

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

ABN 52 098 223 413

Financial Report

FOR THE YEAR ENDED 30 JUNE 2022

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

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CONTENTS

FOR THE YEAR ENDED 30 JUNE 2022

	Page
Financial Statements	
Directors' Report	2
Auditor's Independence Declaration	7
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Consolidated Financial Statements	12
Directors' Declaration	40
Independent Auditor's Report	41

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT

30 JUNE 2022

Directors present their report together with the consolidated financial report of Museum of Brisbane Pty Ltd ("the Company") and its controlled entity for the year ended 30 June 2022 and auditors report thereon. This consolidated financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The names of the directors in office at any time during the period ended 30 June 2022 are:

Names	Position	Appointed/Resigned
Sallyanne Atkinson AO	Director	Appointed: 27 August 2012
Andrew Harper	Director	Appointed: 10 September 2012
Liana Heath	Director	Appointed: 18 March 2019
Natasha Hood	Director	Appointed: 18 March 2019
Leanne Coddington	Director	Appointed: 21 January 2020
Andrew Gutteridge	Director	Appointed: 23 January 2020

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

Company Secretary

Melanie Heley was the Company Secretary for the period ended 30 June 2022.

No director has received or become entitled to receive a benefit (other than a benefit included in the Notes to the Financial Statements) because of a contract that the director, a firm of which the director is a member, or an entity in which the director has a substantial financial interest, has made (during the period 30 June 2022 or at any other time) with:

- (a) the Company; or
- (b) an entity that the Company controlled, or body corporate that was related to the Company, when the contract was made or when the director received, or became entitled to receive, the benefit.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT (continued)

30 JUNE 2022

1. Director Information

a Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Governance and Remuneration Committee		Museum of Brisbane Trust Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Sallyanne Atkinson AO	5	4	4	3	1	1
Andrew Harper	5	5	4	4	-	-
Liana Heath	5	5	-	-	2	2
Natasha Hood	5	5	4	4	-	-
Leanne Coddington	5	5	1	1	2	2
Andrew Gutteridge	5	5	-	-	2	2

2. Operating results and review of operations for the year

a Operating results

The consolidated results of the Consolidated Entity recorded a surplus for the year amounting to \$270,122 (2021: \$276,446).

Both the Company and the Trust recorded a positive result for the year despite the current challenges being experienced worldwide due to the COVID-19 pandemic and the Eastern Australian significant weather event.

During the 12-month period ended 30 June 2022, the Museum has remained agile and focused on engaging with local artists and local audience.

The Museum has been open to the public for most of the year except for 2 lockdowns due to State Government mandates in response to COVID-19: 1-3 July and 1-8 August 2021. The Museum was also closed due to significant weather events in Brisbane from 27 February - 4 March 2022. The closures and COVID-19 restrictions on audience capacity have affected Museum attendance numbers, but these have since improved with the relaxation of COVID-19 restrictions and the reopening of national and international borders.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT (continued)

30 JUNE 2022

2. Operating results and review of operations for the year (continued)

a Operating results (continued)

Museum of Brisbane's Trust was established to receive gifts, bequests and donations. Philanthropic support has continued, enabling the further expansion of the MoB Learn Assist Program, continuation of the Artist in Residence Program, growth of the Collection and conservation of the the Easton Pearson Archive.

b Review of operations

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

c Significant changes in state of affairs

The Company's Directors and Management have performed an assessment of the impact of the Queensland floods based on the nature of the Company's operations and business model. At this stage, with the information available at the date these financial statements are authorised for issue, Management concluded that the flooding of the greater Brisbane area (in February 2022) did not have a material impact on the 2022 financial results of the Consolidated Entity.

Except for the above, no other matters or circumstances have arisen during the 30 June 2022 financial year that have significantly or may significantly affect the Consolidated Entity.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT (continued)

30 JUNE 2022

3. Other items

a 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.

b After balance date events

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the above, no other matter or circumstance has 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.

c Likely developments

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

d 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 of Australia.

e 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.

4. Indemnification

a 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.

b 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 Consolidated Entity.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

DIRECTORS' REPORT (continued)

30 JUNE 2022

c 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.

5. Proceedings on Behalf of the Consolidated Entity

a Leave or proceedings

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

b Sign off information

Signed on behalf of the Board of Directors:

Director:



Sallyanne Atkinson AO

Director:



Andrew Edward Harper

Dated this 21ST day of OCTOBER 2022

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 financial year ended 30 June 2022, 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
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Sri Narasimhan
as delegate of the Auditor-General

21 October 2022

Queensland Audit Office
Brisbane

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
OPERATING RESULT			
Income			
Revenue	2	7,366,927	6,850,029
Expenses			
Employee benefits expense	3	(3,475,926)	(3,100,797)
Audience development expenses	4	(953,878)	(1,337,422)
Program (exhibition) expenses		(1,210,114)	(694,421)
Lease expense		(5,970)	(12,565)
Minor equipment		(58,090)	(35,477)
Collection management		(41,801)	(40,673)
Depreciation and amortisation expenses	5	(786,031)	(804,299)
Internet web hosting expenses		(104,877)	(106,357)
Finance costs		(24,267)	(25,696)
Other expenses		(435,851)	(415,876)
Total Expenses		(7,096,805)	(6,573,583)
Operating Results for the Year		270,122	276,446
Other Comprehensive Income:			
Increase in asset revaluation surplus		23,930	2,727
Total Comprehensive Income		294,052	279,173

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,751,876	1,557,824
Trade and other receivables	7	84,436	59,560
Other assets		136,469	140,788
GST receivable		34,119	24,770
TOTAL CURRENT ASSETS		2,006,900	1,782,942
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,182,487	4,888,368
Right-of-use assets	9	2,589,045	3,218,623
TOTAL NON-CURRENT ASSETS		7,771,532	8,106,991
TOTAL ASSETS		9,778,432	9,889,933
LIABILITIES			
CURRENT LIABILITIES			
Payables	10	196,433	160,657
Provisions	11	221,725	191,823
Other liabilities	12	302,477	174,789
Lease liabilities	13	632,427	620,783
TOTAL CURRENT LIABILITIES		1,353,062	1,148,052
NON-CURRENT LIABILITIES			
Provisions	11	43,759	37,069
Lease liabilities	13	1,980,587	2,597,840
TOTAL NON-CURRENT LIABILITIES		2,024,346	2,634,909
TOTAL LIABILITIES		3,377,408	3,782,961
NET ASSETS		6,401,024	6,106,972
EQUITY			
Share Capital	14	1	1
Unitholder's capital	14	10	10
Asset revaluation surplus		119,346	95,416
Retained earnings		6,281,667	6,011,545
TOTAL EQUITY		6,401,024	6,106,972

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Share Capital \$	Unit holder's capital \$	Asset revaluation surplus \$	Retained earnings \$	Total equity \$
Balance at 1 July 2020	1	10	92,689	5,735,099	5,827,799
Operating Result from continuing operations	-	-	-	276,446	276,446
Increase in asset revaluation surplus	-	-	2,727	-	2,727
Total comprehensive income for the year	-	-	2,727	276,446	279,173
Balance at 1 July 2021	1	10	95,416	6,011,545	6,106,972
Operating Result from continuing operations	-	-	-	270,122	270,122
Increase in asset revaluation surplus	-	-	23,930	-	23,930
Total comprehensive income for the year	-	-	23,930	270,122	294,052
Balance at 30 June 2022	1	10	119,346	6,281,667	6,401,024

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,358,462	1,845,854
Receipt of funding from Brisbane City Council		4,905,720	4,830,720
Payment to suppliers and employees		(6,189,595)	(5,542,482)
Interest received		11,985	16,620
Net cash provided by operating activities	26	<u>1,086,572</u>	<u>1,150,712</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(235,293)	(101,572)
Net cash used in investing activities		<u>(235,293)</u>	<u>(101,572)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments - principal component		(632,960)	(729,122)
Lease payments - interest component		(24,267)	(25,696)
Net cash used in financing activities		<u>(657,227)</u>	<u>(754,818)</u>
Net increase in cash held		194,052	294,322
Cash and cash equivalents at beginning of year		1,557,824	1,263,502
Cash and cash equivalents at end of financial year	6	<u><u>1,751,876</u></u>	<u><u>1,557,824</u></u>

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Policies

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

CORPORATE INFORMATION

Museum of Brisbane Pty Ltd ("the Company") is a company limited by shares, incorporated and domiciled in Australia and wholly owned by the Brisbane City Council (BCC). Museum of Brisbane Trust ("the Trust") was established by Brisbane City Council to promote art for the benefit of the public.

The Company acts as trustee of the Museum of Brisbane Trust and in accordance with the power in the Trust deed, the Company is deemed to have a control over the Trust.

The registered office and Principal place of business of the Company is City Hall, Level 3, 64 Adelaide Street, Brisbane QLD 4000.

OBJECTIVES OF THE COMPANY

The objectives of Museum of Brisbane are to research and present a changing program of high quality exhibitions that explore and present all that is Brisbane, to establish itself as a museum of national significance by creating rich cultural experiences that inform, educate and entertain.

IMPACT OF COVID-19

Brisbane City Council provided 3 months of rent relief for Museum of Brisbane. This credit was applied at 22 February 2022 and is reflected as other revenue within the Statement of Comprehensive Income for \$160,875 (2021: \$344,376).

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1(a) Basis of preparation

These general purpose financial statements are for the Company and its controlled entity (collectively, the Consolidated Entity) for the period 1 July 2021 to 30 June 2022.

They comply with the requirements of the *Corporations Act 2001* and the Australian Accounting Standards and interpretations issued by the Australia Accounting Standards Board (AASB). The Consolidated Entity is a not-for-profit entity.

These financial statements have been prepared under the historical cost convention except where stated.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

1(b) Principles of consolidation

The Company and its Controlled Entity (the Trust) together form the economic entity, which is referred to in these financial statements as the consolidated entity. The financial statements of the controlled entity is included in the consolidated financial statements where material by size or nature, from the date when control commences until the date when control ceases.

Transactions between the Company and entity controlled by the Company have been eliminated when preparing consolidated accounts. In addition, the accounting policies of controlled entities have been adjusted on consolidation where necessary, to ensure the financial report of the Consolidated Entity is prepared using accounting policies that are consistent with those of the Company.

1(c) Currency and rounding

The consolidated financial report is presented in Australian dollars and to the nearest dollar.

1(d) Comparatives

Comparative information reflects the audited 2020-2021 consolidated financial statements.

1(e) Current/Non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Consolidated Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Consolidated Entity does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

1(f) Authorisation of consolidated financial statement for issue

The consolidated financial statements are authorised for issue by the Directors at the date of signing the Directors' report.

1(g) Estimates and judgements

Where necessary judgements, estimates and assumptions have been used in preparing these financial statements. Those that have a significant effect, or risk of causing an adjustment to assets or liabilities relate to:

- Valuation, depreciation and impairment of property, plant and equipment (Note 8)
- Provisions (Note 11).

1(h) Adoption of new and revised accounting standards

The Consolidated Entity has adopted AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts, AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 and AASB 2020-4 Amendments to Australian Accounting Standards - COVID-19-Related Rent Concessions effective from 1 July 2021.

For the 2022 financial year, the Consolidated entity has not identified any material impacts on the financial statements from the introduction of these standards.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE

	2022	2021
	\$	\$
<i>Funding</i>		
Brisbane City Council funding	4,905,720	4,830,720
	<u>4,905,720</u>	<u>4,830,720</u>
<i>Revenue from Contracts with Customers</i>		
Grant revenue	150,854	194,610
Merchandise sales	329,692	286,583
Corporate fundraising	103,958	131,071
Public programs/tours revenue	177,907	86,736
Projects*	882,177	1,695
Membership income	9,087	6,909
	<u>1,653,675</u>	<u>707,604</u>
<i>Other revenue</i>		
Artwork donations	163,998	195,686
Interest income	11,985	16,620
Sponsorship-in-kind	209,138	418,970
Philanthropy	254,624	196,438
Other	167,787	483,991
	<u>807,532</u>	<u>1,311,705</u>
Total Revenue	<u><u>7,366,927</u></u>	<u><u>6,850,029</u></u>

*Includes multiple delivery of projects including, Newstead Conservation Project and Botanica - Production and Event Management.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE (continued)

Revenue is recognised at the fair value of the consideration received or receivable, at the time indicated below:

Funding

Funding received from Brisbane City Council, is not attached to performance obligations and the revenue is therefore recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) when the cash is received.

Grants

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Consolidated Entity to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied. Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding.

Sales Revenue

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Artwork Donations

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

Sponsorship

Sponsorships are recognised as revenue in the year in which the Consolidated Entity obtains control over them or receives the benefits.

Fundraising

Corporate fundraising sponsorships are recognised as revenue monthly, quarterly, bi-annually or annually within the same financial year in which the sponsorship relates to.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE (continued)

Philanthropy

Revenue is recognised as the donation occurs.

Ticketing/tours

Ticketing and touring is recognised at delivery of service.

Projects

Project income relates to Council funding in respect to services provided by the Museum in relation to specific projects. Revenue is recognised when the services have been provided.

NOTE 3: EMPLOYEE BENEFITS EXPENSE

	2022	2021
	\$	\$
Employee benefits expense		
Wages and salaries	2,672,244	2,427,207
Directors Fees	85,000	-
Annual leave and long service leave provision expense	262,780	274,210
Superannuation contributions	292,096	249,926
Workers compensation premium	9,509	11,075
Payroll tax	154,297	138,379
Total	3,475,926	3,100,797

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.

Wages and Salaries

Wages and salaries due but unpaid at reporting date are recognised in the Consolidated Statement of Financial Position at the current salary rates. As the Consolidated Entity expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Superannuation

Employer superannuation contributions are paid to employees' nominated superfunds. Contributions are expensed in the period in which they are paid or payable.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 4: AUDIENCE DEVELOPMENT EXPENSES

	2022	2021
	\$	\$
Marketing	286,698	468,077
Marketing consultant	75,000	146,000
Sponsorship in-kind	209,138	418,970
Merchandise	208,924	192,099
Other audience development expenses	174,119	112,276
Total	953,879	1,337,422

Marketing / Consultant Fees / Merchandise and Other Audience Development expenses

These costs are recognised upon receipt of goods or services ordered and are measured at the nominal amount.

Sponsorship in-kind

Sponsorship in-kind relates to agreements with certain partners whereby an exchange of in-kind services takes place and a corresponding amount of revenue is recognised in the statement of comprehensive income.

NOTE 5: DEPRECIATION AND AMORTISATION EXPENSE

	2022	2021
	\$	\$
Depreciation of non-current assets		
- Plant and equipment	89,007	81,056
- Furniture and fittings	39,222	40,861
- Right-of-use asset	657,802	682,382
Total	786,031	804,299

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6: CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash on hand	5,226	1,671
Cash at bank	561,972	379,525
Cash on deposits	1,184,678	1,176,629
Total	1,751,876	1,557,824

For the purposes of the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows, cash assets include all cash and cheque's receipted but not banked at 30 June as well as deposits at call with financial institutions. The Museum of Brisbane Board of Directors will ensure that there are funds allocated to cover the amount of staff vesting leave provisions. It is agreed to carry a contingency of cash on hand to cover a three month trading period at any time.

NOTE 7: TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Trade debtors	49,834	58,011
Prepayments	34,602	1,550
Total	84,436	59,560

NOTE 8: PROPERTY, PLANT & EQUIPMENT

	2022	2021
	\$	\$
Plant and equipment		
Plant and equipment at cost	999,214	907,426
Accumulated Depreciation	(770,690)	(688,310)
	228,524	219,116
Furniture, fixtures and fittings at cost	392,600	378,881
Accumulated depreciation	(275,779)	(236,557)
	116,821	142,324
Artwork and collectibles at fair value	4,837,142	4,526,928
Total Property, plant and equipment	5,182,487	4,888,368

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8: PROPERTY, PLANT & EQUIPMENT (continued)

Recognition thresholds for property, plant and equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

- Plant and Equipment	\$5,000
- Furniture, fixtures and fittings	\$5,000
- Computer equipment	\$5,000
- Art and Collectibles	\$1

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

Acquisition of assets

Cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. Any training costs are expensed as incurred.

Artwork and collectibles acquired at no cost or for nominal consideration are recognised at their fair value at the date of acquisition.

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. Items purchased for exhibitions will be used only for that exhibition (usually lasting 3-6 months), due to the short timeframe of use, they will not be added to the Fixed Asset Register to be depreciated over an extended time frame.

Measurement of property, plant and equipment using Cost

Plant and equipment, furniture, fixtures and fittings and computer equipment are measured at cost. The carrying amount for such plant and equipment at cost is not materially different from their fair value.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8: PROPERTY, PLANT & EQUIPMENT (continued)

Depreciation of Property, Plant and Equipment

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Consolidated Entity.

Key Estimate: For each class of depreciable asset the following depreciation rates are used:

Class	Useful lives
- Plant and equipment	1 to 10 years
- Furniture, fixtures and fittings	1 to 10 years
- Computer equipment	1 to 4 years

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

Impairment of non-current assets

Key Judgement and Estimate: All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Consolidated Entity 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 of disposal and current replacement cost.

An impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased 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.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8: PROPERTY, PLANT & EQUIPMENT (continued)

Revaluation of artwork and collectibles

The Consolidated Entity's artwork and collectibles are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. These assets are reported at their revalued amounts, being the fair value at the date of valuation.

The costs of items acquired during the financial year has been judged by management of the Consolidated Entity to materially represent their fair value at the end of the reporting period.

The artwork and collectibles is revalued in accordance with the Consolidated Entity's revaluation policy which is approved by the Board. The revaluation process is managed by the Collections Manager and Head of Business Services and revaluations are approved by the Director. At least once every 5 years, a revaluation is conducted by an external valuer for artworks with higher individual values. The remaining items are significantly lower in individual values in comparison to the total value of the collection and are less likely to be subject to material movement in fair value; consequently, those works are generally held at cost (which approximates fair value) but are periodically reviewed for material movements by the Consolidated Entity's own expert curatorial staff.

Any revaluation increments arising on the revaluation of artwork and collectibles assets is credited to the asset revaluation surplus, except to the extent it reverses a revaluation decrement previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the asset revaluation surplus.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

In accordance with AASB 13 *Fair Value Measurement* are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (Level 2)
- Fair value based on unobservable inputs for the asset and liability (Level 3)

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8: PROPERTY, PLANT & EQUIPMENT (continued)

Revaluation of artwork and collectibles (continued)

An external valuation was conducted during the 2022 financial year by Ross Searle for artworks and collectibles, the Easton Pearson Archive valuation was conducted by Eleanor Keene. The valuation was derived by reference to market based evidence including sales prices of comparable artworks and general art market conditions. In 2021 all artworks and collectables, and the Easton Pearson Archive, were classified at level 2 in the fair value hierarchy. Following the 2022 artworks and collectibles valuation, the valuer identified that some assets no longer had sufficiently recent comparable market data, and could no longer be classified at level 2. These assets have been reclassified as level 3. The valuer has maximised the use of observable inputs in the valuation which includes artwork size parameters, material, style and technique.

The Consolidated Entity's policy is to recognise transfers in and out of their fair value hierarchy level as at the end of the reporting period.

Artwork and collectibles of the Consolidated Entity are classified as level 2 and level 3 in the fair value hierarchy \$4,837,142 (2021 \$4,526,928):

2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Artwork and collectibles	-	3,122,168	1,714,974	4,837,142
Total assets	-	3,122,168	1,714,974	4,837,142
<hr/>				
2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Artwork and collectibles	-	4,526,928	-	4,526,928
Total assets	-	4,526,928	-	4,526,928
<hr/>				

In the intervening year, the Trust has conducted internal reviews of the collection, with any significant market changes in the collection being revalued accordingly.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8: PROPERTY, PLANT & EQUIPMENT (continued)

Reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the current financial year.

	Plant and equipment	Furniture, fixtures and fittings	Artwork and collectibles	Total
30 June 2022	\$	\$	\$	\$
Balance at beginning of year	219,116	142,324	4,526,928	4,888,368
Additions	99,288	13,719	286,284	399,291
Disposals	(7,500)	-	-	(7,500)
Revaluation surplus	-	-	23,930	23,930
Depreciation expense	(82,380)	(39,222)	-	(121,602)
Balance at 30 June 2022	228,524	116,821	4,837,142	5,182,487
30 June 2021				
Opening carrying amount	283,685	186,322	4,239,504	4,709,511
Additions	33,443	-	284,697	318,140
Disposals	(16,957)	(3,138)	-	(20,095)
Revaluation surplus	-	-	2,727	2,727
Depreciation Expense	(81,056)	(40,861)	-	(121,917)
Balance at 30 June 2021	219,116	142,324	4,526,928	4,888,368

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9: RIGHT-OF-USE ASSETS

Buildings

The Museum leased two buildings during the financial year which are used for the Museum, office space and storage. One of these leases included Commercial Building, Rent of Queensland Theatre Company. The arrangement was a trial for 12 months (November 2020 to November 2021) for both parties and was considered a short-term lease for 2021 financial year. As of November 2021, the rent of this space was renewed and assessed. The rent of space was considered to be a right-of-use asset and met the definition under AASB 16 Leases (AASB 16). For the period from November 2021 until June 2022 the lease of this space has been included in the right-of-use assets and Lease Liability calculation.

Plant & Equipment

The Museum leases a photocopier under a rental agreement.

Each lease is amortised on a straight line basis until the end of the lease term.

Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs

Right-of-use assets are subsequently depreciated over the lease term and be subject to impairment testing on an annual basis.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

30 June 2022	Buildings	Plant & Equipment	Total
	\$	\$	\$
Opening balance at 1 July 2021	3,217,108	1,515	3,218,623
Depreciation charge	(654,296)	(3,506)	(657,802)
Right of use asset additions	18,537	9,687	28,224
Modification of Leased/ROU Asset	-	-	-
Balance as at 30 June 2022	2,581,349	7,696	2,589,045

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9: RIGHT-OF-USE ASSETS (continued)

30 June 2021	Buildings	Plant & Equipment	Total
	\$	\$	\$
Opening balance at 1 July 2020	1,342,239	3,743	1,345,982
Depreciation charge	(680,154)	(2,228)	(682,382)
Modification of Leased/ROU Asset	2,555,023	-	2,555,023
Balance as at 30 June 2021	3,217,108	1,515	3,218,623

NOTE 10: PAYABLES

	2022	2021
	\$	\$
CURRENT		
Unsecured liabilities		
Trade Creditors	54,336	56,066
Accrued expenses	25,000	-
Other payables	117,097	104,591
Total	196,433	160,657

Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: PROVISIONS

	2022	2021
	\$	\$
CURRENT		
Annual Leave	182,410	162,067
Long service leave	39,315	29,756
	<u>221,725</u>	<u>191,823</u>
(a) Number of employees at year end	<u>55</u>	<u>49</u>
NON CURRENT		
Long service leave	43,759	37,069
	<u>43,759</u>	<u>37,069</u>

Movement in Provisions

	2022	2021
	\$	\$
<i>Annual Leave</i>		
Opening Carrying Amount	162,067	123,659
Provision/(payment) made during the year	20,343	38,408
Closing carrying amount	<u>182,410</u>	<u>162,067</u>

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: PROVISIONS (continued)

Annual leave

Annual leave 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.

	2022	2021
	\$	\$
<i>Long Service Leave</i>		
Opening Carrying Amount	66,825	49,045
Provision/(payment) made during the year	16,250	17,780
Closing carrying amount	<u>83,075</u>	<u>66,825</u>

Long Service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. The liability is recognised based on the likelihood of employees' reaching 10 years of continuous service.

The likelihood of this occurring has been based on the following probability percentages:

Years of service	%
0-1 years	0
1-3 years	5
4-5 years	50
6 years	60
7 years	70
8-9 years	100
10 years +	100

The estimates are calculated using current pay rates, adjusted for projected future increases in those rates and includes related employee on-costs.

Where employees have met the prerequisite length of service and the Consolidated Entity does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 12: OTHER LIABILITIES

	2022	2021
	\$	\$
CURRENT		
Deferred sponsorship income	2,083	23,541
Grants received in advance	300,394	151,248
	<u>302,477</u>	<u>174,789</u>

The deferred sponsorship income relates to sponsorship from third party corporate entities as per their sponsorship agreements. The amount paid in advance during the year 30 June 2022 has been recorded as deferred sponsorship income and will be utilised in the 2023 financial year.

Grants received in advance balance on hand is Visions of Australia funding for Museum of Brisbane Pattern and Print Easton Pearson Archive project and RISE Funding. The Visions for Australia contract relating to the grants was executed 29 November 2019. The entity will recognise the grant as income on execution of performing the touring of the Pattern and Print: Easton Pearson Archive Project. The activity for recognition of the income ends on 31 December 2022 per the agreement. RISE Funding is for the delivery exhibition program and funding is to be fully expended by 30 June 2023.

The movement in Grants Received in Advance from 2021 to 2022 is the recognition of the QASP (Queensland Arts Showcase Program) grant received for the City in the Sun: Journey into Sub-Tropicana and the Brisbane City Council grant received for an Accessible and Inclusive Project. The QASP grant was finalised and acquitted in March 2022 and the Brisbane City Council grant was acquitted by June 2022.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13: LEASE LIABILITIES

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows.

30 June 2022

< 1 year	1 - 5 years	> 5 years	Total per statement of financial position
\$	\$	\$	\$
651,603	2,006,127	-	2,613,014

30 June 2021

< 1 year	1 - 5 years	> 5 years	Total per statement of financial position
\$	\$	\$	\$
645,020	2,642,359	-	3,218,623

Lease Liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the Consolidated Entity is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Consolidated Entity under residual value guarantees
- the exercise price of a purchase option that the Consolidated Entity is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

When measuring the lease liability, the Consolidated Entity uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the Consolidated Entity's leases. To determine the incremental borrowing rate, the Consolidated Entity uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13: LEASE LIABILITIES (continued)

Subsequent to initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

NOTE 14: EQUITY

	2022	2021
Museum of Brisbane Pty Ltd		
Issued and paid-up capital		
Ordinary shares at \$1 per share	1	1
Museum of Brisbane Trust		
Unitholder's contribution at \$1 per unit	10	10

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.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 15: FINANCIAL RISK DISCLOSURE

Financial instrument categories

Recognition

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Consolidated Entity becomes party to the contractual provisions of the financial instrument. There have been no changes in the types of transactions the Consolidated Entity enters into, and all of the Consolidated Entity's financial assets are expected to be measured at amortised cost. The Consolidated Entity has the following categories of financial assets and financial liabilities.

	2022	2021
Financial assets	\$	\$
Cash and cash equivalents	1,751,876	1,557,824
Trade receivables	84,436	59,560
Total	<u>1,836,312</u>	<u>1,617,384</u>
Financial liabilities		
Payables	196,433	160,657
Total	<u>196,433</u>	<u>160,657</u>

Financial assets of the Consolidated Entity for the current financial year include cash and cash equivalents and receivables measured at amortised cost. As the Consolidated Entity's current receivables are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

Classification

Financial Instruments are classified and measured as follows:

- Cash and cash equivalents - at amortised cost
- Receivables - at amortised cost
- Payables - at amortised cost

The Consolidated Entity does not enter into transactions for speculative purposes, nor for hedging.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 15: FINANCIAL RISK DISCLOSURE (continued)

Financial risk management

Risk Exposure

Financial risk management is implemented pursuant to Company's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the controlled entities. The board of directors have overall responsibility for identifying and managing operational and financial risks.

The Consolidated Entity's activities expose it to a variety of financial risks as set out below:

(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 Consolidated Entity is exposed to interest rate risk through its cash deposited in interest bearing accounts. The Consolidated Entity 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 Consolidated Statement of Financial Position and notes to consolidated financial statements.

All receivables are considered current and receivable within 30 days. No receivables are considered impaired. The current credit risk in comparison to the credit risk that existed when the receivables were initially recognised has not changed, therefore it has been determined that there are no impairment losses to be recognised. There has been no substantial change in the nature of the Consolidated Entity's receivables, and they do not include a significant financing component.

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

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 15: FINANCIAL RISK DISCLOSURE (continued)

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks and state-based financing authorities.

(ii) Trade and other receivables

Credit risk for trade receivable 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 Consolidated Entity manages liquidity risk by continuously monitoring cash flows and maturity profiles of financial assets and liabilities.

NOTE 16: CONTINGENCIES

The Directors are not aware of any contingent assets or liabilities as at 30 June 2022 (2021: \$nil)

NOTE 17: COMMITMENTS

The Consolidated Entity has no capital commitments as at 30 June 2022 (2021: \$nil).

NOTE 18: EVENTS AFTER BALANCE DATE

There has been no matter or circumstance, which has arisen since 30 June 2022 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2022, of the Consolidated Entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2022, of the Consolidated Entity.

NOTE 19: FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Museum has not identified any new accounting standards for the 2023 financial year that would have a material impact on the Consolidated Entity.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration Expense	2022	2021
Compensation received by key management personnel of the Company	\$	\$
- short-term employee benefits	707,089	707,564
- post-employment benefits	66,950	63,621
- termination benefits	11,853	11,538
- long-term benefits	11,464	592
	797,356	783,315

Transactions with key management personnel (KMP)

KMP include the Board of Directors and executive management team of Museum of Brisbane Pty Ltd. The compensation paid to KMP for 2021/2022 is disclosed above. The executive management team of Museum of Brisbane Pty Ltd include:

Executive Management Team

Renai Grace	Appointed: 15 November 2016	Position: Director/CEO
Melanie Heley	Appointed: 29 September 2017	Position: Head of Business Service
Christine Clark	Appointed: 23 August 2021	Position: Head of Curatorial
Alix Perry	Resigned: 17 December 2021	Position: Head of Programming
Naomi Takeifanga	Appointed: 17 January 2022	Position: Head of Programming
Cathy de Silva	Appointed: 11 January 2021	Position: Head of Experience

NOTE 21: AUDITOR'S REMUNERATION

	2022	2021
	\$	\$
Audit and review of financial Statements		
Audit services		
- Queensland Audit Office	22,000	17,425

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 22: RELATED PARTY TRANSACTIONS

The ultimate parent entity of the Consolidated Entity is the Brisbane City Council (BCC).

Transactions with parent entity

During the year BCC contributed on going funding income under the Museum of Brisbane Funding Agreement of \$4,905,720 (2021: \$4,830,720).

The following goods and services were supplied by BCC on normal terms and conditions and at arms length (excl. of GST):

	2022	2021
	\$	\$
Rent Relief received	(160,875)	(344,376)
Project funding for valuation of the City of Brisbane Collection	(18,000)	-
Project funding for Botanica	(405,000)	-
Inclusive training	(40,000)	-
Project funding for Brisbane Art Design	-	40,000
Rent of premises	643,500	688,752
Electricity	78,423	87,662
Cleaning	106,078	106,438
Work cover	5,000	5,813
Legal services	-	-
Other expenses	4,840	15,652
Total	213,966	599,941

Amounts owed to BCC for goods and services at 30 June 2022 is \$25,000 (2021: \$21,784)

Transactions with other related parties

The Museum of Brisbane was engaged by City Parklands Pty Ltd, another subsidiary of Brisbane City Council to undertake the Collection Management and Interpretation of the Newstead House Collection as part of the Newstead House Conservation Project.

This arrangement is at arms length and is for a total value of \$401,780. The duration of this agreement is from October 2021 until November 2022. \$300,917 was recognised as revenue in the 2022 financial year.

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 23: TAXATION

Museum of Brisbane Pty Ltd is a fully owned corporate entity of the Brisbane City Council. The Consolidated Entity'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.

NOTE 24: PARENT INFORMATION OF MUSEUM OF BRISBANE PTY LTD

	2022	2021
	\$	\$
Statement of Comprehensive Income		
Total surplus/(deficit)	287	6,670
Comprehensive Income	287	6,670
ASSETS		
Current Assets	1,726,882	1,463,214
Non-Current Assets	2,934,390	3,580,063
Total Assets	<u>4,661,272</u>	<u>5,043,277</u>
LIABILITIES		
Current Liabilities	1,353,065	1,124,794
Non-Current Liabilities	2,024,346	2,634,909
Total Liabilities	<u>3,377,411</u>	<u>3,759,703</u>
Total Equity	<u>1,283,861</u>	<u>1,283,574</u>

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 24: PARENT INFORMATION (continued)

Guarantees

Museum of Brisbane Pty Ltd has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2022, the Consolidated Entity had a contingent liability of \$nil (2021:\$Nil).

Contractual commitments

At 30 June 2022, Museum of Brisbane Pty Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment (2021: \$Nil).

NOTE 25: ECONOMIC DEPENDENCY

The continuation of the Consolidated Entity is dependent on the ongoing financial commitment from Brisbane City Council. For the 2022-2023 financial year, Council has approved funding of \$4,987,077 (exclusive of GST).

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 26: CASH FLOW INFORMATION

	Note	2022 \$	2021 \$
Cash Flow Information			
Reconciliation of Operating Result to Net Cash Provided by Operating Activities			
Operating surplus/(deficit)		270,122	276,446
Non-cash items included in operating result			
Depreciation		786,031	804,300
Interest expense		24,267	25,696
Fair value of artwork and collectibles donated	2	(163,998)	(195,686)
Changes in assets and liabilities			
Decrease/(Increase) in receivables		(24,876)	239,099
Decrease/(Increase) in other assets		4,319	22,389
Decrease/(Increase) in GST receivable		(9,349)	(26,760)
(Decrease)/Increase in payables		35,776	(43,807)
(Decrease)/Increase in other liabilities		127,688	(43,182)
(Decrease)/Increase in provisions		36,592	92,217
Net Cash provided by Operating Activities		1,086,572	1,150,712

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

DIRECTORS' DECLARATION

The directors of the Consolidated Entity declare that:

1. The consolidated financial statements and notes, as set out on pages 2 - 39, are in accordance with the *Corporations Act 2001*; and
 - (f) comply with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (g) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Consolidated Entity 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



Brisbane

Dated this 21ST day of OCTOBER 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Museum of Brisbane Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Museum of Brisbane Pty Ltd (the parent) and its controlled entity (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the group's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

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

I am independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the parent and group in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report). At the date of this auditor's report, the available other information in the Museum of Brisbane Pty Ltd's annual report for the year ended 30 June 2022 was the directors' report.

Those charged with governance are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the group's use of the Going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's

ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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



Sri Narasimhan
as delegate of the Auditor-General

25 October 2022

Queensland Audit Office
Brisbane