

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Directors of Brisbane Powerhouse Pty Ltd (the Company) and its subsidiary Brisbane Powerhouse Foundation (the Foundation) together referred to as the Group present their report for the year ended 30 June 2021 and the auditor's report therein.

### Directors

The names of each person who has been a Director of Brisbane Powerhouse Pty Ltd during the year and to the date of this report are:

#### Libby Anstis BBusComm

Libby Anstis is an experienced Chief Executive and Non-Executive Director with high-level skills in leadership, strategy, advocacy and operations in Queensland's iconic arts and cultural organisations. She has had more than twenty years' experience in the performing arts industry with a variety of executive roles at Queensland Theatre, Queensland Symphony Orchestra, Brisbane Festival and Centenary of Federation Queensland. Current and former board positions include Business South Bank, SunPAC, the Conservatorium Advisory Board, Fraser Coast Tourism and Events, Camerata – Queensland's Chamber Orchestra and various funding assessment panels for state and federal governments. She provides strategic and management consultancy services to the arts and cultural sectors, as well as coaching and mentoring to various arts organisations.

#### Jason Bird FDIA MIES BAppSc (BitEnv) GradDiplnDes (Dist)

With experience gained as a product designer and CEO working internationally, in 2007 Jason Bird launched Luxxbox, which has become one of the most innovative lighting manufacturers in Australia and North America. Jason has won many national and international awards and his work has been selected to show at several international exhibitions including Neocon Chicago (2019) where Luxxbox came away with multiple industry Awards. In 2013 Jason authored Hightide: Queensland Design Now, a comprehensive showcase of Queensland design. Jason has been a Board Member of the Brisbane Powerhouse since 2013. He is a Fellow of the Design Institute of Australia and a Member of the Illuminating Engineering Society of North America. In 2017, Jason launched Luxxbox USA Inc and now heads up the North America team in San Francisco.

#### John Cotter – resigned 10 December 2020

John Cotter is the CEO of Initiative Capital, a private investment firm in alternative infrastructure assets with over \$200m of assets under development. As the founder and CEO of the Flinders Group, now part of the global firm Arcadis, John has led project teams across Australia through concept, business case and delivery phases of complex infrastructure projects. Prior to joining the Board of Brisbane Powerhouse, John chaired the Fortitude Valley Economic Board which oversaw the \$4m revitalisation of the Valley Mall leading to over \$2b of investments into the Valley. John serves on the boards of Phosphate International and Queensland Urban Utilities, and is councillor of the Royal National Agricultural and Industrial Association of Queensland.

#### Emma Fredericks ACA BCom Accounting, Finance & Law

Emma Fredericks has a 25-year career in accounting and legal professional services firms including EY and CGW Lawyers. Her areas of expertise and where she currently consults advisory and board roles include audit, corporate finance specifically acquisitions, due diligence, financial modelling, capital raisings, property transactions etc. She has expertise and skills in corporate governance, risk management, strategic direction, business plans, partnering, business development/revenue growth, and technology challenges. Emma has experience in identifying, understanding, navigating and resolving complex business issues and growing pains in the best commercial interests of the company.

#### Kevin Griffiths AICD ACA BA (Hons) – resigned 5 November 2020

Kevin Griffiths is a Partner of EY and has over 20 years' experience as a qualified Chartered Accountant. Kevin now leads EY's Tax Division in Queensland, specialising in corporate and international tax. Kevin has led the successful management and resolution of significant transfer pricing disputes and Advance Pricing Agreement negotiations throughout Asia Pacific, Europe, North America, South America and Africa. His strong performance and dedication to nurturing committed partnerships have earned him many satisfied long-term clients and a reputation as a trusted adviser. Kevin is a Fellow of the Institute of Chartered Accountants in Australia and is a member of the Australian Institute of Company Directors.

**Valmay Hill AICD BEc – appointed 3 August 2020**

Valmay Hill has executive management experience both internationally and in Australia across a variety of sectors in publicly listed and not for profit companies, and government agencies. Valmay's expertise in the cultural sector includes positions as Chief Executive Officer of Brisbane Festival from 2010 to 2018 and as Project Director of large-scale international events for Sydney Opera House including APEC, World Youth Day, and FIFA World Wide Congress. Prior commercial experience includes as Treasurer for TNT Worldwide, consultant on acquisitions and strategic management for Health Services Australia, and an extended period with Esso Australia, including five years as an expatriate with Exxon in the United States, culminating as Treasurer in Australia. Valmay resides in Brisbane and is currently a Board Director of the Queensland Museum Network and of the Queensland Symphony Orchestra, and a member of the Lord Mayor's Creative Brisbane Advisory Board and Queensland Conservatorium Griffith University Advisory Board. She has also served as a director in the finance and superannuation sectors, has a Bachelor of Economics from Sydney University, and a diploma from the Australian Institute of Company Directors. Valmay's move from the commercial to the cultural sector was underpinned by her lifelong involvement with the performing arts and her belief that cultural engagement is a cornerstone of community life.

**Hayley Johnson AMusA LTCL BAMus BAMusTheatre (WAAPA) MAICD**

Hayley Johnson (nee Power) has recently begun working for the family business, as Learning and Development Logistics Co-ordinator for the BMD Group. Prior to that, has enjoyed a varied career as a musical theatre/cabaret performer, teacher and musical director throughout Brisbane, Sydney, Melbourne, Osaka, Atlantic City and New York City. Combining her family background in business with her career contacts, Hayley initiated the involvement of The BMD Group and Power Arts as major sponsors, investors and co-producers for theatrical pursuits. Since 2007, Power Arts has evolved into an investment and production organisation that focuses on up and coming artists and performing arts projects. They have been proudly associated with several award-winning organisations including The Michael Cassel Group, the Gordon Frost Organisation, Opera Australia, The Hayes Theatre, Sydney Theatre Company, State Theatre Company of South Australia, The Queensland Ballet, Australasian Dance Collective, La Boîte, The Brisbane Festival, QPAC and Zen Zen Zo. Currently, Hayley also proudly sits on the Management Committee for QMusic, and on the Board for Jack's Butterflies, a charity that supports the families of children with rare diseases.

**David Lyons BA BBus LLB (Hons)**

David Lyons is a partner of DLA Piper and has over 20 years' experience as a lawyer. David specialises in the financial services sector and has extensive experience in advising clients in relation to transactional, advisory/regulatory and corporate matters. David has acted on behalf of many Australian and international banks, financiers, corporate entities and government-owned entities, and has a long-standing interest in business and trade in Asia. He has extensive experience in infrastructure, resource and project finance, regulatory issues, capital markets and all aspects of corporate, property, acquisition finance, leasing, agricultural and trade finance. Board positions include Diving Australia, Australia China Business Council, Lord Mayor's Brisbane-Shenzhen Sister City and Asia Pacific Sister Cities Summit Committee. He is also Chair of the Advisory Board of Naturalena Brands and a director of RZ Resources Limited. He is a Fellow of the Queensland Institute of Medical Research, past Vice Chairman of the Financial Services and Products Committee, International Section of the American Bar Association and Past President of the Hong Kong Australia Business Association in Queensland.

**Catherine Michael BA (Journalism), Grad Dip PR (Dist), MAICD**

Catherine Michael created CM Ink, a strategic communications and marketing consultancy, after a 20-year career helping iconic international and national brands grow with her practical, creative but commercial approach. She provides frank advice, based on experience and insight, on all areas of marketing to boards, shareholders and senior management in both small to large, public and private companies. CM Ink is 'boutique' in size but not in nous, as Catherine has held senior and director level in-house roles with the Foster's Group, Golden Casket Lotteries, Triumph International, Mincom, Nintendo, Kmart Australia and The Body Shop. Consulting clients have included 7-Eleven, Paradise Foods, EY, Technology One, Merlo Coffee, Gotzinger Smallgoods, Lady Gowrie, Telstra, AVEO, Sealink Royals visit to Fraser Island in 2018, and Dominos.

### Penny Shield BAMus BCom FCA CIA – appointed 16 February 2021

Penny Shield is a Partner in EY's consulting practice. She has been with EY for 18 years and in public practice for over 21 years. She has deep risk, governance, internal audit and controls experience in multinational, corporate and government environments. She has degrees in Commerce and Arts, is a Fellow of the Institute of Chartered Accountants, a Certified Internal Auditor, and a Certified Six Sigma Green Belt (process improvement). She is passionate about using her skills to contribute to the community through involvement at board level, particular in the arts and sport.

### Chair

Valmay Hill was appointed as Chair on 3 August 2020.

Catherine Michael and David Lyons acted as Co-Lead Directors from 2 May to 3 August 2020.

### Company Secretary

Amanda Boland GAICD FCIA FCIS is the owner and Managing Director of Business Governance Solutions Pty Ltd, a leading independent consultancy providing corporate governance and strategic business advisory services to clients all over Australia. She has degrees in business and corporate governance and was appointed Company Secretary on 9 May 2019.

### Board meetings

Name	Date Appointed	Board Meetings	
		A (Attended)	B (Eligible to Attend)
L Anstis	25/11/2013	10	12
J Bird	22/11/2013	10	12
J Cotter	30/05/2017 (resigned 10 Dec 2020)	4	5
E Fredericks	30/05/2019	12	12
K Griffiths	20/06/2011 (resigned 5 Nov 2020)	3	5
V Hill	03/08/2020	11	11
H Johnson	25/11/2013	11	12
D Lyons	10/10/2012	10	12
C Michael	30/05/2017	12	12
P Shield	16/02/2021	6	6

## Board Committees

**Finance and Audit Committee:** The objective of the Finance and Audit Committee is to assist the Board to exercise due care, diligence and skill in relation to the Group's financial management and to improve the effectiveness of the internal and external audit functions.

Name	Finance and Audit Committee Meetings	
	A (Attended)	B (Eligible to Attend)
L Anstis (stepped down from F&AC Sept 2020)	2	2
K Griffiths (resigned Nov 2020)	4	4
E Fredericks	8	10
H Johnson	7	10
V Hill (appointed 3 Aug 2020)	9	9
D Lyons	9	10
C Michael	10	10
P Shield (appointed 16 Feb 2021)	4	4

## Principal activities

The objects of the Group are outlined as follows:

- (a) To lead arts practice and innovation in arts practice in Brisbane and Australia;
- (b) To promote, encourage, produce and present artistic programs, including performing and visual arts, with a repertoire that is local, national and international;
- (c) To provide an environment that:
  - (i) invites people to gather, to experience the performing arts and to engage with each other;
  - (ii) is an integral part of the fabric of public life and the experience of growing up in Brisbane;
  - (iii) symbolises Brisbane's cultural achievements and reputation;
  - (iv) is the hub of an expanding community, cultural, recreational and educational precinct;
  - (v) is a state of the art technical production facility; and
  - (vi) maximises public enjoyment of the arts by complementing the experience of the performing arts with visual arts, learning, socialising and dining.
- (d) To achieve the objects in a financially and environmentally sustainable manner.

There were no changes in the nature of these activities during the course of the financial year however government COVID-19 restrictions continued to apply throughout the year with various capacity restrictions in the theatres, venue spaces, foyer and restaurants which limited our operations. External events were also subject to limitations.

## Operating results

The operating result of the Group for the financial year ended 30 June 2021 was a surplus of \$235,634 (2020: deficit of \$153,298)

## Review of operations

The 2020–21 year was the fifth year of delivery of the organisational strategy *Brisbane Powerhouse 2020+20* with the following strategic goals:

- To be Brisbane's back deck, Brisbane's go-to destination for locals and the unique place tourists rave about;
- To be Brisbane's home for living art and ideas; to be artists' and promoters' venue of choice for our facilities, services and culture;
- To be Brisbane's home for experiences;
- To have a strong income and investment base; and
- To support the best people to do their job well – we all work for artists, audiences and tenants – without them we wouldn't be here.

Despite the impacts of COVID-19, the key achievements against the Strategic Plan were:

- Highly successful artistic program including 21<sup>st</sup> birthday events, MELT Festival of Queer Arts and Culture, and preparation for the Brisbane Comedy Festival in July 2021.
- Brisbane Powerhouse was one of the first venues to reopen its doors in July 2020 to a season of "Lights On" which was a "sell out" across its 4 weekends.
- Stakeholder engagement and progression of the managed parking strategy; and
- Ongoing delivery of the Visitor Experience Strategy and e-commerce partnership with Ticketek.

The group continued to face significant impacts and disruption as a result of the COVID-19 pandemic. Due to the stage 4 restrictions implemented by the Queensland State Government in response to the pandemic, Brisbane Powerhouse was closed to the general public between 17 March and 23 July 2020. On 23 July, Brisbane Powerhouse reopened with reduced capacity. From September 2020, working under a COVID safe industry plan, Brisbane Powerhouse was able to open at 50% allocated seating capacity, and since 17 November, at 100% allocated seating capacity. Capacity restrictions were also applied in the foyer and restaurants in line with government requirements. Brisbane Powerhouse was not eligible for Job Keeper under the Federal guidelines as it is a wholly owned subsidiary of Brisbane City Council. Staff worked at a reduced capacity for eight months from July 2020 through to the end of February 2021 to reduce costs. Brisbane City Council provided support through rent relief from January to December 2020. Details of the impact are listed in the notes to the accounts.

Other achievement statistics included:

- The number of tickets sold for the year was 73,104;
- The value of tickets sold was \$2,592,013 with over 280 performances;
- The number of Visual Arts exhibits was 10 with over 38,726 visitors;
- Over 15,432 guests attended 301 events;
- 135 free performances of 41 productions; and
- Over 326,291 visitors to the precinct.

We would like to thank the team at Brisbane Powerhouse, including the tenants, for their continued support, commitment and hard work during the year.

## Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report. See review of operations above.

Following a national search, Brisbane Powerhouse was delighted to announce Kate Gould as CEO/Artistic Director in June 2021, with a July 2021 commencement. Fiona Maxwell, CEO and Kris Stewart, Artistic Director, concluded their contracts with the organisation in June 2021. We thank Fiona and Kris for their significant contribution to the Powerhouse.

#### After balance date events

There has not arisen in the interval between the end of the financial year and the date of the report any item, transaction or event of a material and unusual nature that in the opinion of the Directors is likely to substantially affect the operations of the Group, the results of those operations, or the Group's state of affairs in future financial years. However, the Directors note that the disruptive impacts of the COVID-19 pandemic continue to impact the operations following the end of the financial year. Specifically, the July Brisbane Comedy Festival was significantly impacted by lockdowns in South East Queensland, New South Wales and Victoria. Where possible, performances have been rescheduled to mitigate the impact. Additional or prolonged lockdowns and restrictions could further impact results. A new funding agreement has also been entered into for three-plus-one years from 1 July 2021.

#### Future developments

The Group will continue to carry on the principal activities noted above.

#### Environment regulations

The Group's operations are subject to environment regulations under both Commonwealth and State legislation. The Group aims to achieve a high standard in environmental matters. The Directors have not received notification nor are they aware of any breaches of environmental laws by the Group.

#### Auditor's independence declaration

The auditor's declaration of independence is set out on page 7 and forms part of the Directors' Report.

#### Indemnification and insurance of officers and auditors

Brisbane City Council has agreed to indemnify Directors and Officers in respect of Directors' and Officers' liability and legal expenses. Insurance contracts are in place for current and former Directors and Officers, including senior executives of the Group.

The insurance relates to costs and expenses incurred by the relevant Officers in defending proceedings whether civil or criminal and whatever the outcome. It also relates to other liabilities that may arise from their position, with the exception of conduct involving wilful breach of duty or improper use of information or position to gain a personal advantage.

The Group has not otherwise indemnified or agreed to indemnify an Officer or auditor of the Group against a liability incurred as such an Officer or auditor.

Signed in accordance with a resolution of the Directors.

On behalf of the Board.



**Valmay Hill**

Chair

30 September 2021

Brisbane



**Penny Shield**

Director

30 September 2021

Brisbane

## AUDITOR'S INDEPENDENCE DECLARATION

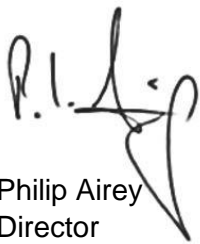
To the Directors of Brisbane Powerhouse Pty Ltd

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 Brisbane Powerhouse Pty Ltd for the financial year ended 30 June 2021, 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.



Philip Airey  
Director  
as delegate of the Auditor-General of Queensland

30 September 2021

Queensland Audit Office  
Brisbane

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**
**STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE**

	Note	Consolidated		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>REVENUE</b>					
Grants and contributions	2(a)	3,654,600	3,582,075	3,543,810	3,556,850
Interest revenue		17,912	34,951	15,706	32,997
Program revenue	2(b)	1,453,748	1,956,641	905,626	1,290,019
Rendering of services	2(c)	2,725,523	3,222,832	2,820,443	3,320,350
Sponsorship and donations	2(d)	623,108	1,371,113	604,786	1,337,747
<b>Operating revenue</b>		<b>8,483,891</b>	<b>10,167,612</b>	<b>7,890,371</b>	<b>9,537,963</b>
COVID-19 Concessions	2(e)	343,680	340,690	343,680	340,690
Other		-	161,814	-	161,814
<b>Total revenue</b>		<b>8,827,571</b>	<b>10,670,116</b>	<b>8,234,051</b>	<b>10,040,467</b>
<b>EXPENSES</b>					
Advertising and promotion	3(a)	355,888	335,624	355,888	335,624
Administration and information	3(b)	932,517	878,254	927,663	872,774
Artists fees and production costs	3(c)	983,295	1,841,193	296,358	1,087,851
Building repairs and maintenance	3(d)	742,661	928,553	742,661	928,553
Cost of rendering services	3(e)	852,526	1,145,025	852,526	1,145,025
Donations		-	-	110,000	140,000
Sponsorship/grant/donation costs		42,979	78,084	42,979	78,084
Theatre operations		75,934	72,008	75,934	72,008
Employee benefits expense	3(f)	3,851,305	4,736,360	3,851,305	4,736,360
Depreciation and amortisation	3(g)	754,832	808,313	754,832	808,313
<b>Operating expenses</b>		<b>8,591,937</b>	<b>10,823,414</b>	<b>8,010,146</b>	<b>10,204,592</b>
<b>Total expenses</b>		<b>8,591,937</b>	<b>10,823,414</b>	<b>8,010,146</b>	<b>10,204,592</b>
<b>TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>235,634</b>	<b>(153,298)</b>	<b>223,905</b>	<b>(164,125)</b>

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



STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Consolidated		Company	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>CURRENT ASSETS</b>					
Cash	4	2,444,870	1,748,141	2,100,148	1,366,216
Receivables	5	329,425	1,984,668	310,260	1,985,985
Other assets	6	1,008,065	129,546	959,776	107,752
<b>Total current assets</b>		<b>3,782,360</b>	<b>3,862,355</b>	<b>3,370,184</b>	<b>3,459,953</b>
<b>NON-CURRENT ASSETS</b>					
Plant and equipment	7	972,820	1,113,180	972,820	1,113,180
Intangibles	8	63,466	109,868	63,466	109,868
Right of use asset	13	10,683,875	11,129,037	10,683,875	11,129,037
<b>Total non-current assets</b>		<b>11,720,161</b>	<b>12,352,085</b>	<b>11,720,161</b>	<b>12,352,085</b>
<b>Total Assets</b>		<b>15,502,521</b>	<b>16,214,440</b>	<b>15,090,345</b>	<b>15,812,038</b>
<b>CURRENT LIABILITIES</b>					
Employee benefits	10	235,657	238,836	235,657	238,836
Payables	9	791,870	602,153	746,142	580,170
Deferred income	14	1,628,608	2,391,809	1,580,069	2,317,570
Lease liability	13	356,077	349,231	356,077	349,231
<b>Total current liabilities</b>		<b>3,012,212</b>	<b>3,582,029</b>	<b>2,917,945</b>	<b>3,485,807</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee benefits	10	31,534	53,192	31,534	53,192
Lease liability	13	10,423,728	10,779,806	10,423,728	10,779,806
<b>Total non-current liabilities</b>		<b>10,455,262</b>	<b>10,832,998</b>	<b>10,455,262</b>	<b>10,832,998</b>
<b>Total liabilities</b>		<b>13,473,574</b>	<b>14,415,028</b>	<b>13,373,207</b>	<b>14,318,805</b>
<b>NET ASSETS</b>		<b>2,035,047</b>	<b>1,799,412</b>	<b>1,717,138</b>	<b>1,493,233</b>
<b>EQUITY</b>					
Share capital		300,001	300,001	300,001	300,001
Unitholder Interest	10	10	10	-	-
Accumulated surplus		1,735,036	1,499,401	1,417,137	1,193,232
<b>Total equity</b>		<b>2,035,047</b>	<b>1,799,412</b>	<b>1,717,138</b>	<b>1,493,233</b>

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

## STATEMENTS OF CHANGES IN EQUITY

**Consolidated**

For the year ended 30 June 2021	Share capital \$	Unit holder \$	Accumulated surplus \$	Total \$
Opening balance	300,001	10	1,499,401	1,799,412
Comprehensive income for year			235,635	235,635
<b>Closing balance</b>	<b>300,001</b>	<b>10</b>	<b>1,735,036</b>	<b>2,035,047</b>

For year ended 30 June 2020	Share capital \$	Unit holder \$	Accumulated surplus \$	Total \$
Opening balance	300,001	10	1,808,718	2,108,729
Comprehensive income for year	-	-	(153,298)	(153,298)
Lease Adjustment	-	-	(156,019)	(156,019)
<b>Closing balance</b>	<b>300,001</b>	<b>10</b>	<b>1,499,401</b>	<b>1,799,412</b>

**Company**

For the year ended 30 June 2021	Share capital \$	Accumulated surplus \$	Total \$
Opening balance	300,001	1,193,232	1,493,233
Comprehensive income for year		223,905	223,905
<b>Closing balance</b>	<b>300,001</b>	<b>1,417,137</b>	<b>1,717,138</b>

For year ended 30 June 2020	Share capital \$	Accumulated surplus \$	Total \$
Opening balance	300,001	1,513,376	1,363,377
Comprehensive income for year	-	(164,125)	(164,125)
Lease Adjustment	-	(156,019)	(156,019)
<b>Closing balance</b>	<b>300,001</b>	<b>1,193,232</b>	<b>1,493,233</b>

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

**STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Consolidated		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from					
Grants		3,889,873	3,753,659	3,823,773	3,654,194
Program revenue		1,745,356	1,270,583	1,302,883	674,558
Rendering of services		2,678,562	3,381,434	2,678,562	3,381,434
Sponsorship and donations		214,821	404,036	187,500	290,670
Interest revenue		17,746	38,188	15,603	36,018
Payments to suppliers and employees		(6,559,359)	(8,246,629)	(5,984,119)	(7,675,294)
<b>Net cash inflow (outflow) for operating activities</b>	12	<b>1,986,999</b>	<b>601,271</b>	<b>2,024,202</b>	<b>361,580</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for plant and equipment	7	(122,909)	(260,350)	(122,909)	(260,350)
Payments for intangible assets	8	-	(4,500)	-	(4,500)
<b>Net cash inflow (outflow) for investing activities</b>		<b>(122,909)</b>	<b>(264,850)</b>	<b>(122,909)</b>	<b>(264,850)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Lease Payments		(567,361)	(573,156)	(567,361)	(573,156)
Repayments of amounts borrowed		-	(180,003)	-	(180,003)
<b>Net cash inflow (outflow) for financing activities</b>		<b>(567,361)</b>	<b>(753,159)</b>	<b>(567,361)</b>	<b>(753,159)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,296,729</b>	<b>(416,738)</b>	<b>1,333,932</b>	<b>(656,429)</b>
Cash and cash equivalents at the beginning of the year	4	1,748,141	2,164,879	1,366,216	2,022,645
<b>Cash and cash equivalents at the end of the year</b>	4	<b>3,044,870</b>	<b>1,748,141</b>	<b>2,700,148</b>	<b>1,366,216</b>

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

## Notes to and forming part of the financial statements

### 1. Corporate information

Brisbane Powerhouse Pty Ltd (the Company) is an Australian proprietary company, incorporated and domiciled in Australia and a wholly owned subsidiary of Brisbane City Council. Brisbane Powerhouse Pty Ltd is a not-for-profit entity under the terms of its Constitution. Brisbane Powerhouse Foundation (the Foundation) is a charitable trust and therefore a not-for-profit entity as well as a subsidiary of Brisbane Powerhouse Pty Ltd.

The consolidated financial statements of the Group comprising the Company and its subsidiary the Foundation (together referred to as the Group) for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors of Brisbane Powerhouse Pty Ltd on 30 September 2021.

#### a) Impacts from the COVID-19 pandemic

Unlike most businesses in the live entertainment industry, Brisbane Powerhouse was able to reopen as early as July 2020, albeit with a very limited capacity. The financial effects of COVID-19 will be felt by those in the creative industries for many years to come. For the Group it had multiple impacts during 2020/2021:

- We were only able to reopen the Powerhouse Theatre at approximately 33% capacity in July 2020, which expanded to 50% capacity in September and to 100% capacity in November 2020.
- All other Brisbane Powerhouse ticketed venues remained closed to the public from July 2020 through to March 2021 due to COVID safe rules about capacities and safe distancing between audiences and performers.
- The Turbine Platform reopened to free events with smaller capacities when the building reopened in July 2020.
- Our larger exhibitions were impacted by diminished attendance numbers allowed in public spaces. The World Press Photo exhibition was cancelled, and the Brisbane Portrait Prize had to initiate a pre-booking system to ensure that numbers of attendees did not exceed social distancing limits.
- Costs were also higher for extra staff to manage the check in process at the front entrance along with the additional cleaning needed for COVID safe protocols.

During the COVID-19 pandemic, Brisbane Powerhouse received financial support from the Commonwealth Government through deferral of BAS and PAYG payments and receipt of the ATO Cash Boost. It also received support from the State Government through payroll tax relief including deferral of payments, and from Brisbane City Council in the form of rent relief. Brisbane Powerhouse, as a subsidiary of Brisbane City Council, was ineligible for the Commonwealth JobKeeper subsidy. The COVID-19 concessions are included in Note 2.

Brisbane Powerhouse provided COVID-19 concessions such as rent holidays, where relevant, and offered discounts for some theatre hire.

### 2. Summary of accounting policies

#### a) Basis of preparation

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

The financial statements have been prepared on an accruals basis and, except as stated, in accordance with the principles of historical cost. The financial statements are presented in Australian dollars rounded to the nearest dollar, consequently rounded balances in the notes may not agree exactly to the primary statements. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

The consolidated financial statements include the value of all assets, liabilities, equity, revenues and expenses of the Company and its subsidiaries. In the process of reporting on the Group as a single economic entity, all transactions and balances internal to the economic entity have been eliminated and accounting policies have been applied consistently.

**b) Statement of compliance**

The financial report complies with Australian Accounting Standards. An assessment of revised and new accounting standards has been made. The Group has chosen not to early adopt Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

**New and revised Accounting Standards adopted during the year**

The AASB has issued Australian Accounting Standards and Interpretations which are effective at 30 June 2021 but are not applicable.

**Standards issued by the AASB not yet effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not yet effective at 30 June 2021. These standards have not been adopted by the Group and are not expected to have a material impact on the Group's financial statements in the period of initial recognition.

**c) Estimates and judgements**

The preparation of the financial statements requires the determination and use of certain critical accounting estimates and management assumptions that have potential to cause a material adjustment to the carrying amount of assets and liabilities within the financial year. Such estimates, judgements and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant. Estimates and assumptions that have a potential significant effect are outlined in the following accounting policies and subsequent notes:

Employee benefits provisions (note 10)

Financial instruments (note 11)

**d) Revenue****Grants, donations and contributions**

Non-reciprocal grants are brought to account in the statement of comprehensive income when received. Reciprocal grants are initially recognised as deferred income and subsequently in the statement of comprehensive income at the time the obligation is fulfilled. Where the grant agreement is enforceable and contains sufficiently specific performance obligations, 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.

**Rendering of services**

Revenue from sales of goods and services comprise revenue earned from functions, ticketing services and tenants. Functions and ticketing services are arranged in advance. Revenue is not recognised until completion of the event as revenue cannot be accurately determined in advance.

**Sponsorship revenue**

Sponsorship revenue is brought to account as income over the period that the Group fulfils the obligations of the sponsorship agreement. Sponsorship which is in kind in nature represents benefits derived by the Group for marketing, production costs and administration. In kind benefits are recognised in the financial report at their estimated fair market value at the time of consumption.

**Interest revenue**

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

**Program revenue**

Program revenue is recognised upon the final performance of the production for which the tickets have been sold.

#### e) Expenses

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Sponsorship and donation costs are those incurred in seeking voluntary contributions by sponsorship or donation and do not include costs of disseminating information relating to the activities carried on by the Group. Administration and information costs are those incurred in connection with administration of the Group and compliance with constitutional and statutory requirements.

#### f) Cash and cash equivalents

Cash and cash equivalents in the Statements of Financial Position and Cash Flow Statements comprise cash at bank and in hand and short term deposits with a maturity of six months or less.

#### g) Receivables

Receivables, which comprise amounts due from the rendering of services, are recognised and carried at original invoice amount less an allowance for impairment. Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment. Brisbane Powerhouse has identified 4 distinctive groupings of its receivables: Tenancy in Arrears, Past Events, Past Productions, and Future Production Deposits. In the case of venue hire and functions the service may not be provided for several months and payment will not be due until closer to the event. At 30 June, amounts categorised as deferred income were split between amounts received and those yet to be received. Amounts not received as at balance date were reversed at 30 June for reporting purposes only. Normal terms of settlement are 30 days. The collectability of debts is assessed on an ongoing basis. All known bad debts are written off at year end. If an amount is recovered in a subsequent period it is recognised as revenue.

#### h) Other assets

Prepayments represent payments for items with a life of twelve months or less. Prepayments are expensed monthly over the life of the asset. Production costs are payments made for the development of productions which will be presented in the next twelve months. Once the production has been presented the costs are expensed.

#### i) Plant and equipment and intangible assets

Acquisitions of plant and equipment and intangible assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Plant and equipment and intangible assets are stated at cost less accumulated depreciation/amortisation and impairment. Any plant and equipment donated to the Group is recognised at fair value at the date the Group obtains control over the asset. The non-current asset capitalisation threshold is \$5,000 (effective 18 March 2021). Non-current assets already capitalised are maintained and depreciated at the appropriate rate until the end of their useful lives.

#### Depreciation and amortisation

Items of plant and equipment are depreciated over their useful lives to the Group. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

Plant and equipment	2 to 20 years
Information technology	2 to 10 years

Intangible assets are amortised over their useful lives to the Group. Amortisation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

Software	3 to 5 years
Website & graphic development	5 years

The recoverable amounts of the Group's plant and equipment and intangible assets are calculated as the depreciated replacement cost of the asset.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **j) Payables**

Payables are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will have to be paid, when the goods are received or the service is performed. Liabilities are usually settled in 30 days. The amount of payables is deemed to reflect fair value.

#### **k) Deferred income**

Deferred income is the unutilised amounts of theatre hire, ticket sales and functions revenue received for services on the condition that specified services are delivered. Deferred income is recognised when the event or services which the advance payments relate to have been completed. This usually occurs within 12 months of receipt of the monies. At 30 June, amounts categorised as deferred income were split between amounts received and those yet to be received. Amounts not received as at balance date were reversed at 30 June for reporting purposes only.

#### **l) Financial assets and financial liabilities**

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument. The Group has categorised and measured the financial assets and financial liabilities held at balance date as follows:

##### **Financial assets**

Cash and cash equivalents (Note 4)

Receivables – measured at amortised cost (Note 5)

##### **Financial liabilities**

Payables – measured at amortised cost (Note 9)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

The fair value of cash and cash equivalents and financial liabilities approximate their carrying amount and are not disclosed separately. The fair value of trade receivables approximates the amortised cost less any impairment. The value of payables approximates their amortised cost. The Group does not recognise financial assets or financial liabilities at fair value in the statement of comprehensive income. All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 11.

#### **m) Employee benefits**

##### **Annual leave**

Liabilities for annual leave represent the amount which the Group has a present obligation to pay resulting from employees' services provided up to the balance date. The liability has been calculated at undiscounted amounts based on future wage and salary rates which are expected to be paid when the liability is settled and includes related on-costs.

##### **Long service leave**

The liability for long service leave is measured as the discounted expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. The rate used to discount post employment benefit obligations is determined by reference to market yields at the reporting date on high quality bonds. Employee benefit on-costs, including payroll tax and superannuation, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

**Superannuation**

The Company pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of comprehensive income when they are due.

**n) Leases****Right-of-use asset**

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

**Lease liabilities**

Lease liabilities are initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statements of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

The Group has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets.

**o) Taxation****Income tax**

The Company is a wholly owned subsidiary of the Brisbane City Council, incorporated for art and cultural purposes in the city of Brisbane. Local government subsidiaries are exempt from income tax due to the provisions of the *Income Tax Assessment Act 1997*.

**Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

The Foundation provided GST Free Ticket Sales for every season of performances that meets the requirements under paragraph 38-250(2)(b)(ii) of the *A New Tax System (Goods and Services Tax) Act 1999*. The calculation for each season of performances is made in accordance with the Australian Taxation Office methodology provided in the 'Summary of GST Treatment of Supplies by organisations in the cultural and performing arts sector'.



## 2. Revenue

The net result for the year has been determined after including the following items of revenue.

	Consolidated		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Operating revenue</b>				
<b>a) Grants</b>				
BCC operational funding	3,382,296	3,305,124	3,382,296	3,305,124
Other grants and contributions	272,304	276,951	161,514	251,726
<b>Total Grants</b>	<b>3,654,600</b>	<b>3,582,075</b>	<b>3,543,810</b>	<b>3,556,850</b>
<b>Interest</b>	<b>17,912</b>	<b>34,951</b>	<b>15,706</b>	<b>32,997</b>
<b>b) Program revenue</b>				
Brisbane Powerhouse Presents	548,122	666,622	-	-
Box office percentage	85,148	206,174	85,148	206,174
Marketing	25,179	57,421	25,179	57,421
Production	231,469	315,516	231,469	315,516
Sponsored theatre hire	291,459	338,212	291,459	338,212
Theatre hire	272,371	372,696	272,371	372,696
<b>Total Program revenue</b>	<b>1,453,748</b>	<b>1,956,641</b>	<b>905,626</b>	<b>1,290,019</b>
<b>c) Rendering of services</b>				
Events	978,599	1,260,258	978,599	1,260,258
Tenant Rentals	1,053,960	1,000,835	1,053,960	1,000,835
Ticketing	678,774	876,076	773,694	973,594
Other	14,190	85,663	14,190	85,663
<b>Total Rendering of services</b>	<b>2,725,523</b>	<b>3,222,832</b>	<b>2,820,443</b>	<b>3,320,350</b>
<b>d) Sponsorship and donations</b>				
Individual donors	27,322	33,366	-	-
In-kind sponsorships	417,286	1,047,077	417,286	1,047,077
Sponsorships	187,500	290,670	187,500	290,670
<b>Total Sponsorship and donations</b>	<b>632,108</b>	<b>1,371,113</b>	<b>604,786</b>	<b>1,337,747</b>
<b>Total operating revenue</b>	<b>8,483,891</b>	<b>10,167,612</b>	<b>7,890,371</b>	<b>9,537,963</b>
<b>e) COVID-19 concessions and other</b>				
COVID-19 concessions	343,680	340,690	343,680	340,690
Other	-	161,814	-	161,814
<b>Total revenue</b>	<b>8,827,571</b>	<b>10,680,116</b>	<b>8,234,051</b>	<b>10,050,467</b>

### 3. Expenses

The net result for the year has been determined after including the following items of expenses.

	Consolidated		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>a) Advertising and promotion</b>				
Marketing	142,684	147,028	142,684	147,028
Sponsorship	213,204	188,996	213,204	188,996
<b>Total Advertising and promotion</b>	<b>355,888</b>	<b>335,624</b>	<b>355,888</b>	<b>335,624</b>
<b>b) Administration and information</b>				
External auditor remuneration	28,300	28,300	23,600	23,600
Insurance	67,279	67,279	67,279	67,279
Loss on disposal of assets	-	881	-	881
Finance charges included in finance lease	-	5,050	-	5,050
Information technology and telephone	197,057	173,212	197,057	173,212
Sponsorships	118,385	201,189	118,385	201,189
HR and employee costs	89,190	42,504	89,190	42,504
Other	432,306	359,839	432,152	359,059
<b>Total Administration and information</b>	<b>932,517</b>	<b>878,254</b>	<b>927,663</b>	<b>872,774</b>
<b>c) Artists fees and production costs</b>				
Artist fees	377,852	474,215	6,369	5,077
Brisbane Powerhouse Presents adjustments	(146,106)	(170,362)	(146,106)	(170,362)
Production costs	374,392	541,836	58,938	257,632
Sponsored theatre hire	291,459	338,212	291,459	338,212
Sponsorship	85,698	657,292	85,698	657,292
<b>Total Artists fees and production costs</b>	<b>983,295</b>	<b>1,841,193</b>	<b>296,358</b>	<b>1,087,851</b>
<b>d) Building repairs and maintenance</b>				
Building repairs	123,528	97,975	123,528	97,975
Maintenance and managed assets	239,625	500,024	239,625	500,024
Outgoings	353,277	320,545	353,277	320,545
Workplace health & safety	26,231	10,009	26,231	10,009
<b>Total Building repairs and maintenance</b>	<b>742,661</b>	<b>928,553</b>	<b>742,661</b>	<b>928,553</b>
<b>e) Cost of rendering services</b>				
Events	491,006	708,701	491,006	708,701
Tenant rentals	141,040	160,763	141,040	160,763
Ticketing	220,480	275,561	220,480	275,561
<b>Total Cost of rendering services</b>	<b>852,526</b>	<b>1,145,025</b>	<b>852,526</b>	<b>1,145,025</b>
Donation	-	-	110,000	140,000
Sponsorship/grant/donation	42,979	78,084	42,979	78,084
Theatre operations	75,934	72,008	75,934	72,008
<b>f) Employee benefits expense</b>				
Wages and salaries	3,343,215	4,112,804	3,343,215	4,112,804
Workers compensation insurance and payroll tax	182,016	222,463	182,016	222,463
Defined contribution superannuation plan expense	326,074	401,093	326,074	401,093
<b>Total employee benefits expenses</b>	<b>3,851,305</b>	<b>4,736,360</b>	<b>3,851,305</b>	<b>4,736,360</b>

**3. Expenses (continued)**

	Note	Consolidated		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>g) Depreciation and amortisation</b>					
Property, plant and equipment	7	263,268	271,085	263,268	271,085
Intangible assets	8	46,403	45,911	46,403	45,911
Right of use assets	13	445,161	491,317	445,161	491,317
<b>Total depreciation and amortisation</b>		<b>754,832</b>	<b>808,313</b>	<b>754,832</b>	<b>808,313</b>
<b>Total Expenses</b>		<b>8,591,937</b>	<b>10,823,414</b>	<b>8,010,146</b>	<b>10,204,592</b>

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>4. Cash and cash equivalents</b>				
Cash at bank and in hand	2,444,870	1,498,141	2,100,148	1,116,216
Short-term deposits < 3 months	-	250,000	-	250,000
<b>Total cash and cash equivalents</b>	<b>2,444,870</b>	<b>1,748,141</b>	<b>2,100,148</b>	<b>1,366,216</b>

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the Group's cash requirements. These deposits earn interest at prevailing market rates.

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>5. Receivables</b>				
Trade debtors	305,627	2,019,955	286,286	2,021,272
Other debtors	82,752	1,107	82,928	1,107
Less: Allowance for impairment loss	(58,954)	(36,394)	(58,954)	(36,394)
<b>Trade debtors less impairment</b>	<b>329,425</b>	<b>1,984,668</b>	<b>310,260</b>	<b>1,985,985</b>
GST receivable	-	-	-	-
<b>Total receivables</b>	<b>329,425</b>	<b>1,984,668</b>	<b>310,260</b>	<b>1,985,985</b>

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>6. Other assets</b>				
Prepayments	84,306	49,743	84,306	49,743
Prepaid production development costs	323,760	79,803	275,471	58,009
Short-term deposits > 3 months	600,000	-	600,000	-
<b>Total other assets</b>	<b>1,008,065</b>	<b>129,546</b>	<b>959,776</b>	<b>107,752</b>

## 7. Plant and Equipment

<b>Consolidated and Company For the year ended 30 June 2021</b>	<b>Plant &amp; Equipment \$</b>	<b>Information Technology \$</b>	<b>Total \$</b>
Balance at beginning of period	2,909,537	167,797	3,077,344
Acquisitions	122,909	-	122,909
Less disposals	-	-	-
<b>Closing balance at end of period</b>	<b>3,032,446</b>	<b>167,797</b>	<b>3,200,243</b>
Less current year depreciation	(259,464)	(3,804)	(263,268)
Less accumulated depreciation	(1,801,093)	(163,062)	(1,964,155)
<b>Written down value at end of period</b>	<b>971,889</b>	<b>931</b>	<b>972,820</b>

<b>Consolidated and Company For the year ended 30 June 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at beginning of period	2,729,932	167,797	2,897,729
Acquisitions	260,350	-	260,350
Less disposals	(80,745)	-	(80,745)
<b>Closing balance at end of period</b>	<b>2,909,537</b>	<b>167,797</b>	<b>3,077,334</b>
Less current year depreciation	(260,189)	(10,897)	(271,086)
Less accumulated depreciation	(1,540,904)	(152,164)	(1,693,068)
<b>Written down value at end of period</b>	<b>1,108,444</b>	<b>4,736</b>	<b>1,113,180</b>

## 8. Intangibles

<b>Consolidated and Company For the year ended 30 June 2021</b>	<b>Software \$</b>	<b>Website &amp; Graphic Development \$</b>	<b>Total \$</b>
Balance at beginning of period	271,445	106,785	378,230
Acquisitions	-	-	-
Less disposals	-	-	-
<b>Closing balance at end of period</b>	<b>271,445</b>	<b>106,785</b>	<b>378,230</b>
Less current year amortisation	(39,046)	(7,357)	(46,403)
Less accumulated amortisation	(188,003)	(80,358)	(268,361)
<b>Written down value at end of period</b>	<b>44,396</b>	<b>19,070</b>	<b>63,466</b>

<b>Consolidated and Company For the year ended 30 June 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at beginning of period	266,945	106,785	373,730
Acquisitions	4,500	-	4,500
Less disposals	-	-	-
<b>Closing balance at end of period</b>	<b>271,445</b>	<b>106,785</b>	<b>378,230</b>
Less current year amortisation	(38,554)	(7,357)	(45,911)
Less accumulated amortisation	(149,450)	(73,001)	(222,451)
<b>Written down value at end of period</b>	<b>83,441</b>	<b>26,427</b>	<b>109,868</b>

	Consolidated		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>9. Payables</b>				
Trade creditors	485,016	380,682	415,740	367,750
Accrued expenses	192,737	79,116	186,602	72,916
GST payable	(6,100)	139,136	23,583	136,285
Other creditors	120,217	3,219	120,217	3,219
	<b>791,870</b>	<b>602,153</b>	<b>746,142</b>	<b>580,170</b>

	Consolidated		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>10. Employee benefits</b>				
<b>Current</b>				
Annual leave	198,354	206,859	198,354	206,859
Long service leave	37,303	31,977	37,303	31,977
<b>Total current</b>	<b>235,657</b>	<b>238,836</b>	<b>235,657</b>	<b>238,836</b>
<b>Non-current</b>				
Long service leave	31,534	53,192	31,534	53,192
<b>Total non-current</b>	<b>31,534</b>	<b>53,192</b>	<b>31,534</b>	<b>53,192</b>

Brisbane Powerhouse had an average of 41 full time equivalent employees during the financial year ended 30 June 2021 (57 during year ended 30 June 2020).

## 11. Financial instruments

### a) Financial risk management – objectives and policies

The Group's financial instruments comprise cash and cash equivalents and various financial assets and liabilities including amounts receivable in respect of services rendered, amounts payable to trade and other creditors and finance lease liabilities.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Group measures risk exposure using a variety of methods as set out below.

The Directors through the Finance and Audit Committee are responsible for risk management, including risks associated with financial instruments. Policies are established to identify and analyse the risks associated with the Group's financial instruments, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits.

Policies are reviewed annually taking into account changes in market conditions and the Group's activities. The Group's policies for managing each of these risks are summarised below:

#### Interest rate risk

The Group is exposed to interest rate fluctuations on its cash and cash equivalents. The Group actively monitors interest rates for cash at bank and on deposit to maximise interest income. The Group uses sensitivity analysis to measure interest rate risk.

## 11. Financial instruments (continued)

### Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are maintained. The Group uses maturity analysis to measure liquidity risk.

### Credit risk

Credit risk exposure refers to the situation where the Group may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations. The Group assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

The Group is exposed to credit risk through receivables and its deposits held with banks or other financial institutions. Funds are deposited only with those banks and financial institutions approved by the Board. Such approval is only given in respect of Australian based banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote. The Group uses aging analysis to measure credit risk. At the reporting date, the Group does not have any material credit risk exposures to any single receivable or group of receivables or any bank or financial institution.

### b) Fair values

Carrying amounts of financial assets and liabilities recorded in the financial statements represent their net fair values, as determined in accordance with the accounting policies disclosed in Note 2.

### c) Interest rate risk

The following table sets out the carrying amount, by maturity, of financial instruments exposed to interest rate risk

	2021		2020	
	Effective interest rate %	6 months or less \$	Effective interest rate %	6 months or less \$
<b>Financial instruments</b>				
<b>Consolidated</b>				
Cash	.60	2,444,870	.75	1,498,141
Term deposits	.25	600,000	.56	250,000
<b>Total financial instruments</b>		<b>3,044,870</b>		<b>1,748,141</b>
<b>Company</b>				
Cash	.60	2,100,148	.75	1,116,216
Term deposits	.25	600,000	.56	250,000
<b>Total financial instruments</b>		<b>2,700,148</b>		<b>1,366,216</b>

If interest rates were 100 basis points higher, then interest earned on Consolidated investments held at 30 June 2021 would be \$30,448 higher (30 June 2020: \$17,481). If interest rates were 100 basis points lower than interest earned on investments held at 30 June 2021 would be \$30,448 lower (30 June 2020: \$17,481).

If interest rates were 100 basis points higher, then interest earned on Company investments held at 30 June 2021 would be \$27,001 higher (30 June 2020: \$13,662). If interest rates were 100 basis points lower than interest earned on investments held at 30 June 2021 would be \$27,001 lower (30 June 2020: \$13,662).

## 11. Financial instruments (continued)

### d) Credit risk

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

	Consolidated		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Financial assets</b>				
Cash	2,444,870	1,498,141	2,100,148	1,116,216
Short term deposits < 3 months	-	250,000	-	250,000
Receivables – trade	246,498	1,983,561	227,509	1,984,878
Receivables – other, including short term deposits > 3 months	1,090,993	1,107	1,042,528	1,107
<b>Total financial assets</b>	<b>3,782,361</b>	<b>3,732,809</b>	<b>3,370,185</b>	<b>3,352,201</b>

### Past due or impaired

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The following table represents an analysis of the age of the Group's financial assets that are either fully performing or past due:

### Aged Receivables Consolidated

	2021			2020		
	Gross Receivables	Loss Rate	Expected Credit Loss	Gross Receivables	Loss Rate	Expected Credit Loss
	\$	%	\$	\$	%	\$
Current	82,928	-	-	1,220	-	-
1 to 30 days overdue	276,990	16.53%	45,781	1,924,636	0.42%	8,076
31 to 60 days overdue	52,643	18.26%	9,618	24,400	15.49%	3,781
61 to 90 days overdue	1,875	18.00%	338	1,390	20.00%	278
> 90 days overdue	3,626	88.70%	3,217	69,416	34.95%	24,259
<b>Total</b>	<b>418,062</b>		<b>58,954</b>	<b>2,021,062</b>		<b>36,394</b>

### Company

	2021			2020		
	Gross Receivables	Loss Rate	Expected Credit Loss	Gross Receivables	Loss Rate	Expected Credit Loss
	\$	%	\$	\$	%	\$
Current	82,752	-	-	1,107	-	-
1 to 30 days overdue	228,318	20.05%	45,781	1,926,066	0.42%	8,076
31 to 60 days overdue	52,643	18.26%	9,618	24,400	15.49%	3,781
61 to 90 days overdue	1,875	18.00%	338	1,390	20.00%	278
> 90 days overdue	3,626	88.70%	3,216	69,416	34.95%	24,259
<b>Total</b>	<b>369,214</b>		<b>58,954</b>	<b>2,022,379</b>		<b>36,394</b>

The increase in the loss rate for receivables 1 to 30 days overdue is attributable to the collections experience for deposits owing for future productions. Signed contracts are in place for these productions.

## 11. Financial instruments (continued)

### Allowance for impairment

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Loss allowance as at 1 July</b>	36,394	10,414	36,394	10,414
Amount Written-off during the year	6,992	10,414	6,992	10,414
Increase/ decrease in allowance	15,568	15,566	15,568	15,566
<b>Closing balance at end of year</b>	<b>58,954</b>	<b>36,394</b>	<b>58,954</b>	<b>36,394</b>

The loss allowance is estimated based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions as well as past events. \$6,992 worth of bad debts was written off as at 30 June 2021

### e) Liquidity risk

All financial liabilities are due within six months of financial year end.

## 12. Cash flow information

The following table represents the surplus/(deficit) for the year to net cash flows from operations.

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Surplus/(deficit) for the year</b>	<b>235,634</b>	<b>(153,298)</b>	<b>223,905</b>	<b>(164,125)</b>
Depreciation and amortisation	309,671	316,995	309,671	316,995
Interest on borrowings	-	3,010	-	3,010
Profit/loss disposal of non-current assets	-	881	-	881
Other (Lease revaluation adjustment)		(156,019)		(156,019)
(Increase)/decrease in assets				
Receivables	1,641,845	(1,467,395)	1,675,725	(1,584,284)
Other assets	(235,867)	165,746	(157,577)	32,878
Increase/(decrease) in liabilities				
Payables	781,447	436,441	733,331	424,172
Employee benefits	(24,837)	(36,551)	(24,837)	(36,551)
Deferred income	(720,894)	1,491,461	(736,016)	1,524,623
<b>Net cash flow from operations</b>	<b>1,986,999</b>	<b>601,271</b>	<b>2,024,202</b>	<b>361,580</b>



### 13. Leases

On 7 February 2020, new lease arrangements were agreed between The Brisbane Powerhouse and Brisbane City Council, which was entered into on 1 July 2020. The term of the new lease agreement is 20+5 years and due to expire in June 2045. The lease is a non-cancellable operating lease. Use of land and buildings is restricted to a community arts centre comprising theatres, administration areas, performance facilities, function rooms, restaurant, kitchen areas, bars, and car parking facilities.

The following table summarises the adjustments to asset and liability balances at 30 June 2021:

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Adoption of AASB 16 at July 2019</b>		<b>3,439,219</b>		<b>3,439,219</b>
Right to use asset at 30 June	11,129,036		11,129,036	
Lease Depreciation charge impairment of right to use asset 30 June	(445,161)	(491,317)	(445,161)	(491,317)
Balance before the adjustments	<b>10,683,875</b>	2,947,902	<b>10,683,875</b>	2,947,902
<b>Lease re-measurement 30 June 2020</b>				
Adjustment to right to use asset due to re-measurement		156,019		156,019
Other (Lease re-measurement adjustment due to initial recognition adjustment)		14,244		14,244
Increase in Lease term 30 June		8,010,871		8,010,871
<b>Right to use asset at 30 June</b>	<b>10,683,875</b>	<b>11,129,036</b>	<b>10,683,875</b>	<b>11,129,036</b>

#### Lease Liability

Consolidated	< 1 year	1-5 years	>5 years	Total	Total per statement of financial position
30 June 2021	\$	\$	\$	\$	\$
	356,077	1,495,479	8,928,249	10,779,805	10,779,805

### 14. Deferred Income

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Deferred Income</b>				
Deferred Income Grants	105,364	1,709,013	105,364	1,709,013
Deferred Income Program	381,424	152,969	381,424	152,969
Deferred Income Ticketing	984,836	339,982	936,296	265,743
Deferred Income Other	156,984	189,845	156,985	180,845
<b>Total deferred Income</b>	<b>1,628,608</b>	<b>2,391,809</b>	<b>1,580,069</b>	<b>2,317,570</b>

## 15. Related Party Transactions

### a) Transactions with Brisbane City Council and controlled entities

Brisbane Powerhouse is a controlled entity of Brisbane City Council. During the financial year the following transactions occurred with Brisbane City Council:

Nature of Transaction	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Brisbane City Council</b>				
<b>Revenue</b>				
Functions and events	117,371	128,326	117,371	128,326
Infrastructure funding	-	251,726	-	251,726
Operational funding	3,395,296	3,305,124	3,395,296	3,305,124
Other funding	241,000	51,200	221,000	31,200
Other	51,077	-	51,077	-
<b>Expenses</b>				
Electricity	151,828	191,484	151,828	191,484
Insurance and workers compensation	78,271	78,271	78,271	78,271
Lease of business premises	283,680	378,241	283,680	378,241
Other	1,051	882	1,051	882

At 30 June 2021 \$1,926 was receivable from Brisbane City Council (2020: \$1,689,648) and \$25,287 (2020: \$28,218) was owed to Brisbane City Council.

Nature of Transaction	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Brisbane Marketing</b>				
<b>Revenue</b>				
Grant	-	19,816	-	19,816
Functions and events	-	945	-	945
<b>Expenses</b>				
Marketing	-	4,018	-	4,018
<b>Major Brisbane Festivals Pty Ltd</b>				
<b>Revenue</b>				
Programming	179,025	-	179,025	-
<b>Expenses</b>				
Programming	52,614	-	52,614	-
<b>Queensland Urban Utilities</b>				
<b>Expenses</b>				
Utilities	51,803	36,943	51,803	36,943
<b>City Parklands Services Pty Ltd</b>				
<b>Revenue</b>				
Functions and events	-	1,005	-	1,005
<b>Expenses</b>				
Functions and events	-	500	-	500

## 15. Related Party Transactions (continued)

### b) Transactions with Brisbane Powerhouse Foundation

Brisbane Powerhouse Group comprises the consolidation of Brisbane Powerhouse Pty Ltd (the Company) and Brisbane Powerhouse Foundation (the Foundation).

- During the year Brisbane Powerhouse Pty Ltd donated \$110,000 (2020: \$140,000) to Brisbane Powerhouse Foundation to assist with the presentation of the artistic program which is conducted in the Foundation.
- Brisbane Powerhouse Pty Ltd sold tickets to the value of \$548,122 (2020: \$666,622) to BPH Presents productions on behalf of Brisbane Powerhouse Foundation.
- Brisbane Powerhouse Pty Ltd arranged production to the value of \$315,495 (2020: \$283,805) on behalf of Brisbane Powerhouse Foundation.
- Brisbane Powerhouse Foundation paid \$94,880 (2020: \$97,518) in ticket fees to the Brisbane Powerhouse Pty Ltd for this service.
- Brisbane Powerhouse Pty Ltd supplied administrative support and use of theatre space to Brisbane Powerhouse Foundation at no charge.
- At 30 June 2021 \$57,512 (2020: \$1,430) was payable to Brisbane Powerhouse Pty Ltd and \$1,448 (2020: \$165) was receivable from Brisbane Powerhouse Pty Ltd.

### c) Transactions with key management personnel

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity. KMP include Directors (disclosed in the Directors' Report) and the Executive comprising the Chief Executive Officer and the Artistic Director.

	Consolidated		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Employee benefits</b>				
Short term employee benefits	270,809	316,322	270,809	316,322
Long term employee benefits	4,331	15,959	4,331	15,959
Termination payments	24,308	-	24,308	-
Post-employment benefits	26,826	28,818	26,826	28,818
<b>Total employee benefits</b>	<b>326,274</b>	<b>361,099</b>	<b>326,274</b>	<b>361,099</b>

The Directors act in an honorary capacity and receive no compensation for their services with the exception of the Chair fee \$35,000 (2020: \$21,500) which is paid to Valmay Hill.

## 15. Related Party Transactions (continued)

### d) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Nature of transaction	Consolidated		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Revenue</b>				
Donations	3,269	1,500	-	-
Sponsorship	77,500	60,000	77,500	60,000
Functions and events	38,582	19,096	38,582	19,096
<b>Expenses</b>				
Chair fee	35,000	21,500	35,000	21,500
Functions and events	9,802	1,645	9,802	1,645
Legal services	7,500	-	7,500	-
Professional fee and Other	7,500	-	7,500	-
Performers fee	19,405	-	-	-

### 16. Contingent assets and liabilities

There were no contingent assets or liabilities at 30 June 2021.

### 17. Events after the reporting period

There were no material adjusting events after the balance date.

### 18. Economic dependency

The Group is dependent upon ongoing operational funding from Brisbane City Council to ensure the continuance of its artistic and community program and venue operations. The four year funding agreement commenced on 1 July 2017 and concluded on 30 June 2021. A new funding agreement has been entered into for three-plus-one years from 1 July 2021. The Group is also dependent on the ongoing lease of the Brisbane Powerhouse building and precinct from Brisbane City Council. As at 1 July 2020 a new lease agreement was entered into for a term of 20+5 years which is due to expire in June 2045.

### 19. Additional company information

The registered address and principal place of business is:

119 Lamington Street  
New Farm Qld 4005

## **Directors' declaration for the year ended 30 June 2021**

In the opinion of the Directors of Brisbane Powerhouse Pty Ltd (the Company) the financial statements and notes numbered 1 to 19 are in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company and Group's financial position as at 30 June 2021 and of their performance, for the financial year ended on that date;
- b) complying with Australian Accounting Standards (including Australia Accounting Interpretations) and the *Corporations Regulations 2001*; and
- c) there are reasonable grounds to believe that the Company and Group will be able to pay their debts as and when they become due and payable.

Signed on behalf of the Directors, Brisbane Powerhouse Pty Ltd.



**Valmay Hill**  
Chair  
30 September 2021  
Brisbane



**Penny Shield**  
Director  
30 September 2021  
Brisbane

## INDEPENDENT AUDITOR'S REPORT

To the Members of Brisbane Powerhouse Pty Ltd

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Brisbane Powerhouse 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 Parent's and Group's financial position as at 30 June 2021, and their financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2021, the statements of comprehensive income, statements of changes in equity and statements 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 Parent and 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 the 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 Group, 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 Brisbane Powerhouse's annual report for the year ended 30 June 2021 was the directors' report.

The Group's directors 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 Group for the financial report**

The Group's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the Group'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 Group's directors are also responsible for assessing the Parent's and the 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 the 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 Parent's and 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 Parent's and 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 Parent's or 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 Parent or 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 Group'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.



Philip Airey  
as delegate of the Auditor-General

1 October 2021

Queensland Audit Office  
Brisbane