

MUSEUM OF BRISBANE PTY LTD AND ITS CONTROLLED ENTITY

ABN 52 098 223 413

Financial Report

FOR THE YEAR ENDED 30 JUNE 2023

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FOR THE YEAR ENDED 30 JUNE 2023

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DIRECTORS REPORT

30 JUNE 2023

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 ending 30 June 2023 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 year ended 30 June 2023 are:

Names	Position	Appointed	Term Completed
Sallyanne Atkinson AO	Director	27-Aug-12	31-Dec-22
Andrew Harper	Director	10-Sep-12	9-Dec-22
Liana Heath	Director	18-Mar-19	31-Dec-22
Natasha Hood	Director	18-Mar-19	
Leanne Coddington	Director	21-Jan-20	
Andrew Gutteridge	Director	23-Jan-20	
Ian Klug	Director	6-Oct-22	
Brian Wyborn	Director	15-Oct-22	2-Apr-23

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 year ended 30 June 2023.

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 2023 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.

DIRECTORS REPORT (continued)

30 JUNE 2023

1 Director Information

a. Meetings of directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings Committee		Finance, Governance and Remuneration		Museum of Brisbane Trust Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Sallyanne Atkinson AO	3	3	3	3	1	1
Andrew Harper	3	3	3	3		
Liana Heath	3	2			1	1
Natasha Hood	6	6	3	3		
Leanne Coddington	6	5			1	1
Andrew Gutteridge	6	5			1	1
Ian Klug	5	5				
Brian Wyborn	3	3				

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 \$822,612 (2022: \$270,122).

Museum of Brisbane Pty Ltd has recorded a deficit for the year due to the rising cost of operations in the current economic climate.

During the 12-month period ended 30 June 2023 the Museum has continued to engage with local artists and storytellers and delivered major exhibitions: *World of Wonder*; *Play Moves*; and *Clay: Collected Ceramics*. The Museum also successfully produced *Botanica*, at the Botanical Gardens, for Brisbane City Council and its own off-site biennial festival, *Brisbane Art Design (BAD)*.

The Museum of Brisbane Trust (the Trust) has produced a positive result that has contributed to the overall consolidated entity's surplus.

The Trust was established to receive gifts, bequests and donations.

Philanthropic support has continued, enabling the further expansion of the Artist in Residence program, our Collection and to continue the maintenance program for the Easton Pearson Archive.

b. 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.

DIRECTORS REPORT (continued)

30 JUNE 2023

c. Review of operations

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

d. Significant changes in the State of Affairs

No matters or circumstances have arisen during the 30 June 2023 financial year that have significantly or may significantly affect the Consolidated Entity.

3 Other items

a. After balance date events

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

b. Likely developments

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

c. 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.

d. 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.

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.

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 2023, 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.

This declaration is in respect of Museum of Brisbane Pty Ltd and the entities it controlled in the year.



William Cunningham
as delegate of the Auditor-General

11 August 2023

Queensland Audit Office
Brisbane

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2023**

		2023	2022
		\$	\$
	Note		
Revenue	2	8,899,497	7,366,927
Expenses			
Employee benefits expense	3	(3,945,837)	(3,475,926)
Audience development expenses	4	(1,368,687)	(953,878)
Program (exhibition) expenses		(1,173,960)	(1,210,114)
Minor equipment		(49,472)	(58,090)
Collection management		(38,476)	(41,801)
Depreciation and amortisation expenses	5	(789,304)	(786,031)
Internet webhosting expenses		(105,148)	(104,877)
Finance costs		(18,525)	(24,267)
Property expenses		(293,184)	(217,756)
Other expenses		(294,292)	(224,065)
Total Expenses		(8,076,885)	(7,096,805)
Operating Results for the Year		822,612	270,122
Other Comprehensive Income			
Items Not to be reclassified to Operating Result:			
Increase/Decrease in asset revaluation surplus	8	(1,500)	23,930
Total Comprehensive Income		821,112	294,052

This Statement is to be read in conjunction with the accompanying notes and Significant Accounting Policies

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		2023	2022
		\$	\$
	Note		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,999,915	1,751,876
Receivables	7	27,780	83,953
Other assets		91,393	171,071
TOTAL CURRENT ASSETS		2,119,088	2,006,900
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,615,096	5,182,487
Right-of-use assets	9	2,037,575	2,589,045
TOTAL NON-CURRENT ASSETS		7,652,671	7,771,532
TOTAL ASSETS		9,771,760	9,778,432
LIABILITIES			
CURRENT LIABILITIES			
Payables	10	209,806	196,433
Accrued employee benefits	11	245,211	221,725
Deferred sponsorship income		2,083	2,083
Contract liabilities	12	2,500	300,394
Lease liabilities	13	684,462	632,427
TOTAL CURRENT LIABILITIES		1,144,063	1,353,062
NON-CURRENT LIABILITIES			
Accrued employee benefits	11	31,134	43,759
Lease liabilities	13	1,374,431	1,980,587
TOTAL NON-CURRENT LIABILITIES		1,405,565	2,024,346
TOTAL LIABILITIES		2,549,627	3,377,408
NET ASSETS		7,222,133	6,401,024
EQUITY			
Share capital		1	1
Unitholder's capital		10	10
Asset revaluation surplus		117,846	119,346
Accumulated surplus		7,104,276	6,281,667
TOTAL EQUITY		7,222,133	6,401,024

This Statement is to be read in conjunction with the accompanying notes and Significant Accounting Policies

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2023**

	Share Capital	Unit holder's capital	Asset revaluation surplus	Accumulated surplus	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	1	10	95,416	6,011,543	6,106,970
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
Operating Result from continuing operations	-	-	-	822,612	822,612
Decrease in asset revaluation surplus	-	-	(1,500)	-	(1,500)
Total comprehensive income for the year	-	-	(1,500)	822,612	821,112
Balance at 30 June 2023	1	10	117,846	7,104,276	7,222,133

**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	2,969,227	2,358,462
Receipt of Funding from Brisbane City Council	4,987,077	4,905,720
Payment to Suppliers and Employees	(6,921,653)	(6,189,595)
Interest Received	99,971	11,985
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>26</u> 1,134,622	<u>1,086,572</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Property, Plant and Equipment	<u>(174,922)</u>	<u>(235,293)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(174,922)</u>	<u>(235,293)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease Payments - Principal Component	(693,136)	(632,960)
Lease Payments - Interest Component	<u>(18,525)</u>	<u>(24,267)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(711,661)</u>	<u>(657,227)</u>
Net increase in cash held	248,039	194,052
Cash and Cash Equivalents at Beginning of Year	<u>1,751,876</u>	<u>1,557,824</u>
Cash and Cash Equivalents at End of Financial Year	<u>6</u> 1,999,915	<u>1,751,876</u>

This Statement is to be read in conjunction with the accompanying notes and Significant Accounting Policies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

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 year 1 July 2022 to 30 June 2023.

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 otherwise stated.

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 statement as the consolidated entity. The financial statements of the controlled entity are 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 entities 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

1(d) Comparatives

Comparative information reflects the audited 2021-22 consolidated financial statements. Comparative information has been restated where necessary to be consistent with disclosures in the current period.

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.

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 judgments

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)
- Accrued Employee Benefits (Note 11).

1 (h) Adoption of New and Revised Accounting Standards

The Consolidated Entity has adopted *AASB 2020 -1 Amendments to Australian Accounting Standards – Classification of liabilities as current or non-current*, and *AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15* effective from 1 July 2022.

For the 2023 financial year, the Consolidated Entity has not identified any material impacts on the financial statements from the introduction of these standards.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2: REVENUE

	2023	2022
	\$	\$
<i>Funding</i>		
Operational Recurrent Funding	4,987,077	4,905,720
	<u>4,987,077</u>	<u>4,905,720</u>
<i>Revenue from Contracts with Customers</i>		
Grant revenue	402,663	150,854
Merchandise sales	484,153	329,692
Corporate fundraising	110,500	103,958
Venue hire	85,236	-
Public programs/tours revenue	345,241	177,907
Project delivery revenue*	708,067	882,177
Membership income	12,847	9,087
	<u>2,148,706</u>	<u>1,653,675</u>
<i>Other revenue</i>		
Artwork donations	358,009	163,998
Interest income	99,971	11,985
Sponsorship-in-kind	496,742	209,138
Philanthropy	803,905	254,624
Other	5,087	167,787
	<u>1,763,714</u>	<u>807,532</u>
Total Revenue	<u>8,899,497</u>	<u>7,366,927</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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.

Merchandise Sales

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.

Corporate Fundraising

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

Philanthropy

Revenue is recognised as the donation occurs.

Public programs/tours

Public programs, (including 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.

Other Revenue

Membership income and one off service fee income, recognised when received.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 3: EMPLOYEE BENEFITS EXPENSE

	2023	2022
Employee benefits expense	\$	\$
Wages and salaries	2,989,750	2,672,244
Directors Fees	82,390	85,000
Annual leave and long service leave provision expense	316,035	262,780
Superannuation contributions	347,871	292,096
Workers compensation premium and WHS expenses	16,026	9,509
Payroll tax	193,765	154,297
Total	3,945,837	3,475,926

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits. Payroll tax, workers compensation insurance and workplace health and safety expenses 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 superfund's. Contributions are expensed in the period in which they are paid or payable.

NOTE 4: AUDIENCE DEVELOPMENT EXPENSES

	2023	2022
	\$	\$
Marketing	274,351	286,698
Public relations	75,000	75,000
Sponsorship in-kind	496,742	209,138
Merchandise	318,057	208,924
Other audience development expenses	204,537	174,119
Total	1,368,687	953,878

Marketing/Public relations/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 at fair value in the statement of comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 5: DEPRECIATION AND AMORTISATION EXPENSE

	2023	2022
	\$	\$
Depreciation of non-current assets		
• Plant and equipment	63,407	89,007
• Furniture and fittings	35,414	39,222
• Right-of-use asset	690,483	657,802
Total	<u>789,304</u>	<u>786,031</u>

NOTE 6: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash on hand	1,500	5,226
Cash at bank	1,255,916	561,972
Cash on call	742,499	1,184,678
Total	<u>1,999,915</u>	<u>1,751,876</u>

For the purposes of the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows, cash assets include all cash and cheques received 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 to cover a three month trading period at any time.

NOTE 7: RECEIVABLES

	2023	2022
	\$	\$
Trade Debtors	790	49,834
GST Receivables	26,990	34,119
TOTAL	<u>27,780</u>	<u>83,953</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2023 \$	2022 \$
Plant and equipment		
Plant and equipment at cost	1,014,141	999,214
Accumulated depreciation	(834,097)	(770,690)
	180,044	228,524
Furniture, fixtures and fittings at cost	392,600	392,600
Accumulated depreciation	(311,193)	(275,779)
	81,407	116,821
Artwork and collectibles at fair value	5,353,646	4,837,142
Total Property, plant and equipment	5,615,096	5,182,487

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 8: PROPERTY, PLANT & EQUIPMENT (continued)

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.

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

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

Impairment of Property Plant and Equipment.

Key Judgment 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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 Collection 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 of 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 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. and exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

In accordance with AASB13 *Fair Value Measurement* are categorised on the following basis:

- * Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- * 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)

An external valuation was conducted during the 2022 financial year by Ross Searle for the artworks and collectibles and Eleanor Keene for the Easton Pearson Archive. The valuations were derived by reference to market based evidence including sales prices of comparable artworks and general art market conditions.

In 2022 some artworks were identified as no longer having sufficiently recent comparable market data and could no longer be classified at level 2. These assets were reclassified as level 3.

In 2023 the fair value of the artwork collection was valued in accordance with the Trust revaluation policy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 8: PROPERTY, PLANT & EQUIPMENT (continued)

Revaluation of artwork and collectibles

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.

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2023	\$	\$	\$	\$
Assets				
Artwork and Collectibles		3,638,672	1,714,974	5,353,646
TOTAL ASSETS	-	3,638,672	1,714,974	5,353,646
2022	\$	\$	\$	\$
Assets				
Artwork and Collectibles	-	3,122,168	1,714,974	4,837,142
TOTAL ASSETS	-	3,122,168	1,714,974	4,837,142

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 2023		\$	\$	\$
Balance at beginning of year	228,524	116,821	4,837,142	5,182,487
Additions	14,927	-	518,004	532,931
Disposals	-	-	-	0
Revaluation decrement	-	-	(1,500)	(1,500)
Depreciation expense	(63,408)	(35,414)	-	(98,822)
Balance at 30 June 2023	180,043	81,407	5,353,646	5,615,096
Opening carrying amount	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 increment	-	-	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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

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.

Plant & Equipment

The Museum leases a photocopier under a rental agreement for 5 years.

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.

	Buildings	Plant & Equipment	Total
30 June 2023	\$	\$	\$
Opening balance at 1 July 2022	2,581,349	7,696	2,589,045
Depreciation charge	(688,580)	(1,900)	(690,480)
Modification of Leased/ROU Asset	<u>137,524</u>	1,486	<u>139,010</u>
Balance as at 30 June 2023	<u>2,030,293</u>	<u>7,282</u>	<u>2,037,575</u>
	Buildings	Plant & Equipment	Total
30 June 2022	\$	\$	\$
Opening balance at 1 July 2021	3,217,108	1,515	3,218,623
Depreciation charge	(654,296)	(3,506)	(657,802)
Modification of Leased/ROU Asset	<u>18,537</u>	9,687	<u>28,224</u>
Balance as at 30 June 2022	<u>2,581,349</u>	<u>7,696</u>	<u>2,589,045</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 10: PAYABLES

	2023	2022
	\$	\$
CURRENT		
Trade Creditors	100,042	54,336
Accrued Expenses	-	25,000
Payroll Payables	102,017	99,136
Other payables	<u>7,747</u>	<u>17,961</u>
Total	<u><u>209,806</u></u>	<u><u>196,433</u></u>

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.

NOTE 11: ACCRUED EMPLOYEE BENEFITS

		2023	2022
	note	\$	\$
CURRENT			
Annual leave		190,764	182,410
Long service leave		<u>54,447</u>	<u>39,315</u>
		<u>245,211</u>	<u>221,725</u>
(a) Number of employees FTE	3	<u>42</u>	<u>43</u>
NON CURRENT			
Long service leave		<u>31,134</u>	<u>43,759</u>
		<u>31,134</u>	<u>43,759</u>

Movement in accrued employee benefits

	2023	2022
	\$	\$
Annual Leave		
Opening carrying amount	182,410	162,067
Provision made during the year	240,272	192,902
Payment made during the year	<u>(231,917)</u>	<u>(172,559)</u>
Closing carrying amount	<u>190,764</u>	<u>182,410</u>

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.

	2023	2022
	\$	\$
Long Service Leave		
Opening carrying amount	83,075	66,825
Provision made during the year	4,986	16,250
Payment made during the year	<u>(2,480)</u>	<u>-</u>
Closing carrying amount	<u>85,581</u>	<u>83,075</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 11: ACCRUED EMPLOYEE BENEFITS (CONTINUED)

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.

NOTE 12: CONTRACT LIABILITIES

	2023	2022
	\$	\$
CURRENT		
Contract Liabilities	2,500	300,394
	<u>2,500</u>	<u>300,394</u>

Grants received in advance balance on hand is the RISE (Restart Investment Sustain and Expand) grant received for delivery of the current exhibition Clay: Collected Ceramics.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 13: LEASE LIABILITIES

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

30 June 2023

< 1 year	1 - 5 years	> 5 years	Total per statement of financial position \$
698,863	1,386,306	-	2,058,893

30 June 2022

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

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 14: EQUITY

	2023	2022
Museum of Brisbane Pty Ltd		
Issued and paid-up capital		
Ordinary shares at \$1 per share	<u>1</u>	<u>1</u>
Museum of Brisbane Trust		
Unitholder's contribution at \$1 per unit	<u>10</u>	<u>10</u>

Rights of each type of share

Ordinary shares do not participate in dividends and the proceeds on winding up of the parent entity. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise shareholder has one vote on a show of hands.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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.

	2023	2022
	\$	\$
Financial assets		
Cash and cash equivalents	1,999,915	1,751,876
Trade receivables	27,780	84,436
Total	<u>2,027,696</u>	<u>1,836,312</u>
Financial liabilities		
Payables	209,806	196,433
Total	<u>209,806</u>	<u>196,433</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15: FINANCIAL RISK DISCLOSURE (continued)

Financial risk management

Risk Exposure

Financial risk management is implemented pursuant to Consolidated Entity's policy. These policies focus on the unpredictability of the financial markets and seek to minimise potential adverse effects on the financial performance of the controlled entities. The Board of Directors has 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 exposure in relation to costs will continue to be monitored.

(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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023 (2022: \$nil)

NOTE 17: COMMITMENTS

The consolidated entity has no capital commitments at year-end (2022: \$nil).

NOTE 18: EVENTS AFTER BALANCE DATE

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2023, of the Consolidated Entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2023, of the Consolidated Entity.

NOTE 19: FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

No new accounting standards for the 2024 financial year have been identified that would have a material impact on the Consolidated Entity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 20: KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration Expense	2023	2022
Compensation received by key management personnel of the Company	\$	\$
- short-term employee benefits	764,540	707,089
- post-employment benefits	74,762	66,950
- performance benefits	15,000	
- long-term benefits	1,148	11,464
	<u>855,450</u>	<u>785,503</u>

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 2022/2023 is disclosed above.

	Appointed	Term Completed	Position
Board Directors			
Sallyanne Atkinson AO		31-Dec-22	Chair of the Board
Andrew Harper		9-Dec-22	Deputy Chair of the Board
Liana Heath		31-Dec-22	Board Director
Natasha Hood	18-Mar-19		Board Director
Leanne Coddington	21-Jan-20		Board Director
Andrew Gutteridge	23-Jan-20		Board Director
Ian Klug	6-Oct-22		Chair of the Board
Brian Wyborn		2-Apr-23	Board Director
Executive Management Team:			
Renai Grace		9-Dec-22	Director / CEO
Melanie Heley	29-Sep-17		Head of Business Services
Cathy de Silva	11-Jan-21		Acting CEO
Christine Clark	23-Aug-21		Head of Curatorial and Collections
Naomi Takeifanga	17-Jan-22		Head of Programming
Sarah Harvey	12-Dec-22		Acting Head of Experience

NOTE 21: AUDITOR'S REMUNERATION

	2023	2022
	\$	\$
Audit and review of financial statements		
Queensland Audit Office	<u>23,500</u>	<u>22,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

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 \$4,987,077 (2022: \$4,905,720).

BCC also contributed 7 artworks to the Trust that no longer meet the Collection Policy, the artworks were deaccessioned and sold, realising \$611,918. These funds to be used to purchase Brisbane related artwork.

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

	2023	2022
	\$	\$
Rent Relief received	-	(160,875)
Project funding for External 5 Year Valuation of CoBC	-	(18,000)
Project Funding for Botanica	(618,272)	(405,000)
Project Funding Brisbane Art Design (BAD)	(15,000)	
Project Funding Brisbane 2032 Olympic City	(150,000)	
Other Income	(234)	
Inclusive Training	-	(40,000)
Rent of premises	690,467	643,500
Electricity	204,453	78,423
Cleaning	113,820	106,078
Reimburse 2032 Olympic City Funding	140,000	
Work cover	7,551	5,000
Other expenses	5,019	4,840
Total	<u>377,804</u>	<u>213,966</u>

Amounts owed to BCC for goods and services at 30 June 2023 \$82,938 (2022 : \$25,000).

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 the total value of \$381,024. The Duration of this agreement is from October 2021 until November 2022. \$80,107 was recognised as revenue in the 2023 financial year (2022: \$300,024).

During the financial year, Gadens, a company of whom a Museum of Brisbane Board member is a partner, provided legal advice, this arrangement is at arms length and was for the total value of \$26,615.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

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 Equivalentents regime in relation to income tax.

NOTE 24: PARENT INFORMATION OF MUSEUM OF BRISBANE PTY LTD

	2023	2022
Statement of Comprehensive Income	\$	\$
Total revenue	7,805,035	6,975,539
Total expense	7,939,753	6,975,252
Total surplus/(deficit)	(134,718)	287
Comprehensive Income	(134,718)	287
ASSETS		
Current Assets	1,398,246	1,726,882
Non-Current Assets	2,299,025	2,934,390
Total Assets	<u>3,697,271</u>	<u>4,661,272</u>
LIABILITIES		
Current Liabilities	1,142,563	1,353,065
Non-Current Liabilities	1,405,565	2,024,346
Total Liabilities	<u>2,548,128</u>	<u>3,377,411</u>
Total Equity	<u>1,149,143</u>	<u>1,283,861</u>

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

As at 30 June 2023, the Consolidated Entity had a contingent liability of \$nil (2022:\$nil).

Contractual commitments

At 30 June 2023, the consolidated entity had not entered into any contractual commitments for the acquisition of property, plant and equipment (2022: \$nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 25: ECONOMIC DEPENDENCY

The continuation of the Consolidated Entity is dependent on the ongoing financial commitment from Brisbane City Council.

For the 2023-2024 financial year, Council has approved funding of \$5,069,818 (exclusive of GST).

NOTE 26: CASH FLOW INFORMATION

	2023	2022
	\$	\$
Cash Flow Information		
Reconciliation of Operating Result to Net Cash Provided by Operating Activities		
Operating Surplus/(Deficit)	822,612	270,122
Non-cash items included in operating result:		
Depreciation	789,304	786,031
Finance costs	18,525	24,267
Fair value of artwork and collectibles donated	(358,009)	(163,998)
Changes in assets and liabilities		
Decrease / (Increase) in receivables	49,045	(24,876)
Decrease / (Increase) in other assets	79,678	4,319
Decrease / (Increase) in GST receivable	7,128	(9,349)
(Decrease) / Increase in payables	13,373	35,776
(Decrease) / Increase in other liabilities	(297,894)	127,688
(Decrease) / Increase in provisions	10,860	36,592
Net Cash provided by Operating Activities	<u>1,134,622</u>	<u>1,086,572</u>

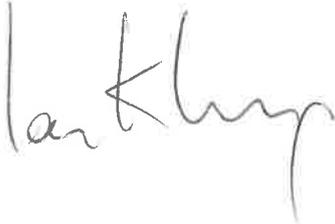
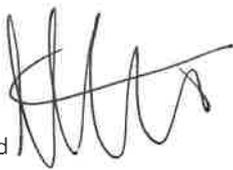
DIRECTORS DECLARATION

The directors of the Consolidated Entity declare that:

1. The consolidated financial statements and notes, as set out on pages 2-35, 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 2023 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: Ian Klug AM		Director: Natasha Hood	
Brisbane			
Dated this <u>11</u> day of <u>August</u> 2023			

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 2023, 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 2023, 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 2023 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.



William Cunningham
as delegate of the Auditor-General

14 August 2023

Queensland Audit Office
Brisbane