

2018 - 2019

ANNUAL REPORT



Prepared by
The Board of Trustees of Newstead House

www.newsteadhouse.com.au

Public availability

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August 2019

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30 August 2019

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 2018-19 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 2018-19 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

Work has continued at Newstead House during the past reporting period to consolidate the previous achievements made by the Board of Trustees, staff and supporters at Queensland's premier heritage site.

Our core activity of preserving and presenting the property as a house museum continues. We perceive a strong obligation to keep the property open and accessible to local, interstate and international visitors. The school student education program is an important adjunct to tourist visitation, and we continue to be pleased to work with the team from Moreton Bay Environment Education Centre to deliver curriculum compliant, intellectually rigorous but innovative and enjoyable education programs based on different aspects of the House's history.

Other strategic partnerships have been developed to stage events and programming so as to activate the precinct, draw new and repeat visitation from as many demographic groups as possible, and to generate income streams.

Our commercial activities involving site hire, such as for weddings and other functions, continue to provide both an opportunity for community engagement and income for the House. These are of course sympathetic to the House's heritage status and are subordinate to its primary functions.

I have been particularly pleased that the relationship between the three key stakeholders of the Trust – the Queensland Government, the Brisbane City Council, and the Royal Historical Society of Queensland – has been re-energised by a shared vision for the future of the House. The Board and staff have spent several years doing mundane but necessary preparatory work to modernise the organisation, and we are now in a position to capitalise on that work. Part of that process has been explaining to the various agencies the implications of the somewhat unusual statutory trust framework under which the House is owned and managed on behalf of the public. In so doing we have also been able to get a better detailed understanding of the actual cost of necessary maintenance and upkeep consistent with contemporary best practice and expectations.

It has become clear that programming which explains and builds on the stories of the people who have been connected with the site are essential to the future success of the property. We have completed a project which attempts for the first time to orient the site within the space and time perceived by the Aboriginal people, but importantly in a way which was told by them. It is also important that we continue to embrace new technology as a means of telling all these stories connected to the House, and we look forward to working with QUT to use various digital technologies to do this.

The House and I personally have been greatly supported by the contributions of my two co-trustees, Dr. Ian Hadwen and Cr. Vicki Howard. As a small but agile organisation, and one of the few statutory boards whose members are entirely honorary appointments, the personal commitment of each of us is onerous. We three have also been supported greatly by the two staff of the trust, Ms. Kim Davis and Ms. Jennifer Garcia. They work far beyond their obligations in a fiscally tight organisation and deserve public recognition and thanks. The Friends of Newstead House and our other volunteers continue their work and I also extend our thanks to them, as well as to Ms. Fiona Gardiner and Ms. Nicole Mulholland from the Department of Environment and Science.

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 the 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. During the past year, 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 must 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 2018-19 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 Brisbane 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 Chair for Field Services. 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.

Newstead House Board of Trustees Remuneration

Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Daniel Morgan	10	N/A	N/A	N/A
Member	Vicki Howard	9	N/A	N/A	N/A
Member	Ian Hadwen	10	N/A	N/A	N/A
No. scheduled meetings/sessions	11 (1 scheduled meeting was cancelled)				
Total out of pocket expenses	Nil				

2018-19 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 2018-19 included:

- Fourth annual 'Boaters and Beers' Father's Day celebration
- Mother's Day High Tea
- 2nd annual Cheese to Please Festival
- Brisbane Open House
- 77th commemoration of the Battle of the Coral Seas organised by the Australian American Association
- Colonial gastronomy workshop and lecture presented by Jacqui Newling
- Vulcana Circus performed 'As if No-one is Watching' as part of the Anywhere Festival.



Father's Day 'Boater and Beers' September 2018

The conservation of this magnificent home is at the heart of everything we do at Newstead House. In 2018-19 measured drawings of the house and sub-station were produced.

The presentation of the collection is paramount to the interpretation of the house and its stories. In the 2018-19 year we continued to reinterpret the collection based on the 2015 report by Dr James Broadbent. A significance assessment of the Newstead House collection was undertaken by Dr Judith McKay during the year. The resulting report will help to guide the Board in the management of our valuable 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, Events and Programming 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.

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 Sub-station.

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, effective communication with the community 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 number 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 which will greatly improve the flow of information.
- Public records are stored and retained in accordance with Queensland State Archives Retention and Disposal Schedule.

People management

The Board has employed two staff members, a contract A/Manager, and a full-time Communications, Events and Programming Manager. These are supplemented depending on the operational requirements by casual employees who contribute to operation and 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. It is also important to provide adequate training for new and existing volunteers. Orientation training is provided to new volunteers. In addition, a professional development series of training sessions are being developed for delivery in the next financial year for all 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 2018-19 financial year has seen a decrease in revenue from programming, events and functions due to a reduction in the 'Sunday by the River' food and jazz events. However, this reduction in revenue has been offset by a corresponding decrease in expenditure. In relation to functions, this activity slowed in the second half of the financial year and there were also two late cancellations. Bookings have remained strong and this will be reflected in the revenue next financial year. The house has also experienced a decrease in the numbers visiting the house and through the education program. Visitor numbers also decreased in 2018-19, however, this did not have a significant impact on revenue.

	2017-18	2018-19	+/-%
Paying Visitors	4,056	3,660	(9.76%)
School Students	1,550	1,345	(13.23%)
	<u>5,606</u>	<u>5,005</u>	<u>(10.72%)</u>

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 'Boaters & Beers'.

The grant from State Government decreased in 2018-19 as the previous financial year included additional funds to support the operating requirements of the Board. The grant provided by the State Government in 2018-19 included funds for production of measured drawings of the house and sub-station.

Employee costs decreased in 2018-19 mainly as a result of a reduction in the number of hours casual labour engaged. Building expenses also decreased in 2018-19 as the previous financial year included additional one-off maintenance works. The reduction in supplies and services is mainly due to a reduction in expenditure in relation to programming activities.

The movement in the value of non-current assets was as a result of decreasing the value of the house being decreased to exclude the lift. This was also reflected as a decrease in the asset revaluation surplus. A comprehensive valuation was last performed in 2016-17 and as such an index was applied to the land and buildings in 2018-19. 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 Boards obligations are fulfilled.

The employee benefits have decreased significantly over the last financial year and are now at a manageable level. This relates to annual leave accrued by staff that has not as yet been taken.

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 one consultant at a total cost of \$16,000.

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	Page 1
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Before page 1 Page 12
	<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 2
	<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
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	Page 3
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 5
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	Page 5
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	Not applicable
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Page 11
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 6
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Page 6
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Not applicable
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	Not applicable
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Page 8
	<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 Page 13
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5 Page 8
Governance – human resources	<ul style="list-style-type: none"> Strategic workforce planning and performance 	ARRs – section 15.1 Not applicable
	<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 Page 13
	<ul style="list-style-type: none"> Consultancies 	ARRs – section 33.1 https://data.qld.gov.au
	<ul style="list-style-type: none"> Overseas travel 	ARRs – section 33.2 https://data.qld.gov.au
	<ul style="list-style-type: none"> Queensland Language Services Policy 	ARRs – section 33.3 https://data.qld.gov.au
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 2018-19 financial year.

The Board of Trustees of Newstead House

ABN 59107372156

Annual Report - 30 June 2019

The Board of Trustees of Newstead House
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General information

The financial statements cover The Board of Trustees of Newstead House. The financial statements are presented in Australian dollars, which is The Board of Trustees of Newstead House's functional and presentation currency.

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 2019**

	Note	2019 \$	2018 \$
Revenue			
Grants from State Government		171,823	250,000
Other Grants and Subsidies		4,879	2,329
Programming, admission and tour fees		63,538	74,945
Function fees		40,245	51,329
Donations		983	17,270
Other		1,407	5,238
Total revenue		<u>282,875</u>	<u>401,111</u>
Expenses			
Employee expenses	4	(181,859)	(208,858)
Supplies and services	5	(78,772)	(93,697)
Building expenses	6	(55,363)	(79,540)
Loss on inventory		(3,820)	-
Depreciation		(34,276)	(37,307)
Total expenses		<u>(354,090)</u>	<u>(419,402)</u>
Deficit for the year		(71,215)	(18,291)
Other comprehensive income			
Increase (decrease) in asset revaluation surplus		<u>(316,397)</u>	16,224
Other comprehensive income for the year		<u>(316,397)</u>	16,224
Total comprehensive income for the year		<u><u>(387,612)</u></u>	<u><u>(2,067)</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

**The Board of Trustees of Newstead House
Statement of financial position
As at 30 June 2019**

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and Cash Equivalents	7	20,882	56,235
Trade and other receivables		2,706	6,891
Inventories		6,187	10,717
Security deposits paid		1,700	1,700
Tax Asset		876	491
Other	8	4,234	-
Total current assets		<u>36,585</u>	<u>76,034</u>
Non-current assets			
Property, plant and equipment	9	1,694,508	2,035,590
Total non-current assets		<u>1,694,508</u>	<u>2,035,590</u>
Total assets		<u>1,731,093</u>	<u>2,111,624</u>
Liabilities			
Current liabilities			
Trade and other payables		6,232	10,874
Employee benefits		6,812	11,055
Tax liabilities		1,344	1,344
Unearned revenue		18,710	9,680
Other	10	6,936	-
Total current liabilities		<u>40,034</u>	<u>32,953</u>
Total liabilities		<u>40,034</u>	<u>32,953</u>
Net assets		<u>1,691,059</u>	<u>2,078,671</u>
Equity			
Asset revaluation surplus		1,589,849	1,906,246
Opening accumulated surplus		172,425	190,716
Accumulated deficits		<u>(71,215)</u>	<u>(18,291)</u>
Total equity		<u>1,691,059</u>	<u>2,078,671</u>

The above statement of financial position should be read in conjunction with the accompanying notes

**The Board of Trustees of Newstead House
Statement of changes in equity
For the year ended 30 June 2019**

	Accumulated Surplus \$	Retained profits \$	Total equity \$
Balance at 1 July 2017	1,890,022	190,716	2,080,738
Deficit for the year	-	(18,291)	(18,291)
Other comprehensive income for the year	16,224	-	16,224
	<u>16,224</u>	<u>(18,291)</u>	<u>(2,067)</u>
Total comprehensive income for the year	<u>16,224</u>	<u>(18,291)</u>	<u>(2,067)</u>
Balance at 30 June 2018	<u>1,906,246</u>	<u>172,425</u>	<u>2,078,671</u>

	Asset Revaluation Surplus \$	Retained profits \$	Total equity \$
Balance at 1 July 2018	1,906,246	172,425	2,078,671
Deficit for the year	-	(71,215)	(71,242)
Other comprehensive income for the year	(316,397)	-	(316,399)
	<u>(316,397)</u>	<u>(71,215)</u>	<u>(387,641)</u>
Total comprehensive income for the year	<u>(316,397)</u>	<u>(71,215)</u>	<u>(387,641)</u>
Balance at 30 June 2019	<u>1,589,849</u>	<u>101,210</u>	<u>1,691,059</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Board of Trustees of Newstead House
Statement of cash flows
For the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Grants from Government		171,823	250,000
Other Grants and Subsidies		4,879	2,329
Admission and Tour fees		68,325	79,047
Function fees		49,410	57,261
Donations		983	17,270
Other		1,402	710
GST paid		237	1,996
		<u>297,059</u>	<u>408,613</u>
		-	-
Employee expenses		(184,900)	(216,433)
Supplies and services		(97,506)	(100,056)
Building expenses		(50,006)	(83,311)
		<u>(35,353)</u>	<u>8,813</u>
Net cash provided by/(used in) operating activities			
Cash flows from investing activities			
Net cash provided by investing activities			
		-	-
Cash flows from financing activities			
Net cash provided by financing activities			
		-	-
Net increase/(decrease) in cash and cash equivalents		(35,353)	8,813
Cash and cash equivalents at the beginning of the financial year		56,235	47,422
Cash and cash equivalents at the end of the financial year	7	<u><u>20,882</u></u>	<u><u>56,235</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

**The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 1. 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 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Board of Trustees.

The following Accounting Standards and Interpretations are most relevant to the Board of Trustees:

AASB 9 Financial Instruments

The Board of Trustees has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The Board of Trustees has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Note 2. Significant accounting policies (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, the Queensland Treasury's Minimum Reporting Requirements for the year ended 30 June 2019, and other Authoritative pronouncements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Board of Trustees's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Revenue recognition

The Board of Trustees recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Board of Trustees is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Board of Trustees: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

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.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Grants, contributions, donations and gifts

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.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

**The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 2. Significant accounting policies (continued)

Income tax

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

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*.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Board of Trustees' normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Board of Trustees' normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

Note 2. Significant accounting policies (continued)

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.

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.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

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

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

**The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 2. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land and historical buildings) at the depreciation rates as follows:

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

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Board of Trustees prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Trust Balance

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

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 the relevant note.

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.

**The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 2. Significant accounting policies (continued)

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 the notes to the financial statements for the disclosures on key management personnel and remuneration.

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.

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.

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.

Comparatives

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

Currency and Rounding

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

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Board of Trustees for the annual reporting period ended 30 June 2019. The Board of Trustees' assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Board of Trustees, are set out below.

Note 2. Significant accounting policies (continued)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The incorporated association will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the incorporated association.

AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. This standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 will be dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard will be recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense. The Board of Trustees will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the Board of Trustees.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

**The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 4. Employee expenses

	2019	2018
	\$	\$
Salaries and related costs	83,349	99,594
Contractor Payments	98,510	109,264
	<u>181,859</u>	<u>208,858</u>
Number of Employees	3	7

In 2018-19 the number of employees comprised one full-time staff member with 2 other employees being engaged on a casual basis. Also refer to the Employee Benefits note for further information.

Note 5. Supplies and services

	2019	2018
	\$	\$
Electricity	4,162	4,526
Consultants	16,000	11,480
Audit Fees	5,651	4,800
Telephone	3,423	4,899
Advertising and Marketing	5,176	6,467
Stationary and printing	7,502	7,245
Minor equipment purchases	612	904
Functions and Events	11,822	31,438
Other	24,424	21,938
	<u>78,772</u>	<u>93,697</u>

Note 6. Building expenses

	2019	2018
	\$	\$
Insurance	11,030	12,633
Fire and Security	10,304	9,408
Cleaning	11,548	11,347
Maintenance	12,651	36,197
Rates	9,830	9,955
	<u>55,363</u>	<u>79,540</u>

Note 7. Current assets - Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank	20,582	55,935
Cash float	300	300
	<u>20,882</u>	<u>56,235</u>

**The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 8. Current assets - Other

	2019 \$	2018 \$
Prepayments	4,234	-

Note 9. Non-current assets - property, plant and equipment

	2019 \$	2018 \$
Land	248,886	253,965
Buildings - Heritage	1,253,236	1,563,533
Less: Accumulated depreciation	(179,632)	(151,160)
	<u>1,073,604</u>	<u>1,412,373</u>
Plant and equipment - at independent valuation	157,300	147,707
Less: Accumulated depreciation	(126,057)	(120,252)
	<u>31,243</u>	<u>27,455</u>
Buildings - Other	133,375	136,097
Heritage collection	207,400	205,700
	<u>1,694,508</u>	<u>2,035,590</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land \$	Buildings - Heritage \$	Buildings - Other \$	Heritage Collection \$	Plant and Equipment \$	Total \$
Balance at 1 July 2017	251,450	1,428,183	134,750	206,000	36,290	2,056,673
Revaluation increments	2,515	12,662	1,347	(300)	-	16,224
Depreciation expense	-	(28,472)	-	-	(8,835)	(37,307)
Balance at 30 June 2018	253,965	1,412,373	136,097	205,700	27,455	2,035,590
Additions	-	-	-	-	8,796	8,796
Revaluation increments	-	-	-	1,700	-	1,700
Revaluation decrements	(5,079)	(310,298)	(2,721)	-	-	(318,098)
Depreciation expense	-	(28,472)	-	-	(5,008)	(33,480)
Balance at 30 June 2019	<u>248,886</u>	<u>1,073,603</u>	<u>133,376</u>	<u>207,400</u>	<u>31,243</u>	<u>1,694,508</u>

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in the 2016-17 financial year based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The officers have applied an Australian Bureau of Statistics residential property price index for both the 2017-18 and 2018-19 financial years in order to adjust the valuation of land and buildings. Valuations are based on current prices for similar properties in the same location and condition. A revaluation decrement was recognised in the 2018-19 financial year, as the value of the Heritage Buildings was inflated due to the inclusion of the Lift value. The Lift is recognised at cost and depreciated using the straight line method.

The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019

Note 9. Non-current assets - property, plant and equipment (continued)

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.

Valuation of Heritage Collection

The assets which make up the heritage collection were comprehensively revalued in 2018-19 using "fair value" principles. This revaluation resulted in a increment of \$1,700 due to current market conditions and the location of a previously missing asset.

Property, plant and equipment secured under finance leases

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.

Asset Revaluation Surplus by Class	2019	2018
	\$	\$
Balance 1 July	1,906,246	1,890,022
Increments/(Decrements)	-	-
Land	(5,079)	2,515
Buildings - Heritage	(310,298)	12,662
Buildings - Other	(2,722)	1,347
Heritage collection	1,700	(300)
	<u>1,589,847</u>	<u>1,906,246</u>

Note 10. Current liabilities - other

	2019	2018
	\$	\$
Accrued expenses	<u>6,936</u>	<u>-</u>

Note 11. Financial instruments

Categorisation of Financial Instruments

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

Category	2019	2018
	\$	\$
Financial Assets		
Cash and cash equivalents	20,882	56,235
Receivables	2,706	6,891
Total	<u>23,588</u>	<u>63,126</u>
Financial Liabilities		
Payables	<u>3,344</u>	<u>7,553</u>

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 -

**The Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 11. Financial instruments (continued)

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

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	2019	2018
	\$	\$
Category:		
Financial Assets		
Cash and cash receivables	20,882	56,235
Receivables	2,706	6,891
	<u>23,588</u>	<u>63,126</u>

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.

There is no impairment loss for the current year (2018 - \$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.

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 Board of Trustees of Newstead House
Notes to the financial statements
30 June 2019**

Note 11. Financial instruments (continued)

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.

Remaining contractual maturities

The following tables detail the incorporated association's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2019				
Non-derivatives				
Payables	3,344	-	-	3,344
Total non-derivatives	<u>3,344</u>	<u>-</u>	<u>-</u>	<u>3,344</u>
	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
2018				
Non-derivatives				
Payables	7,553	-	-	7,553
Total non-derivatives	<u>7,553</u>	<u>-</u>	<u>-</u>	<u>7,553</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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

Interest Rate Sensitivity Analysis

The Board has no interest bearing financial assets.

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 the financial statements
30 June 2019**

Note 12. Key management personnel disclosures

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

Compensation

The aggregate compensation made to key management personnel is set out below:

	2019 \$	2018 \$
Short-term employee benefits	<u>90,000</u>	<u>90,000</u>

Board members did not receive any payments in the 2018-19 financial year.

Note 13. Contingencies

There are no contingent liabilities of a significant nature as at 30 June 2019 (2018 \$nil).

There are no contingent assets of a significant nature as at 30 June 2019 (2018 \$nil).

Note 14. Commitments for Expenditure

There were no commitments of a significant nature as at 30 June 2019 (2018 \$nil).

Note 15. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Note 17. Economic Dependency

The continuing operation of the entity is dependent on the grant provided by state government.

**The Board of Trustees of Newstead House
Management Certificate
30 June 2019**

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 2019 and of the financial position of the Board at the end of that year; and

We acknowledge responsibility under s.8 and s.15 of the Financial and Performance Management Standard 2009 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



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



Dr. Daniel Morgan
Chairman

Date: 30 August 2019

Date: 30 August 2019

AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF THE BOARD OF TRUSTEES OF NEWSTEAD HOUSE

As lead auditor of The Board of Trustees of Newstead House for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements in relation to the audit as required by Australian professional and ethical standards.

LNP Audit and Assurance



Robert Edwards

Director

Brisbane

30 August 2019

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE BOARD OF TRUSTEES OF NEWSTEAD HOUSE

Opinion

We have audited the financial report of The Board of Trustees of Newstead House (pages 2-19), which comprises the statement of financial position as at 30 June 2019, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the management certificate.

In our opinion:

The financial report of The Board of Trustees of Newstead House has been prepared in accordance with the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including:

1. Giving a true and fair view of The Board of Trustees of Newstead House's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
2. Complying with Australian Accounting Standards to the extent described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the *Financial Accountability Act 2009* and the *Financial and performance Management Standard 2009*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect to this matter.

Trustees' Responsibilities

The Trustees of the Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Financial Accountability Act 2009*

and the *Financial and performance Management Standard 2009* and is appropriate to meet the needs of the members. The trustees' responsibility also includes such internal control as the trustees determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustees are 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 Trustees either intend to liquidate the Entity or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity 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 consolidated financial statements represent 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 Entity to express an opinion on the financial report.

LNP Audit + Assurance

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Robert Edwards.

LNP Audit and Assurance

A handwritten signature in black ink, appearing to read 'Robert Edwards', with a stylized flourish at the end.

Robert Edwards

Director

Brisbane

Date 30 August 2019

**The Board of Trustees of Newstead House
Budget vs Actual Comparison Statement
30 June 2019**

Statement of comprehensive income

	2019			
	\$ Budget	\$ Actual	\$ Variance	% Variance
Revenue				
Grants from State Government	171,285	171,823	538	-
Other Grants and Subsidies	4,879	4,879	-	-
Programming, admission and tour fees	61,000	63,538	2,538	4%
Function fees	47,500	40,245	(7,255)	(15%)
Donations	500	983	483	97%
Other	5,000	1,407	(3,593)	(72%)
Total revenue	<u>290,164</u>	<u>282,875</u>	<u>(7,289)</u>	
Expenses				
Employee expenses	(182,232)	(181,859)	373	-
Supplies and services	(75,250)	(78,799)	(3,549)	5%
Building expenses	(58,530)	(55,363)	3,167	(5%)
Loss on inventory	-	(3,820)	(3,820)	-
Depreciation	(37,050)	(34,276)	2,774	(7%)
Total expenses	<u>(353,062)</u>	<u>(354,117)</u>	<u>(1,055)</u>	
Deficit from continuing operations	(62,898)	(71,242)	(8,344)	13%
Deficit for the year	(62,898)	(71,242)	(8,344)	
Other comprehensive income				
Increase (decrease) in asset revaluation surplus	-	(316,399)	(316,399)	-
Other comprehensive income for the year	-	(316,399)	(316,399)	
Total comprehensive income for the year	<u>(62,898)</u>	<u>(387,641)</u>	<u>(324,743)</u>	

**The Board of Trustees of Newstead House
Budget vs Actual Comparison Statement
30 June 2019**

Statement of financial position

	2019			
	\$ Budget	\$ Actual	\$ Variance	% Variance
Assets				
Current assets				
Cash and Cash Equivalents	20,000	20,882	882	4%
Trade and other receivables	3,000	2,706	(294)	(10%)
Inventories	10,000	6,187	(3,813)	(38%)
Security deposits paid	1,700	1,700	-	-
Tax Asset	-	847	847	-
Other	-	4,234	4,234	-
Total current assets	34,700	36,556	1,856	
Non-current assets				
Property, plant and equipment	2,020,000	1,694,508	(325,492)	(16%)
Total non-current assets	2,020,000	1,694,508	(325,492)	
Total assets	2,054,700	1,731,064	(323,636)	
Liabilities				
Current liabilities				
Trade and other payables	10,000	6,232	(3,768)	(38%)
Employee benefits	6,000	6,812	812	14%
Tax liabilities	-	1,344	1,344	-
Unearned revenue	12,000	18,710	6,710	56%
Other	-	6,936	6,936	-
Total current liabilities	28,000	40,034	12,034	
Non-current liabilities				
Employee benefits	-	-	-	-
Total non-current liabilities	-	-	-	
Total liabilities	28,000	40,034	12,034	
Net assets	2,026,700	1,691,030	(335,670)	(17%)
Equity				
Asset revaluation surplus	1,876,000	1,589,847	(286,153)	(15%)
Opening accumulated surplus	-	172,426	172,426	-
Accumulated surplus/(accumulated deficits)	150,700	(71,243)	(221,943)	(147%)
Total equity	2,026,700	1,691,030	(335,670)	

**The Board of Trustees of Newstead House
Budget vs Actual Comparison Statement
30 June 2019**

Statement of cash flows

	2019			
	\$ Budget	\$ Actual	\$ Variance	% Variance
Cash flows from operating activities				
Grants from Government	172,000	171,823	(177)	-
Other Grants and Subsidies	5,000	4,879	(121)	(2%)
Admission and Tour fees	60,000	68,325	8,325	14%
Function fees	40,000	49,410	9,410	24%
Donations	500	983	483	97%
Other	5,000	1,402	(3,598)	(72%)
GST paid	3,000	237	(2,763)	(92%)
Employee expenses	(182,000)	(184,900)	(2,900)	2%
Supplies and services	(74,185)	(97,506)	(23,321)	31%
Building expenses	(54,000)	(50,006)	3,994	(7%)
Net cash used in operating activities	(24,685)	(35,353)	(10,668)	
Cash flows from investing activities				
Payments for property, plant and equipment	(11,550)	-	11,550	(100%)
Net cash used in investing activities	(11,550)	-	11,550	
Cash flows from financing activities				
Net cash provided by financing activities	-	-	-	
Net decrease in cash and cash equivalents	(36,235)	(35,353)	882	
Cash and cash equivalents at the beginning of the financial year	56,235	56,235	-	
Cash and cash equivalents at the end of the financial year	<u>20,000</u>	<u>20,882</u>	<u>882</u>	

Explanations of variances

Statement of Comprehensive Income

1. Lower than anticipated revenue from functions primarily due to two late cancellations.
2. Increase in donations due to two unanticipated donations totalling \$900.
3. Other revenue decrease due to slower than expected sales of shop stock.