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the Company's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the Company has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The Company is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

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 2015 financial year.

Notes to the Financial Statements For the year ended 30 June 2015

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:

	2015 \$	2014 \$
Financial assets		
Cash and cash equivalents	835,958	785,797
Receivables	18,978	11,392
	<u>854,936</u>	<u>797,189</u>
Financial liabilities		
Payables	220,138	50,830
	<u>220,138</u>	<u>50,830</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.

All receivables are considered current and receivable within 30 days. No receivables are considered impaired

Museum of Brisbane Pty Ltd
ABN 52 098 223 413

Notes to the Financial Statements
For the year ended 30 June 2015

NOTE 4: FINANCIAL RISK MANAGEMENT (CONTINUED)

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

(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.

(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 June 2015	30				Total	Carrying amount
		< 6 months	6-12 months	1-5 years	contractual cash flows	
		\$	\$	\$	\$	\$
Payables		220,140	-	-	220,140	220,138
Net Maturities		220,140	-	-	220,140	220,138
<hr/>						
Year ended 30 June 2014						
Payables		50,830	-	-	50,830	50,830
Net maturities		50,830	-	-	50,830	50,830

(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 52 098 223 413

Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
	\$	\$
NOTE 5: REVENUE		
Grant Revenue		
BCC funding income	3,000,000	3,000,000
BCC rental funding	712,324	694,950
Other	94,009	27,273
	3,806,333	3,722,223
Sales Revenue		
Merchandise income	148,111	52,677
Service level agreement revenue		
BCC Clocktower/ tours revenue	492,000	440,000
BCC CHVE initial funding	-	188,000
	492,000	628,000
Other revenue		
Artwork donations*	139,913	107,641
Event income	42,384	20,964
Sponsorship in-kind	619,169	-
Sponsorship income	80,000	62,301
Interest income	45,560	53,475
Public programs and education	20,203	13,882
Other revenue	6,397	3,964
	953,626	261,957
Other income		
Gain on disposal of non-current assets	1,308	-
	1,308	-
Total other revenue	1,308	-
Total revenue	5,401,378	4,664,857

* Included in donations revenue is an amount of \$139,913 (2014: \$107,636) representing the fair value of artwork and collectibles donated for no consideration.

NOTE 6: DEPRECIATION

Depreciation of non current assets		
- Plant and equipment	59,277	150,323
- Furniture and fittings	34,197	32,108
- Computer equipment	2,066	1,753
	95,540	184,184
	95,540	184,184

Notes to the Financial Statements
For the year ended 30 June 2015

	2015	2014
	\$	\$
NOTE 7: EMPLOYEE BENEFIT		
Employee benefits expense		
- Wages and salaries	1,824,518	1,711,855
- Employee provision expense	167,618	206,199
- Superannuation contributions	177,793	161,721
- Workers compensation premium	11,388	17,523
- Payroll tax	90,603	94,519
	<u>2,271,920</u>	<u>2,191,817</u>

NOTE 8: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the company

- short-term employee benefits	760,839	848,487
- post-employment benefits	65,309	64,426
	<u>826,147</u>	<u>912,913</u>

NOTE 9: REMUNERATION OF AUDITORS

Remuneration of auditors for :

Queensland Audit Office

The total audit fee in relation to 2015 financial year is estimated to be \$15,000 (2014: \$14,500)

NOTE 10: CASH AND CASH EQUIVALENTS

Cash on hand	1,500	1,500
Cash at bank	128,976	102,305
Cash on deposits	705,482	681,992
	<u>835,958</u>	<u>785,797</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.

Museum of Brisbane Pty Ltd
ABN 52 098 223 413

Notes to the Financial Statements
For the year ended 30 June 2015

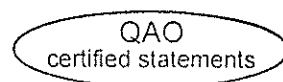
	2015	2014
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Plant and equipment at cost	843,799	687,573
Accumulated depreciation	(244,891)	(185,614)
	598,908	501,959
Furniture, fixtures and fittings at cost	298,451	238,690
Accumulated depreciation	(71,813)	(37,616)
	226,638	201,074
Computer equipment at cost	8,266	8,266
Accumulated depreciation	(5,074)	(3,008)
	3,192	5,258
Artwork and collectibles	321,899	137,475
Total property, plant and equipment	1,150,637	845,766

Museum of Brisbane Pty Ltd
ABN 52 098 223 413

Notes to the Financial Statements
For the year ended 30 June 2015

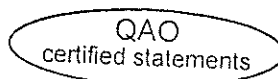
	2015 \$	2014 \$
NOTE 11: PROPERTY PLANT AND EQUIPMENT (CONTINUED)		
Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Plant and equipment</i>		
Opening carrying amount	501,959	593,711
Additions	156,626	77,100
Disposals	(400)	(18,529)
Contribution of assets by Brisbane City Council (refer note 20)	-	-
Depreciation expense	(59,277)	(150,323)
Closing carrying amount	598,908	501,959
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	201,074	240,655
Additions	63,675	30,965
Disposals	(3,914)	(38,438)
Depreciation expense	(34,197)	(32,108)
Closing carrying amount	226,638	201,074
<i>Computer equipment</i>		
Opening carrying amount	5,258	7,011
Additions	-	-
Depreciation expense	(2,066)	(1,753)
Closing carrying amount	3,192	5,258
<i>Artwork and collectibles</i>		
Opening carrying amount	137,475	-
Additions	184,424	137,475
Closing carrying amount	321,899	137,475

Museum of Brisbane Pty Ltd
 ABN 52 098 223 413
Notes to the Financial Statements
 For the year ended 30 June 2015



	2015 \$	2014 \$
NOTE 12: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	170,568	4,560
Other payables	49,570	46,270
	<u>220,138</u>	<u>50,830</u>
NOTE 13: PROVISIONS		
CURRENT		
Annual leave	110,247	107,002
Long service leave	11,838	16,276
Sick leave	4,573	5,576
	<u>126,658</u>	<u>128,854</u>
NON CURRENT		
Long service leave	55,627	37,518
(a) Number of employees at year end	<u>34</u>	<u>20</u>
NOTE 14: OTHER LIABILITIES		
CURRENT		
Deferred sponsorship income	30,000	60,000
NOTE 15: SHARE CAPITAL		
Issued and paid-up capital		
1 (2014: 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 shareholder has one vote on a show of hands.		
NOTE 16: RETAINED EARNINGS		
Retained earnings at beginning of year	1,371,780	1,341,354
Net profit	207,386	30,426
	<u>1,579,166</u>	<u>1,371,780</u>

Museum of Brisbane Pty Ltd
 ABN 52 098 223 413
Notes to the Financial Statements
 For the year ended 30 June 2015



	2015 \$	2014 \$
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	128,976	102,305
At call with financial institutions	705,482	681,992
	<u>835,958</u>	<u>785,797</u>
(b) Reconciliation of cash flow from operations with profit		
Profit from ordinary activities	207,386	30,426
Adjustments and non-cash items		
Depreciation	95,540	184,184
Net (gain)/loss on disposal of property, plant and equipment	(1,308)	53,493
Value of artwork and collectibles donated	(139,913)	(107,636)
Changes in assets and liabilities		
(Increase)/ decrease in receivables	(7,586)	229,805
(Increase)/ decrease in other assets	11	(5,828)
Increase/ (decrease) in payables	169,308	(140,320)
Increase/ (decrease) in other liabilities	(30,000)	60,000
Increase/ (decrease) in provisions	15,913	57,803
Cash flows from operating activities	<u>309,351</u>	<u>361,927</u>

(c) Non-cash financing and investing activities

During 2015, the Company received donated artwork and collectibles recognised at a fair value of \$139,913 (2014: \$107,636).

Museum of Brisbane Pty Ltd
 ABN 52 098 223 413
Notes to the Financial Statements
 For the year ended 30 June 2015

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 ongoing funding income of \$3,000,000 (2014: 3,000,000) to the Company under the Museum of Brisbane Funding Agreement.
- BCC also contributed funding income of \$712,324 (2014: \$694,950) to the Company under the Museum of Brisbane Funding Agreement in respect to the City Hall and Green Square lease commitments.
- BCC compensated the Company for conducting clock tower and city hall tours under a service agreement to the amount of \$492,000 (2014: \$440,000).
- From December 2012, the Company rents its premises from BCC. \$636,300 rental payments were made to BCC during the 2015 year (2014: \$713,240) during the year, in line with the executed lease between the parties.

NOTE 19: CAPITAL AND LEASING COMMITMENTS

	2015	2014
	\$	\$
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	674,085	742,391
- later than one year and not later than five years	947,669	1,754,695
	1,621,754	2,497,086

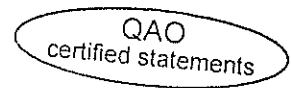
Operating leases relate to a premise lease, storage unit lease and equipment rental under normal commercial operating lease terms and conditions. The premises lease is for 5 years with no options to renewal and no annual increases. The storage unit lease is for 3 years with an option to renew for an 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.

The Museum of Brisbane has no capital commitment (2014: \$nil) at year-end.

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 (2014: \$nil) liabilities at year-end.



Museum of Brisbane Pty Ltd
ABN 52 098 223 413
Notes to the Financial Statements
For the year ended 30 June 2015

NOTE 21: 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 22: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2015 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2015, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2015, of the company.

NOTE 23: CONTINGENCIES

The Directors are not aware of any contingent assets or liabilities as at 30 June 2015 (2014: \$nil).

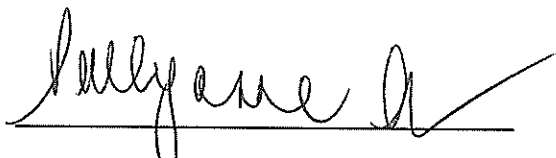
Directors' Declaration

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 2015 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.

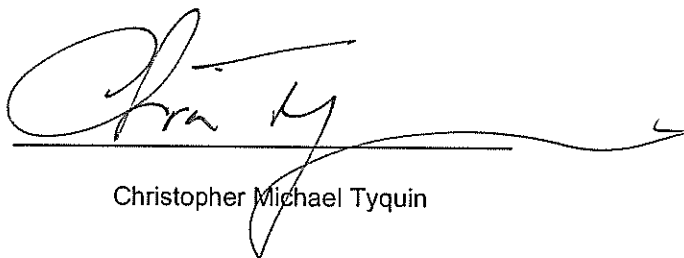
This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Sallyanne Atkinson AO

Director:



Christopher Michael Tyquin

Dated this TWENTY-FIFTH

day of SEPTEMBER

2015

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 2015, 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 2015 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.



C J WEH FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Museum of Brisbane Trust

ABN 70 514 947 142

Statement of Cash Receipts and Disbursements

For the year ended 30 June 2015

	2015	2014
	\$	\$
Opening cash balance as at 1 July	20,840	25
Cash Receipts		
Donations	26,199	11,362
Philanthropy	35,150	9,750
Interest	809	136
Total cash receipts	<u>62,158</u>	<u>21,248</u>
Cash Disbursements		
Bank Fees	694	433
Total cash disbursements	<u>694</u>	<u>433</u>
Closing Cash Balance as at 30 June	<u><u>82,304</u></u>	<u><u>20,840</u></u>

Museum of Brisbane Trust

ABN 70 514 947 142

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 dependent 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.

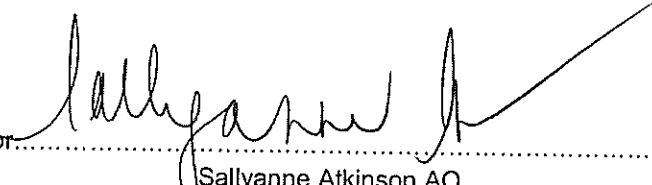
The financial statements have been prepared on a cash basis.

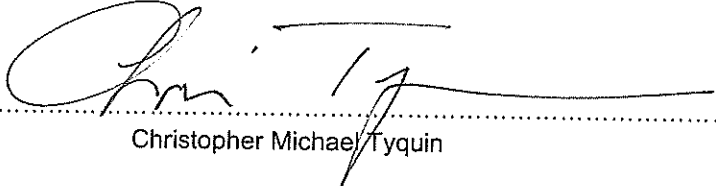
Museum of Brisbane Trust
ABN 70 514 947 142

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 2015 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.....
Christopher Michael Tyquin

Dated this TWENTY-FIFTH day of SEPTEMBER 2015

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 2015, notes comprising a summary of significant accounting policies and declarations given by the Directors 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

An effective system of internal control was not maintained over cash box donations. 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. As a consequence of this lack of control, I was unable to verify the completeness of donations reported in the statement of cash receipts and disbursements of \$26,199. I am therefore unable to and do not express an opinion as to whether all cash donations received by the Trust have been brought to account and recorded in the financial report. The impact of this matter on the financial report cannot be practicably quantified due to the absence of reliable evidentiary sources. My report for 2013-14 was also qualified on this basis.

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 2014 to 30 June 2015 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.



C J WEH FCPA
(as delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane