



2017 - 2018

ANNUAL REPORT

PREPARED BY

**THE BOARD OF
TRUSTEES OF
NEWSTEAD HOUSE**

www.newsteadhouse.com.au

Public availability

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August 2018

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31 August 2018

The Honourable Leeanne Enoch MP
Minister for Environment and the Great Barrier Reef
Minister for Science and Minister for the Arts
GPO Box 2454
Brisbane Qld 4001

Dear Minister

I am pleased to submit for presentation to the Parliament, the Annual Report 2017-18 and financial statements for the Board of Trustees of Newstead House.

This report is prepared on the basis of the current administrative arrangements for this agency applying for the whole of the 2017-18 financial year. That is, it reflects the structure, operations and performance of the agency as it now exists.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the Financial and Performance Management Standard 2009, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found in Appendix 2 of this Report.

Yours sincerely



Dr Daniel Morgan
Chair

From the Chairman

Newstead House's status as the oldest surviving residence in Brisbane and its location in a prime setting demand that it be treated with respect and that all our activities are executed to a professional standard. Its present and future conservation and sustainability are the prime considerations. Almost as important, however, is a recognition that the whole point of conserving the property is so that it may be visited and enjoyed by the people of Queensland - whose heritage it is, after all - and by other visitors with whom we wish to share our history and culture.

This need not be limited to using the property as a static house museum. The present Board is strongly committed to conducting a professional and innovative museum, educational and cultural program and not a 'Downton Abbey' theme park. When it was a private residence, Newstead was a cultural and social hub. The main rooms hosted concerts. The Brisbane papers reported in detail weddings held there which were major social events for the Colony. It was a living, breathing house that people wanted to visit again and again. Preservation and use and enjoyment of the property are not inconsistent aims; indeed, the practical realities of the significant costs of upkeep and repair require alternative income sources to be developed.

Our education program is now delivered in a school curriculum compliant format by Moreton Bay Environment Education Centre, a campus of Education Queensland. We are very pleased with this collaboration and thank MBEEC's director Ms. Di Aylward and her staff in this regard.

The historical importance of the House is amplified given its location of the site at Breakfast Creek where first contact was made in Brisbane between Europeans and the local Aborigines. We continue to work on an indigenous history project which orients the House's site spatially and temporally to contextualise it to that time of pre-contact. We think it is very important to try and work collaboratively in doing so.

In *The Hedgehog & The Fox*, Isaiah Berlin speaks of Tolstoy's view that the most powerful force in history comes not from historical figures like generals and statesmen but 'consists of those ordinary men and women whose lives are the actual stuff of history'. Preserving and imparting our cultural and historical heritage at Newstead is important so that over a century and a half after the House was built, people can stand on the same ground as some of the items in the collection were probably worn and, prompted perhaps by an ordinary article of clothing or item, imagine the past and examine their present - the ordinary lives of men and women of which history is made. Who wore this? is as innocuous a question as that which the child asked Walt Whitman in, *What is the grass?*

"I guess it must be the flag of my disposition, out of hopeful green stuff woven.

Or I guess it is the handkerchief of the Lord,
A scented gift and remembrancer designedly dropt,
Bearing the owner's name someway in the corners, that we
may see and remark, and say Whose?"

The dedication of my fellow honorary trustees Ian Hadwen and Vicki Howard should be publicly recorded, along with my personal thanks for their collegiality and professionalism. The House would have ceased to function without the dedication and commitment of Kim Davis and Jennifer Garcia, and I record the Board's thanks to them as well. The volunteers and the Friends of Newstead are also thanked for their ongoing and generous contributions.

May I also thank the former minister Hon. Dr. Steven Miles for his interest in the House and for his support in overcoming some of the challenges which presented during the transition. It is also right to thank the officers of the Department for their engagement and assistance, in particular the previous Director-General Jim Reeves, the Deputy-Director Tony Roberts, the Director of Heritage Fiona Gardiner and the Manager of Heritage Branch, Nicole Mulholland.

About Newstead House

Newstead House is Brisbane's oldest surviving residence and is held on trust for the people of Queensland. Newstead House and the Tramways Substation No. 5 (former) (the Substation) are located within 6 hectares of gardens which are owned and maintained by the Brisbane City Council (BCC). The operations of Newstead House are managed by the Board of Trustees of the Newstead House (the Board). The Board is established under the *Newstead House Trust Act 1939* (the Act).

Under section 3(2) of the Act, the Board consist of three members:

- a representative of government nominated by the Minister (the Chairperson);
- a representative of Brisbane City Council (BCC) nominated by the BCC; and
- a representative of the Royal Historical Society of Queensland (RHSQ) nominated by the RHSQ.

The Chairperson and Board members are appointed on a part-time basis and are not remunerated for their associated work. The Board does not control substantial State revenue allocations and its functions are not of whole-of-Government interest.

Two staff members are employed by the Board to assist with the running of Newstead House.

Our vision

Embrace the future, discover the past.

Our mission

To conserve the significance of Newstead House, the building, the collection and the landscape with care and integrity offering all members of the community opportunities to enjoy, learn and discover.

Our values

- we respect and celebrate diverse perspectives and we engage and represent diverse audiences;
- we value the learning of our history in an immersive way;
- we are a creative institution that strives to provide a unique and engaging visitor experience.
- we attract, respect and serve a broad, diverse audience.
- we seek and sustain meaningful partnerships.

Our operating environment

The challenges facing the Newstead House and other historic house museums in general in the 21st century include issues such:

- increasing financial and human resourcing needs;
- ongoing maintenance and conservation of assets;
- ongoing collection maintenance and management;
- increasing storage requirements;
- demands for new approaches to interpretation and visitor experiences;
- declining volunteer numbers.

Since 2011 the Board has worked proactively to effectively respond to the challenges facing the organisation. Following on from strategic reviews in 2011 and 2013, organisational changes were made, and a number of successful revitalisation projects were delivered. More recently the Board has been working closely with key stakeholders including the Department of Environment and Science to explore alternative operational models that would result in the organisation transitioning to a more self-reliant arrangement and this work is ongoing.

The Board's decision to partner with Moreton Bay Environment Education Centre, a campus of Education Queensland, to deliver our education program has been successfully implemented and the quality and quantity of that offering has been positively affected by this decision.

The implementation of the strategic review addressed a number of outstanding issues and tensions which were associated with the transition of the organisation and structure to contemporary standards and expectations.

In the past a spirit of volunteerism was part of many community organisations and the House relied on that for many years for its preservation and operation. That dedication of supporters in the past needs to be acknowledged and thanked, but it does not address the future concerns to ensure the preservation and viability of the House with which the Board is charged. Community expectations change, the competition for patronage has increased, the immediacy of social media and the level of technical competence, regulatory compliance and standard of service delivery that is now required and expected place demands which simply could not continue to be met under the present arrangements.

The House as a historical, educational and cultural venue now protected in an urban oasis is now more important than ever, and its importance has to be recognised and preserved. The Board is confident that provided appropriate core funding can be secured, then the House can be put on a sustainable footing for the medium to long term.

Objectives

Newstead House under this Board's tenure has implemented the recommendations set out in the 2013 strategic management report. Key objectives for Newstead House include:

1. continue to invigorate and expand our public programming;
2. engage with, welcome and celebrates diverse visitor groups and increase visitor numbers;
3. strive to become a thriving and sustainable organisation.

Our team

Newstead House Board of Trustees

The Board is a body corporate established under section 3(1) of the Act and it is responsible for the governance, management and control of Newstead House.

The current Board is comprised of the following three members:

- Dr Dan Morgan, Chair and Queensland Government representative,
- Cr Vicki Howard, member and Brisbane City Council representative, and
- Dr Ian Hadwen, member and Royal Historical Society of Queensland representative.

All members are eligible to be appointed for a period not exceeding three years and members are eligible for re-appointment. The appointments are made by the Governor in Council.

Over the past 12 months the Board has continued to implement a house revitalisation program in respect to the presentation of the House, the collection, and house operations. The Board has deliberately set out to engage with the public more broadly than previously done. In 2017-18 the Board has focused its efforts to promote the House through traditional and social media, innovative partnerships and increasing events and public programming initiatives.

Meet the Board

Dr Daniel Morgan



Dan Morgan has been a barrister in practice at the private bar since 2000. He holds bachelor's degrees in Arts (majoring in Ancient History) and Laws, and a Ph. D. in Law in the field of constitutional law, from The University of Queensland. He has previously served on other not for profit boards such as the Brisbane Powerhouse and the Arts Law Centre of Queensland.

Cr Vicki Howard



Vicki Howard has been the Councillor for Central Ward since 2012. Newstead House is located within that ward. She has served as Deputy Chair of City Planning and Deputy Chair of Council and in 2018 was appointed to Civic Cabinet as Field Services Chairman. Vicki is actively involved in a number of other local and community organisations.

Dr Ian Hadwen



Ian Hadwen is a medical practitioner who graduated from The University of Queensland with a Bachelor of Medicine and a Bachelor of Surgery. He is a former President of the Royal Historical Society of Queensland, and the author of books and papers concerning Brisbane and Queensland history.

2017-18 achievements

Newstead House continued to redefine the definition of a house museum through its innovative public programming, education program and visitor experiences.

Significant events hosted in 2017-18 included:

- 3rd annual 'Boaters and Beers'
- Brisbane Open House
- 76th commemoration of the Battle of the Coral Seas organised by the Australian American Association
- Cheese Pleasers Festival organised by Brisbane Cheese Awards Inc.
- Two seasons of 'The War Years at Newstead House'
- Private Lives as part of the Anywhere Festival.



Father's Day 'Boater and Beers' September 2017

The conservation of this magnificent home is at the heart of everything we do at Newstead House. In 2017-18 there were several key activities undertaken.

- Investigation of the stone and brick work
- Structural engineer's assessment
- Asbestos audit and minor rectification work
- Rigorous pest management practices put in place
- Cleaning of gutters and window shutters.

The presentation of the collection is paramount to the interpretation of the house and its stories. In the 2017-18 year we continued to reinterpret the collection based on the 2015 report by Dr James Broadbent. The Board gratefully accepted a donation of a grand dining table and chairs from the Newlove family which is a perfect addition to the collection.

Managing Newstead House

Newstead House currently operates principally as a house museum which is open to the public. As part of its engagement program and to self-generate income, it also provides a function venue and educational tours, and is administered in accordance with the provisions of the Act. It is owned and managed by the Board. The day to day running of Newstead House is carried out by the two paid employees engaged by the Board, Ms Kim Davis, Acting Manager & Ms Jennifer Garcia, Communications and Events Manager. They are assisted by volunteers and from time to time by casual staff.

There is also the Friends of Newstead House volunteer group which supports the operation of Newstead House and provides volunteer services and financial support for projects at the house.

The surrounding parkland, Newstead Park, is owned and managed by BCC. The Board members have responsibility to oversee the management of Newstead House and the adjacent Newstead Substation.

Reviewing our governance arrangements

The current operating model and governance structure and funding arrangements of the Board are out of date and not sustainable. The Board has commenced discussions with the Department of Environment and Science to explore options to determine the best future management arrangements for the organisation.

Risk management

There is currently no risk management committee to manage strategic and operational risks facing Newstead House. The Board may consider the establishment of a committee following the organisation review. The Board is committed to managing risk.

- Visitor safety – staff and volunteers ensure that our visitors are monitored and aware of any known risks through verbal communication and signage where appropriate;
- Volunteer safety – all volunteers participate in induction training. This session provides information on workplace health and safety;
- Fire – fire systems are tested monthly with an annual fire audit undertaken. Risks identified in the last audit are in the process of being rectified;
- Extreme weather events, storms and flooding etc. – this is managed through regular maintenance to ensure this risk is minimised;
- Vandalism and wilful damage – Protective Services provides protective security services to Newstead House. This is done through alarm monitoring, patrols and security officers for events.

Information management

Newstead House strives to deliver effective management of the house collections and records in an efficient and cost-effective manner. The following outlines some information strategies and technologies Newstead House is using to manage information.

- collections policy and eHive database is used to manage the Newstead House's vast collection. The eHive database allows for the online storage of information which greatly enhances the security and accessibility of our collection records.
- financial information is managed by an accountant. The accounting software used is Xero, which allows for the storage of documentation securely online.
- recording of visitor numbers is done manually at present. This information is then transferred to an electronic format to enable reporting.
- public programming and events are managed using a manual calendar system. This will be moved to an online system in 2018-19 which will greatly improve the flow of information.
- Public records are stored and retained in accordance with Queensland State Archives Retention and Disposal Schedule. Relevant documents are currently in the process of being scanned.

People management

The Board has employed two staff members, a contract A/Manager, a full-time Communications and Events Manager. These are supplemented depending on the operational requirements by a casual employee who work approximately 6 hours a week to assist with the running of Newstead House. The Board is also heavily reliant on a small group of committed volunteers.

Volunteer numbers are low and Newstead House has implemented a proactive campaign to try and recruit new volunteers.

The organisational structure, people and the future management is subject to the ongoing organisational review. It is anticipated that outcomes of the review will be known and reported in the next financial year.

Our contribution

Newstead House contributes to the Queensland Government's objectives for the community, which focus on four key areas:

- Protecting the environment
- Creating jobs and a diverse economy
- Delivering quality frontline services
- Building safe, caring and connected communities.

The Board's strategic focus contributes to the government's objective of protecting the environment. The team works tirelessly to present, care for and protect Newstead House and the Substation, two important elements of Queensland's built environment. Through the successful delivery of education programs, public and cultural events and house tours the Board in turn contributes to creating jobs, delivering quality frontline services and building communities.

Contact us

Newstead House is approximately 10 minutes drive from Brisbane's CBD.

Brisbane City Council buses pass the entrance to Newstead Park. Alight at Stop 12 inbound and outbound. Bus timetable information available from [Translink](#) 13 12 30.

[River City Cruises](#) also cruise to Newstead House twice daily.

Limited parking is available in Newstead Park.

Location

Newstead Park
Cnr Breakfast Creek Rd & Newstead Ave
Newstead, Brisbane
Queensland 4006

Contact details

Website: www.newsteadhouse.com.au

Telephone: 07 3216 1846

Email: enquiries@newsteadhouse.com.au

Social media

 www.facebook.com/Newstead House Brisbane

 www.instagram.com/newsteadhouse

 <https://www.twitter.com/newsteadhouse>

 www.youtube.com/user/channel/newsteadhouse

 <https://www.linkedin.com/company/newsteadhouse>

Our financials

Financial summary

The 2017-18 financial year has seen a positive increase in revenue from functions and venue hire. This is in part due to the sub-station now being available for hire. This offsets a decrease in programming, admission and tour fees mainly due to a decline in the number of students visiting the house through the education program. Visitor numbers also decreased in 2017-18, however, due to a restructure of fees this did not have a significant impact on revenue.

	2017-18	2016-17	% variance
Paying Visitors	4,056	4,587	(11.6%)
School Students	<u>1,550</u>	<u>1,826</u>	<u>(15.1%)</u>
	5,606	6,413	(12.6%)

In addition to the visitors included in the above table, thousands of visitors enjoyed Newstead House as part of functions and programming events such as 'Sunday by the River'.

The grant from State Government decreased in 2017-18 as the previous financial year included additional funds to support the operating requirements of the Board. The grant provided by the State Government in 2017-18 included funds for maintenance and structural investigation work.

Employee costs decreased in 2017-18 as a result of the full year effect of the manager moving to a contract arrangement. Also contributing to this decrease was a reduction in the number of hours casual labour was engaged.

The increase in building expenses was in relation to additional maintenance works. An increased pest management program also contributed to an increase in building expenses.

There was not a significant movement in the value of non-current assets. An index was applied to the land and buildings in 2017-18. A comprehensive valuation was performed in 2016-17. The heritage collection was comprehensively valued and resulted in only a minor change in value.

The increase in unearned revenue is due to the increase in the number of booked functions. When a deposit is paid this is recognised as a liability until such time as the function is completed and the Board's obligations are fulfilled.

The employee entitlements have decreased slightly from 2016-17. A significant amount of leave is planned in the 2018-19 financial year which will see this liability decrease to a more manageable level.

Detailed financial statements for the 2017-18 financial year and the independent auditors report can be found in Appendix 3.

Glossary

Term / Acronym	Definition
The Board	The Board of Trustees of Newstead House
The Act	Newstead House Trust Act 1939
Newstead House	Brisbane's oldest surviving residential building
BCC	Brisbane City Council
The Substation	Former Tramways Substation No.5
RHSQ	Royal Historical Society of Queensland

Appendix 1 – Other reporting

External scrutiny

During the reporting period, there were no significant external audits or reviews of Newstead House.

Consultancies

During the reporting period, the Board of Trustees and employees of Newstead House engaged the professional and technical services of three consultants at a total cost of \$11,480.

Overseas travel

During the reporting period, the Board of Trustees and employees of Newstead House have not travelled overseas.

Queensland language services policy

During the reporting period, the Board of Trustees and employees of Newstead House have not engaged interpreter services.

Appendix 2 – Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Before Table of Contents
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Before Page 1 Page 11
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Inside front cover
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside front cover
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	Not applicable
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	Page 3-4
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 31 and 32	Not applicable
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	Page 3-4
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	Page 3-4
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	Page 4
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2	Page 3
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	Page 4
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	Page 3-4
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 10
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Page 5
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Page 5
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Page 5
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 8
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	Page 3
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Page 7
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	Not Applicable
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	Not Applicable

Summary of requirement	Basis for requirement	Annual report reference
	<ul style="list-style-type: none"> • External scrutiny 	ARRs – section 14.4 Appendix 1
	<ul style="list-style-type: none"> • Information systems and recordkeeping 	ARRs – section 14.5 Page 7
Governance – human resources	<ul style="list-style-type: none"> • Strategic workforce planning and performance 	ARRs – section 15.1 Page 8
	<ul style="list-style-type: none"> • Early retirement, redundancy and retrenchment 	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2 Not applicable
Open Data	<ul style="list-style-type: none"> • Statement advising publication of information 	ARRs – section 16 Inside front cover
	<ul style="list-style-type: none"> • Consultancies 	ARRs – section 33.1 Appendix 1
	<ul style="list-style-type: none"> • Overseas travel 	ARRs – section 33.2 Appendix 1
	<ul style="list-style-type: none"> • Queensland Language Services Policy 	ARRs – section 33.3 Appendix 1
Financial statements	<ul style="list-style-type: none"> • Certification of financial statements 	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1 Appendix 3
	<ul style="list-style-type: none"> • Independent Auditor's Report 	FAA – section 62 FPMS – section 50 ARRs – section 17.2 Appendix 3

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

Appendix 3 – Financial Statements

The following pages contain the audited financial statements for the Board of Trustees of Newstead House and the Independent Auditor’s Report for the 2017-18 financial year.

**The Board of Trustees of Newstead House
Financial Statements 2017-18**

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General Information

These financial statements cover The Board of Trustees of Newstead House.

The Board of Trustees of Newstead House is constituted under the *Newstead House Trust Act 1939*.

Newstead House is located at Newstead Park, Corner Breakfast Creek Road and Newstead Avenue, Newstead, Queensland, 4006.

A description of the nature of the Board's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the financial statements for The Board of Trustees of Newstead House please email manager@newsteadhouse.com.au.

**The Board of Trustees of Newstead House
Statement of Comprehensive Income
For the year ended 30 June 2018**

	Note	2018 \$	2017 \$
Income from Continuing Operations			
Grants from State Government		250,000	350,000
Other Grants and Subsidies		2,329	2,329
Programming, admission and tour fees		74,945	80,120
Function fees		51,329	43,576
Donations		17,270	3,175
Other		5,238	10,692
Total Income from Continuing Operations		401,111	489,892
Expenses from Continuing Operations			
Employee expenses	2	208,858	245,830
Supplies and services	4	93,697	92,813
Building expenses	5	79,540	62,271
Depreciation		37,307	36,609
Total Expenses from Continuing Operations		419,402	437,523
Operating Result from Continuing Operations		(18,291)	52,369
Other Comprehensive Income			
Increase (decrease) in asset revaluation surplus	9	16,224	59,175
Total Other Comprehensive Income		16,224	59,175
Total Comprehensive Income		(2,067)	111,544

The accompanying notes form part of these statements.

**The Board of Trustees of Newstead House
Statement of Financial Position
As at 30 June 2018**

	Note	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	7	56,235	47,422
Trade and other receivables		6,891	10,293
Inventory		10,717	9,685
Security deposits paid		1,700	1,700
Total Current Assets		<u>75,543</u>	<u>69,100</u>
Non-Current Assets			
Property, plant and equipment	8	2,035,590	2,056,673
Total Non-Current Assets		<u>2,035,590</u>	<u>2,056,673</u>
Total Assets		<u>2,111,133</u>	<u>2,125,773</u>
Current Liabilities			
Trade and other payables		10,874	21,410
Tax liabilities		853	6,909
Unearned revenue		9,680	4,600
Employee entitlements		11,055	12,116
Total Current Liabilities		<u>32,462</u>	<u>45,035</u>
Non-Current Liabilities			
Employee entitlements		-	-
Total Non-Current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>32,462</u>	<u>45,035</u>
Net Assets		<u>2,078,671</u>	<u>2,080,738</u>
Equity			
Asset revaluation surplus	9	1,906,246	1,890,022
Accumulated surplus		172,425	190,716
Total Equity		<u>2,078,671</u>	<u>2,080,738</u>

The accompanying notes form part of these statements.

**The Board of Trustees of Newstead House
Statement of Changes in Equity
For the year ended 30 June 2018**

	Note	Accumulated Surplus \$	Asset Revaluation Surplus \$	Total \$
Balance as at 1 July 2016		138,346	1,830,847	1,969,193
Operating Result				
Operating result from continuing operations		52,370	-	52,730
Other comprehensive income				
Increase (Decrease) in asset revaluation surplus		-	59,175	59,175
Total Comprehensive Income for the Year				
Balance as at 30 June 2017		190,716	1,890,022	2,080,738
Operating Result				
Operating result from continuing operations		(18,291)	-	(18,291)
Other comprehensive income				
Increase (Decrease) in asset revaluation surplus		-	16,224	16,224
Total Comprehensive Income for the Year				
Balance as at 30 June 2018		172,425	1,906,246	2,078,671

The accompanying notes form part of these statements.

**The Board of Trustees of Newstead House
Statement of Cash Flows
For the year ended 30 June 2018**

	Note	2018 \$	2017 \$
Cash Flows from Operating Activities			
Inflows:			
Grants from Government		250,000	350,000
Other Grants and Subsidies		2,329	2,329
Admission and Tour fees		79,047	77,103
Function fees		57,261	36,807
Donations		17,270	3,175
Other		710	10,692
GST input tax credits from ATO		15,962	8,856
GST collected from customers		18,256	11,201
Outflows:			
Employee expenses		(216,433)	(256,286)
Supplies and services		(100,056)	(119,916)
Building expenses		(83,311)	(57,351)
GST paid to suppliers		(32,222)	(22,104)
Net cash provided by (used in) operating activities	6	<u>8,813</u>	<u>44,506</u>
Cash Flows from Investing Activities			
Outflows:			
Payments for property, plant and equipment		-	(4,089)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(4,089)</u>
Net increase (decrease) in cash and cash equivalents		8,813	40,417
Cash and cash equivalents at beginning of the financial year		47,422	7,005
Cash and cash equivalents at end of the financial year	7	<u><u>56,235</u></u>	<u><u>47,422</u></u>

The accompanying notes form part of these statements.

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Objectives and Principal Activities of the Board

The objective of the Board is to govern, manage and control Newstead House, the oldest surviving residence in Brisbane.

The Board is primarily funded for the services it delivers through grant funding from the State Government. It also provides the following on a fee for service basis:

- Admission to Newstead House;
- Tours of Newstead House; and
- Functions.

Note 1 Summary of Significant Accounting Policies

(a) Statement of Compliance

The Board of Trustees of Newstead House has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

The Board of Trustees of Newstead House is a not-for-profit entity and these general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations as well as Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2018, and other authoritative pronouncements.

Except where stated, the historical cost convention is used.

The accounting policies adopted by the Board are materially consistent with those for the previous year.

(b) The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Trust.

(c) Revenue

- *Revenue from the sale of goods/services* is recognised upon the delivery of goods to customers. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).
- *User charges and fees* are recognised as revenue when invoices for the related services are issued. Deposits received in advance for functions yet to take place as at 30 June 2018 are treated as unearned.
- *Grants, contributions, donations and gifts* that are non-reciprocal in nature are recognised as revenue in the year in which the Board obtains control over them. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.
- *Contributed assets* are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

(d) Cash and Cash Equivalents

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

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Note 1 Summary of Significant Accounting Policies (continued)

(e) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery. Settlement on these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with provision being made for impairment.

(f) Acquisition of Assets

Actual 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 preparing the asset to be ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(g) Property, Plant and Equipment

Plant and equipment are included in the accounts at cost less accumulated depreciation. The threshold for the capitalisation of plant and equipment is \$1,000.

Buildings are included in the accounts at fair value. The threshold for the capitalisation of buildings is \$10,000.

Land is included in the accounts at fair value. The threshold for the capitalisation of land is \$1.

Assets that are donated to the heritage collection are included in the accounts at a value as assessed by a registered valuer. In 2018, an independent valuation of the heritage collection was performed by Hind's Antiques Pty Ltd. The valuation of these assets is based on fair value. The threshold for recognition of assets in the heritage collection is \$1,000.

Items with a lesser value than the class capitalisation thresholds are expensed in the year of acquisition.

(h) 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 Trust.

Depreciation is not charged on the actual buildings due to their historical significance. Depreciation reported under buildings relates to the access lift.

Depreciation is not charged on land as it has an unlimited useful life.

For each class of depreciable asset, the following depreciation rates were used:

Class	Rate %
Plant and Equipment:	
Computer	27%
Fittings	7.5%
Fire Alarms and Detectors	5%
Telephone System	5%
Other Equipment	2.5% to 20%
Buildings:	
Lift	10%

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Note 1 Summary of Significant Accounting Policies (continued)

(i) Revaluations of Non-Current Physical Assets

Land, buildings and the heritage collection are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury and Trades Non-Current Asset Policies for the Queensland Public Sector.

The valuation of land is based on fair value principles taking into consideration there is no open market for the land with its current zoning and use. The valuation of Newstead House and the Resource Centre is based on replacement cost as no ready market exists for similar heritage assets.

Independent valuations were performed as at 30 June 2017 by qualified valuers from G.D. Trivett & Associates of Bowen Hills for Newstead House, the Resource Centre and underlying land in accordance with the methods stated above.

Non-current physical assets measured at fair value are comprehensively revalued at least every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

Revaluation of heritage assets is conducted annually on the basis of fair value.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class 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 reserve relating to that class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Only those assets, considered material to the value of their class to which they belong, are comprehensively revalued.

(l) Impairment of Non-Current Assets

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

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

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also Note 1(j).

(k) Payables

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

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Note 1 Summary of Significant Accounting Policies (continued)

(l) Trust Balances

The Board may from time to time undertake certain trustee transactions in relation to security deposits required when holding a function at Newstead House.

(m) Financial Instruments

Recognition

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

Classification

Financial instruments are classified and measured as follows:

Cash and cash equivalents - held at fair value through profit and loss

Receivables - held at amortised cost

Payables - held at amortised cost

The Board does not enter transactions for speculative purposes, or for hedging. It holds no financial assets classified as at fair value through profit and loss or classified as held to maturity.

All disclosures relating to the measurement basis and financial risk management of other financial instruments held by the Board are included in Note 12.

(n) Employee Benefits

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses. The Board is not subject to payroll tax.

Wages, Salaries, Annual Leave and Sick Leave

Liabilities for wages, salaries and annual leave, are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date and include related on-costs.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Long Service Leave

A liability for long service leave has not been recognised as an employee entitlement given the length of service of the current employees.

Superannuation

Employer superannuation contributions are paid to a superannuation fund nominated by the employee.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to note 3 for the disclosures on key management personnel and remuneration.

(o) Taxation

The Board is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the Australian Taxation Office are recognised and accrued.

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Note 1 Summary of Significant Accounting Policies (continued)

(p) Insurance

The Board's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, with premiums being paid on a risk assessment basis. In addition, the Board pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(q) Issuance of Financial Statements

The financial statements are authorised for issue by the Manager and Chairperson of the Board of Trustees of Newstead House at the date of signing the Management Certificate.

(r) Judgements

The Board has made no judgements that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(s) Comparatives

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(t) Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1.

(u) Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the 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 Board 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.

(v) New and Revised Accounting Standards

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 1058 Income of Not-for Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards will first apply to the Board from its financial statements for 2019-20.

The Board has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- Special purpose grants received to construct non-financial assets controlled by the Board will be recognised as a liability, and subsequently recognized progressively as revenue as the Board satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.
- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral and continue to be recognised as revenue as soon as they are controlled.

**The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18**

Note 1 Summary of Significant Accounting Policies (continued)

AASB 9 *Financial Instruments* and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

These standards will first apply to the Board from its financial statements for 2018-19 with a 1 July 2018 date of transition. The main impacts of these standards on the Board are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the department's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

These changed amounts will form the opening balance of those item on the date AASB 9 is adopted. However, the board will not restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. Aside from a number of one-off disclosures in the 2018-19 financial statements to explain the impact of adopting AASB 9, a number of new or changed disclosure requirements will apply from that time. Assuming no change in the types of financial instruments that the department enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment, and investments in unquoted equity instruments measured at fair value through other comprehensive income and de-recognition of these items.

AASB 16 *Leases*

This standard will first apply to the board from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117 and shown at Note D4) will be reported on the statement of financial position under AASB 16. 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. The lease liability will be 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 Statement 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. AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the department will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

	2018	2017
	\$	\$
Note 2 Employee Expenses		
Salaries and related costs	99,594	160,017
Contractor Payments	109,264	85,813
Total	208,858	245,830
Number of Employees	7	8

In 2017-18 the number of employees comprised 2 full-time staff with other employees being engaged on a casual basis. Also refer note 1(o) Employee Benefits for further information.

Note 3 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Board, directly or indirectly.

Those persons having authority and responsibility for planning, directing and controlling the activities of the Board are:

- Manager

The aggregate compensation made to key personnel is set out below.

	2018	2017
	\$	\$
Compensation Made to Key Personnel		
Short-term employee benefits	90,000	104,245
Total Compensation	90,000	104,245

Board members did not receive any payments in the 2017-18 financial year.

Note 4 Supplies and Services

Electricity	4,526	5,241
Consultants	11,480	-
Audit Fees	4,800	3,850
Telephone	4,899	6,760
Advertising and Marketing	6,467	11,629
Stationery and printing	7,245	7,320
Minor equipment purchases	904	5,364
Functions and Events	31,438	22,805
Other	21,938	29,845
Total	93,697	92,814

Note 5 Building Expenses

Insurance	12,633	12,724
Fire and Security	9,408	10,897
Cleaning	11,347	8,928
Maintenance	36,197	19,108
Rates	9,955	10,614
Total	79,540	62,271

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

	2018	2017
	\$	\$
Note 6 Reconciliation of Operating Result to Net Cash Provided by (Used in) Operating Activities		
Operating Surplus/(Deficit)	(18,291)	52,369
Depreciation expense	37,307	36,609
Change in assets and liabilities:		
(Increase)/Decrease in inventory	(1,032)	2,329
Increase/(Decrease) in accrued employee benefits	(1,061)	(7,784)
(Increase)/Decrease in receivables	3,402	(4,536)
(Increase)/Decrease in security deposits paid	-	(1,500)
Increase/(Decrease) in payables	(12,064)	(27,732)
Increase/(Decrease) in unearned revenue	552	(5,250)
Net cash provided by (used in) operating activities	8,813	44,505

Note 7 Cash and Cash Equivalents

Cash float	300	200
Cash at bank	55,935	47,222
Total	56,235	47,422

Note 8 Property, Plant and Equipment

	2018		2017	
	\$	\$	\$	\$
Land		253,965		251,450
Buildings - Heritage	1,563,535		1,550,873	
Accumulated Depreciation	151,160	1,412,375	122,688	1,428,185
Buildings - Other		136,097		134,750
Heritage collection		205,700		206,000
Plant & Equipment (at cost)	147,707		147,984	
Accumulated Depreciation	120,252	27,455	111,694	36,290
		2,035,592		2,056,675

Only those portions of land on which Newstead House and the accompanying Resource Centre are sited are recorded in the accounts of the Board of Trustees of Newstead House. The balance comprising Newstead Park is controlled by the Brisbane City Council.

Buildings and land were comprehensively revalued during the 2016-17 year using "fair value" principles. Refer Note 1(j). An index was applied for the 2017-18 year.

The assets which make up the heritage collection were comprehensively revalued in 2017-18 using "fair value" principles. This revaluation resulted in a decrement of \$300 due to current market conditions.

Plant and equipment is valued at cost.

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Note 8 Property, Plant and Equipment (continued)

Property, Plant and Equipment Reconciliation

	Land	Buildings - Heritage	Buildings - Other	Heritage Collection	Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2017	251,450	1,428,185	134,750	206,000	36,290	2,056,674
Acquisitions	-	-	-	-	-	-
Donated Assets	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation Increments/(Decrement)	2,515	12,662	1,347	(300)	-	16,224
Depreciation	-	(28,472)	-	-	(8,835)	(37,307)
Carrying amount at 30 June 2018	253,965	1,412,375	136,097	205,700	27,455	2,035,591

	Land	Buildings - Heritage	Buildings - Other	Heritage Collection	Plant and Equipment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2016	223,400	1,430,507	131,625	204,150	40,337	2,030,018
Acquisitions	-	-	-	-	4,089	4,089
Donated Assets	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation Increments/(Decrement)	28,050	26,150	3,125	1,850	-	59,175
Depreciation	-	(28,472)	-	-	(8,136)	(36,608)
Carrying amount at 30 June 2017	251,450	1,428,185	134,750	206,000	36,290	2,056,674

The Board has plant and equipment with an original cost of \$38,162 (13 assets) with a written down value of zero still being used in the provision of services.

	2018 \$	2017 \$
Note 9 Asset Revaluation Surplus by Class		
Balance 1 July 2017	1,890,022	1,830,847
Increments/(Decrements)		
Land	2,515	28,050
Buildings - Heritage	12,662	26,150
Buildings – Other	1,347	3,125
Heritage collection	(300)	1,850
Balance 30 June 2018	1,906,246	1,890,022

The asset revaluation reserve represents the net effect of upward and downward revaluations of assets to fair value.

Note 10 Contingencies

There are no contingent liabilities of a significant nature as at 30 June 2018 (2017 \$nil).

There are no contingent assets of a significant nature as at 30 June 2018 (2017 \$nil).

Note 11 Commitments for Expenditure

There were no commitments of a significant nature as at 30 June 2018 (2017 \$nil).

Note 12 Events occurring after balance date.

There were no significant or unusual events occurring after 30 June 2018.

**The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18**

Note 13 Financial Instruments

(a) Categorisation of Financial Instruments

The Board has the following categories of financial assets and financial liabilities:

Category	Note	2018 \$	2017 \$
Financial Assets			
Cash and cash equivalents	7	56,235	47,422
Receivables		6,891	10,293
Total		63,126	57,715
Financial Liabilities			
Payables		16,255	28,319
Total		16,255	28,319

(b) Financial Risk Management

The Board's activities expose it to a variety of financial risks - credit risk, liquidity risk and market risk.

The Board measures risk exposure using a variety of methods as follows -

Risk Exposure	Measurement method
Credit Risk	Ageing analysis, earnings at risk
Liquidity Risk	Sensitivity analysis
Market Risk	Interest rate sensitivity analysis

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Board may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The following table represents the Board's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk			
Category	Note	2018 \$	2017 \$
Financial Assets			
Cash and cash equivalents	7	56,235	47,422
Receivables		6,891	10,293
Total		63,126	57,715

No collateral is held as security relating to financial assets held by the Board. No credit enhancements relate to the financial assets held by the Board.

The Board manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Board monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any provision for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

**The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18**

Note 13 Financial Instruments (continued)

(c) Credit Risk Exposure (continued)

There is no impairment loss for the current year (2017 - \$nil).

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

The Board has no financial assets that are past due but not impaired or impaired financial assets.

(d) Liquidity Risk

Liquidity risk refers to the situation where the Board may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Board is exposed to liquidity risk in respect of its payables.

The Board manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Board has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Board. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the liabilities at balance date.

	2018 Payable in			Total \$
	< 1year \$	1-5 years \$	> 5 years \$	
Financial Liabilities				
Payables	16,255	-	-	16,255
Total	16,255	-	-	16,255

	2017 Payable in			Total \$
	< 1year \$	1-5 years \$	> 5 years \$	
Financial Liabilities				
Payables	28,319	-	-	28,319
Total	28,319	-	-	28,319

(d) Market Risk

The Board does not trade in foreign currency and is not materially exposed to commodity price changes.

(e) Interest Rate Sensitivity Analysis

The Board has no interest bearing financial assets.

(f) Fair Value

The Board does not recognise any financial assets or financial liabilities at fair value.

The fair value of cash, cash equivalents, receivables and payables is assumed to approximate the value of the original transaction, less any provision for impairment.

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Note 14 Budget vs Actual Comparison

Statement of Comprehensive Income

	Variance Notes	Original Budget 2018 \$	Actual 2018 \$	Variance \$	Variance % of Budget
Income from Continuing Operations					
Grants from State Government		250,000	250,000	-	-
Other Grants and Subsidies		2,329	2,329	-	-
Programming, admission and tour fees		74,814	74,945	131	0.18%
Function fees	1	45,664	51,329	5,665	12.41%
Donations		17,206	17,270	64	0.37%
Other	2	1,238	5,238	4,000	-42.62%
Total Income from Continuing Operations		391,251	401,111	9,860	1.36%
Expenses from Continuing Operations					
Employee expenses	3	215,925	208,858	(7,067)	-3.27%
Supplies and services		87,515	93,697	6,182	7.06%
Building expenses	4	61,155	79,540	18,385	30.06%
Depreciation		36,669	37,307	638	1.74%
Total Expenses from Continuing Operations		401,264	419,403	18,138	4.52%
Operating Result from Continuing Operations		(10,013)	(18,291)	(12,807)	127.89%
Other Comprehensive Income					
Increase (decrease) in asset revaluation surplus		-	16,224	16,224	-
Total Other Comprehensive Income		-	16,224	16,224	-
Total Comprehensive Income		(10,013)	(2,067)	7,946	-34.14%

The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18

Note 14 Budget vs Actual Comparison (continued)

Statement of Financial Performance

	Variance Notes	Original Budget 2018 \$	Actual 2018 \$	Variance \$	Variance % of Budget
Current Assets					
Cash and cash equivalents	5	50,000	56,235	6,235	12.47%
Trade and other receivables	6	5,000	6,891	1,891	37.82%
Inventory	7	15,000	10,717	(4,283)	-28.55%
Security deposit paid		1,700	1,700	-	-
Total Current Assets		<u>71,700</u>	<u>75,543</u>	<u>3,843</u>	<u>5.36%</u>
Non Current Assets					
Property, plant and equipment		2,050,000	2,035,590	(14,410)	-0.70%
Total Non Current Assets		<u>2,050,000</u>	<u>2,035,590</u>	<u>(14,410)</u>	<u>-0.70%</u>
Total Assets		<u>2,121,700</u>	<u>2,111,133</u>	<u>(10,567)</u>	<u>-0.50%</u>
Current Liabilities					
Trade and other payables		15,000	10,874	4,126	27.51%
Tax Liabilities		1,000	853	147	14.70%
Unearned revenue		10,000	9,680	(320)	-3.20%
Employee entitlements	8	6,000	11,055	(5,055)	(84.25%)
Total Current Liabilities		<u>31,000</u>	<u>32,462</u>	<u>(1,462)</u>	<u>-4.71%</u>
Non-Current Liabilities					
Employee entitlements		-	-	-	-
Total Non-Current Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>31,000</u>	<u>32,462</u>	<u>(1,462)</u>	<u>-4.71%</u>
Net Assets		<u>2,090,700</u>	<u>2,078,671</u>	<u>12,029</u>	<u>0.57%</u>
Equity					
Asset revaluation surplus		1,906,246	1,906,246	-	-
Current year earnings		10,000	(18,291)	(8,291)	-82.91%
Retained earnings		174,454	190,716	16,262	-9.32%
Total Equity		<u>2,090,700</u>	<u>2,078,671</u>	<u>12,029</u>	<u>0.57%</u>

**The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18**

Note 14 Budget vs Actual Comparison (continued)

Statement of Cash Flows

	Variance Note	Original Budget 2018 \$	Actual 2018 \$	Variance \$	Variance % of Budget
Cash Flows from Operating Activities					
Inflows:					
Grants from Government		250,000	250,000	0	0.00%
Other Grants and Subsidies		2,329	2,329	0	0.00%
Admission and Tour fees		75,000	79,047	4,102	5.47%
Function fees		45,000	57,261	4,508	10.02%
Donations		17,200	17,270	70	0.41%
Other		1,500	710	(790)	-52.67%
GST input tax credits from ATO		5,000	15,962	(5,000)	219.24%
GST collected from customers		12,000	18,256	(12,000)	52.13%
Outflows:					
Employee expenses		(210,000)	(216,433)	(6,433)	3.06%
Supplies and services		(100,000)	(100,056)	1,535	-0.06%
Building expenses		(55,000)	(83,311)	(11,042)	51.47%
GST paid to suppliers		(14,000)	(32,222)	(18,222)	130.16%
Net cash provided by (used in) operating activities		29,029	8,813	(20,216)	-69.64%
Cash Flows from Investing Activities					
Outflows:					
Payments for property, plant and equipment		-	-	-	-
Net cash provided by (used in) investing activities		-	-	-	-
Net increase (decrease) in cash and cash equivalents		29,029	8,813	(20,216)	-26.44%
Cash and cash equivalents at beginning of the financial year		47,422	47,422	-	-
Cash and cash equivalents at end of the financial year		76,451	56,235	(20,216)	-26.44%

**The Board of Trustees of Newstead House
Notes To and Forming Part of the Financial Statements 2017-18**

Note 14 Budget vs Actual Comparison (continued)

Explanations of Major Variances

Statement of Comprehensive Income

1. Increase in function bookings and venue hire. Sub-station has provided additional revenue in its first year of being available. A new model for delivery of functions was introduced this year and it is expected to result in additional revenue going forward.
2. Newstead House shop opened later than anticipated resulting in decreased revenue.
3. Decrease in employee costs due to a reduction in casual staffing.
4. Increase in expenditure due to unplanned maintenance projects.

Statement of Financial Performance

5. The increase cash available at 30 June 2018 is due to additional funds being provided by the Department of Environment and Science. These funds mainly relate to maintenance projects. There have also been delays in the completion of grant funded projects which will now be finalised in 2018-19 financial year.
6. Higher than anticipated receivables relate to the Connect with Heritage education program.
7. Inventory was lower than anticipated due to delays in the reopening of the Newstead House shop.
8. Planned leave for staff member delayed until 2018-19 financial year.

**The Board of Trustees of Newstead House
Management Certificate**
for the year ended 30 June 2018

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of The Board of Trustees of Newstead House for the financial year ended 30 June 2018 and of the financial position of the Board at the end of that year; and
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Kim Davis
BBus(Accy, Banking & Finance)
GradCertMgt
Acting Manager

Date: 31 August 2018



Dr. Daniel Morgan
Chairman

Date: 31 August 2018



Audit Services

**Independent Auditor's Report
to the members of
The Board of Trustees of Newstead House
ABN 59 107 732 156**

Opinion

I have audited the accompanying financial report of the Board of Trustees of Newstead House, which comprises the Statement of Financial Position as at 30 June 2018, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and certificates given by the Chairman.

In my opinion the financial report of The Board of Trustees of Newstead House is in accordance with :

- (a) the prescribed requirements in respected of the establishment and keeping of accounts have been complied with in all material respects; and
- (b) the financial report has been drawn up so as to present a trued and fair view in accordance with the prescribed accounting standard of the transactions of the Board of Trustees of Newstead House for the financial year 1 July 2017 to 30 June 2018 and the financial position as at the end of that year.

Basis for Opinion

I have conducted my audit in accordance with 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 Entity 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.

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

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with the Australian Accounting Standards. The

Board's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for overseeing the entity's financial reporting process.

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 the 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 misstatements 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 the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 entity'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I communicate with the directors regards, 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.



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Robert Edwards B Com FCA
RCA# 6246
Level One 180 Main Street
Kangaroo Point Qld 4169

Dated: 31 August 2018

