



EMPIRE THEATRES

ANNUAL REPORT 2011 – 2012







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Corporate Information

As at 30 June 2012

Empire Theatres Pty Ltd

ACN: 086 482 288
 ABN: 83 086 482 288

Registered Office:

56 Neil St, Toowoomba QLD 4350
 PO Box 1227, Toowoomba QLD 4350
 Phone: 07 4698 9900
 Facsimile: 07 4698 9940

Email: empire@empiretheatre.com.au

Web Page: www.empiretheatre.com.au

Facebook: www.facebook.com/EmpireTheatre

Twitter: @EmpireToowoomba

YouTube: www.youtube.com/EmpireTheatre

Bankers:

Heritage Bank
 Heritage Plaza
 Ruthven St, Toowoomba QLD 4350

Auditors:

Queensland Audit Office
 Level 11, Central Plaza One
 345 Queen St, Brisbane QLD 4000



OUR VISION

VISION STATEMENT

The Empire Theatres will be recognised by our stakeholders as a centre of excellence in practice, program and service.

MISSION STATEMENT

We aim to be recognised as the focal point for the professional presentation of arts, entertainment and corporate events within the region.

GOALS AND OBJECTIVES

Programming

Provide equitable community access that maximises the use of venues and culturally diverse activities that reflect the needs and wants of the community.

Strategic Development

Develop processes for fostering audiences and community involvement in the activities of the Empire Theatres.

Corporate Governance

Provide excellence in management of the Theatres' operations, accountable to the people of the Toowoomba Region.

Communication

Strengthen customer focus, communication and promotion of the Empire Theatres.

EMPIRE THEATRES PTY LTD BOARD and STAFF LISTS

AS AT 30 JUNE 2012

BOARD OF DIRECTORS OF EMPIRE THEATRES PTY LTD

Chairman:	Professor Peter Swannell AM
Deputy Chair:	Mrs Sheena Liley
Company Secretary:	Mr Mervyn Bond
Mr Richard Chiverrell	Dr Kate Foy
Mr Ross Miller	Ms Melissa Taylor
Mr Andrew Wielandt	

TRUSTEES OF THE EMPIRE THEATRES FOUNDATION

Chair:	Mrs Sheena Liley
Mr Mervyn Bond	Mrs Janelle Davis
Dr Kate Foy	Mrs Carol James
Mr David Janetzki	Mr Tom Sullivan

STAFF

General Manager	Kerry Saul
Deputy General Manager and Administration Manager	Helen Oldham
Events Manager	Margaret Turnbull
Technical Manager	Timothy Panitz
Projects Manager	Jeanette Wedmaier
Marketing Manager	Geoff Thompson
Youth Arts Director	Claire Christian
Head of Audio	Steve Alexander
Marketing Officers	Liana Cantarutti
	Vivien Doneley
Personal Assistant to the General Manager, Management Support Officer & Foundation Officer	Lauren Sullivan
Accountant	Anthony Nunn
Finance Officer	Alison Murrell
Theatre Technicians	Robert Darvall
	Shane Howarth-Crewdson
	Ben Hunt
	Adam Speedie
Events Assistant	William Johnson

CASUAL STAFF

Box Office: Andrew Johnson	Events: Andrew Johnson	Technicians: Jessica Schutt
Sally Oldham	Sheriden Wright	Matthew Skerman
Kerry Politch		Kris Stewart
Ora Whitley		

Approximately 40 other casual staff are employed in the technical and bar service areas. Around 270 active volunteer members of the Friends of the Empire Theatre Inc. perform duties including front of house, ushering, ticket collecting, marketing mail outs, flower arranging, biscuit baking and other services.



Professor Peter Swannell AM – Chairman

Peter Swannell is a Professor Emeritus and former Vice-Chancellor and President of the University of Southern Queensland (USQ). He is a Director of Heritage Bank, a former Chairman of The Queensland Museum and a former Board member of The Queensland Orchestra. He is a Fellow of the Institution of Engineers Australia and holds degrees from USQ, Bristol University and Birmingham University. Prof Swannell is a Centenary Medallist and is a Member of the Order of Australia.



Mrs Sheena Liley – Deputy Chair

Sheena Liley is a retired lawyer and holds degrees in arts and law (honours) from the University of Queensland and Queensland University of Technology respectively. She has served as a Director of Empire Theatres since inception, as Deputy Chair from 2007 and chaired the Board's Programme Review Committee since 2004. She is also a Trustee of the Empire Theatres Foundation and was appointed its Chair in July 2011. A member of several community reference groups and the executive of Toowoomba Branch of Save the Children since 1996, she sings with a local ensemble and has always been involved in the performing arts.



Mr Mervyn Bond – Company Secretary

Mervyn Bond is a retired chartered accountant and spent the major part of his working life as a partner in professional practice with emphasis on taxation. He is company secretary and a member of the Audit and Finance Committee. He is a past president of Toowoomba Rotary Club and a Paul Harris Fellow. Mr Bond is a former member of the Council of the University of Southern Queensland and a former member of the Council of The Glennie School. He has served as secretary and member of the Local Ambulance Committee. Before retiring he also spent some years on the Committee for the Anglican Church Master Superannuation Fund and Anglican Care of the Aged.



Mr Richard Chiverrell

Richard Chiverrell is currently a senior architect and project manager with Project Services, previously in private practice with Project Strategies and Solutions Pty Ltd. Most of his professional life has been involved with medical facilities specialising in scientific health services, forensic facilities and aged care and multi-purpose health facilities for Queensland Health in outback areas.



Dr Kate Foy

Kate Foy's career has been in the Australian theatre and higher education sectors. She has appeared in over 40 professional productions for Queensland Theatre Company, Twelfth Night and New England Theatre Company. Her latest appearance was for La Boite Theatre in Umber Productions' *Water Wars*. Dr Foy is an Honorary Professor at the University of Southern Queensland (USQ) and has a PhD in Theatre. She was the inaugural producer of USQ's Shakespeare in the Park Festivals and has directed 35 productions for USQ and the University of New England. Dr Foy's most recent appearance for the Empire Theatre was in *Secret Bridesmaids' Business* in 2011. Dr Foy also works as a voice-over artist, voice trainer and coach. As a theatre advocate she was, until recently, Chairperson of the Board at Queensland Theatre Company and currently serves both on the Empire Theatres Board and as a Trustee of the Empire Theatres Foundation.



Mr Ross Miller

Ross Miller was born and educated in Toowoomba. He worked for Queensland Trustees for ten years before moving into the investment advisory industry, later managing a share-broking firm. In the early 1970s, Mr Miller was involved in several local and national businesses. During the 1980s, he was involved with the management of The Carnival of Flowers. Mr Miller served as an alderman of Toowoomba City Council from 1982 to 1991, then Mayor from 1993 to 1996. As Mayor, he was instrumental in the decision to refurbish the Empire Theatre.



Ms Melissa Taylor

Melissa Taylor completed a Bachelor of Business at the University of Southern Queensland (USQ) with a double major in economics and government. She joined Taylor's Removals and Storage in 2004, fourth generation of the family involved in the business. She is now part-owner of the company with her father. Ms Taylor's other board appointments include the Queensland Trucking Association and the USQ Advisory Board to the School of Management and Marketing.



Mr Andrew Wielandt

Andrew Wielandt is the managing partner for Toowoomba-based wealth management and wealth protection business, Dornbusch Partners. His community engagement includes being President of the Toowoomba Chamber of Commerce and Industry and Deputy Chair of the Toowoomba Hospital Foundation. He also serves on the Board of Empire Theatres and Faculty of Business Advisory Committee at the University of Southern Queensland. Mr Wielandt is an Associate Fellow of the Australian Institute of Management.



Mrs Sheena Liley – Chair

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Mrs Janelle Davis

Janelle Davis graduated from the University of Southern Queensland with a Bachelor of Creative Arts, majoring in voice. With a teaching career spanning 20 years, she is currently on staff at Toowoomba Preparatory School, Toowoomba Grammar and Dance Central in the capacity of voice and piano teacher. She has worked on many of the Empire Theatre's productions as a vocal coach and choral conductor. Aside from teaching, Ms Davis is a Company Director of Crackerjack Chicken.



Dr Kate Foy

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Mrs Carol James

Carol James was formerly a secondary school languages teacher and educational administrator. She graduated from the University of Tasmania with a Bachelor of Arts and subsequently gained a Diploma of Education from Monash University. She has taught in Tasmania, Victoria, Japan, England and Queensland and was deputy principal at Harristown State High School for ten years. Mrs James enjoys volunteering with the Friends of the Empire Theatre and at Cobb + Co Museum, as well as adjudicating for the Queensland Debating Union's secondary schools competition.



Mr David Janetzki

David Janetzki is Heritage Bank's general counsel and assistant company secretary. He holds economics and law (honours) degrees from the University of Queensland and an A.Mus.A in piano. He has worked as in-house counsel for the Manpower Group in London and as a senior lawyer for national law firm Corrs Chambers Westgarth. He lectures part-time at the University of Southern Queensland in banking, finance, insurance and business law subjects and serves on a number of Toowoomba community boards and committees.



Mr Tom Sullivan

Tom Sullivan is the managing partner of a local firm of solicitors, Davidson & Sullivan. He is also a Director of Pixie Investments Pty Ltd, a company that specialises in subdividing, marketing and selling vacant land in Toowoomba and on the Downs. Mr Sullivan is a former President of the Queensland Law Society, the Downs Club in Toowoomba, and various sporting bodies. He has served on a number of community boards and as Chairman of a fundraising appeal for residential accommodation for tertiary students in Toowoomba.



The Empire Theatres Foundation was launched in August 2003 by its patron, Mr Geoffrey Rush.

It has three main objectives:

- To provide performing arts opportunities to further the cultural experiences of Toowoomba’s youth
- To promote the performing arts for the benefit of the local community
- To preserve the moveable cultural heritage associated with the Empire Theatres.

The Empire Theatres Foundation is a registered Deductible Gift Recipient (DGR) under the Australian Tax Office (ATO) Income Tax assessment regulations 1997.

The Empire Theatres Foundation gratefully acknowledges the generous donations from the following people during the 2011-2012 financial year:

YOUTH BURSARY DONORS

- | | |
|-----------------------------------|----------------------|
| Beryl Gemmell | Jennifer Dean |
| Christian and Helle Lundgaard | Jill Young |
| Cr Ros Scotney | R I Barclay |
| Friends of the Empire Theatre Inc | Tom & Maree Sullivan |

Corporate sector support is critical, not only to program delivery, but also to the cultural dividends achievable for the community to Toowoomba and the Darling Downs.

The Empire Theatres Foundation gratefully acknowledges the generous contributions of our corporate partners during the 2011-2012 financial year:



Geoffrey Rush
PATRON



Gina Jeffreys
FELLOW



Judy Morris
FELLOW



Shane Worthington
FELLOW

2011 – 2012 Foundation Sponsors as at 30 June 2012



The Toowoomba Regional Arts and Community Centre was launched in 2011 to coincide with the 100th anniversary of the opening of the Empire Theatre.

The Toowoomba Regional Arts and Community Centre (TRACC) will be a flat floor, black box style theatre space with retractable seating for up to 350 patrons. It will be located directly behind the existing Empire Church Theatre. Access will be from Neil Street on the north side of the Church and will be wholly complimentary to our precinct. TRACC is designed to be a training and performance facility for youth arts and will be used for many different styles of performances and events. The new space will enable greater ability to attract conference style events and allow our community users more access to the precinct, providing a more intimate option of performance than the Empire Auditorium. TRACC will also be home to our Marketing and Projects Departments.

As part of the centenary celebration, donors to the project during this period were offered the opportunity to be recognised with a plaque on seats within the Empire Theatre. \$65,000 was received from many donors to assist the Empire Theatre with its task of raising \$1.5 million towards the cost of the new \$5.5 million TRACC. During the year, a number of pledges were also made for payment over the next few years.

Detailed concept plans for TRACC were commissioned from James Cubitt Architects by Toowoomba Regional Council (TRC) as a part of a Regional Development Australia (RDA) grant application and also to further the development application process with TRC. The heritage issues associated with removal of the church hall were satisfactorily resolved within the period and the project has since moved into the next phase of preparation.

The success of the RDA application was announced in June 2012 by Minister for the Arts and Minister for Regional Australia, Regional Development and Local Government, Simon Crean, with a grant of \$2 million being awarded to the project.

Work has continued on the fundraising for TRACC during the period and a high quality DVD has been produced to assist with the process. This is an exciting time for Empire Theatres, and the future of the region, and all those who have assisted to date are to be commended.

TRACC DONORS DURING 2011-2012 FINANCIAL YEAR:

Alison Beattie	Garrett Fitzgerald	Peter & Janice Swannell
Andrew & Sarah Wielandt	Geoffrey Rush	Rhonda Duck
Andrew Mason	HB Recruitment & Training	Richard Chiverrell
Annelise Kemp	Helen & Noel Oldham	Roderick Stirling
Ann-Marie Ryan	Hon Ian Macfarlane	Roy & Anne Brook
Barbara Thelander	Jean Clewley	Sallyanne Watson
Barry & Karen Smith	Jeff Prebble	Sandra Musgrave
Beris Broderick	Jennifer Dean	Senator Claire Moore
Best Wilson Family Law	John & Lisa Minz	Shane Hoffmann
Bill & Desolie Lovegrove	John & Sheena Liley	Stephen Pearce
Bou's Pty Ltd	John Dornbusch	Stuart Reinke
Brian & Wendy Ashley-Cooper	Johnston's Livestock Transport	Sue & Evan White
Catherine Boeske	Kerry & Alison Saul	Timothy & Sarah Panitz
Christian and Helle Lundgaard	Kerry Shine	Trevor & Judith St Baker
Clintyn Barnes	Lauren Sullivan	Valerie Watson
Cr Ros Scotney	Margaret & Vic Turnbull	
David & Mary-Ann Wheatley	Mark Munro	
Delmae Cain	Mary-Lou Coorey	
Dianne Fuss	Mayor Paul Antonio & Judy Antonio	
Dulcie Filshie	Merv & Bev Bond	
Evolv3 Pty Ltd	Mr C J Ferguson	
Frank & Sybil Wippell	Neal Ames	
Friends of the Empire Theatre Inc	Pam Trease	



TRACC FUNDRAISING COMMITTEE



Mr Clive Armitage

Clive Armitage is a prominent retired Toowoomba businessman having owned several McDonald's franchises in the city since making it his home in 1979. His strong support for the Toowoomba Regional Arts and Community Centre is based on his belief that such a facility is severely lacking in the Toowoomba region. There is a strong synergy between this proposed Community Arts Centre with its strong youth focus and Mr Armitage's belief in providing opportunities for the youth in our region. He created employment opportunities for Toowoomba's youth through his McDonald's franchises, instilling the importance of team work, responsibility and initiative.



Ms Natalie Foster

Natalie Foster is a highly qualified and experienced marketing and communications professional. Natalie has studied both marketing and public relations, and has over twenty years' experience in a range of industries. These include the motor vehicle industry, tertiary education, finance, construction and the arts. Her primary area of expertise is communications and customer relationship management. She has spent the last ten years concentrating primarily on the benefits of customer retention and effective internal and external communication strategies. Ms Foster has also been involved in a number of local charities and organisations including Careflight and the Royal Children's Hospital Foundation.



Mr David Snow

David Snow was born and schooled in Toowoomba followed by tertiary education at both the University of Southern Queensland and the University of Queensland. After four years with Shell he returned to Toowoomba in 1984 and joined the family real estate agency. He became a partner in 1987 and continues in that business today. Mr Snow has inherited a strong sense of responsibility to community service. He has been a Rotarian for 21 years and has been associated with a variety of charitable organisations and worthy causes. His most recent achievement was being a member of an active, local committee which raised funds for the Cobb + Co Museum extension.



Mrs Mary-Anne Wheatley

Mary-Ann Wheatley has a wide range of business experience including rural property management, fashion design and events management. She has a great affinity with Toowoomba, having spent a good deal of time here in her teenage years through to becoming the first female member of the Rotary Club of Toowoomba in 2004 and its first female President in 2007. She was awarded a Paul Harris Fellowship in 2001 for Community and International Service and has spent time working with the local people of the Himalayas and New Guinea on health and school projects.

CHAIRMAN'S REPORT

Empire Theatres Pty Ltd was created in 1999. Its brief was to operate the Empire Theatre on behalf of the owners, Toowoomba City (now Regional) Council and the people of our region.

It has done just that, together with the management of the Empire Church Theatre, and whatever else the Council might suggest. Its advice has been sought, and given, on all matters related to the presentation of the performing arts in our region.

The Company's core function was, and remains, the management of an effective 'venue for hire' where people could see or participate in the best available local, national and international performances.

This must be achieved within an effective business and organisational framework that controls costs while maximising the diversity and quality of its offerings. The creation in March 2009 of Empire Theatre Projects Pty Ltd was part of the strategy to achieve these outcomes.

I am most pleased to report that our strategies seem to be working!

We remain predominantly a venue for hire but we are now much more than that. Those who hire our facilities and the shows we 'buy in' help us to pay the bills. The functions and business meetings we host help even more. The contribution to our revenue by way of our owner's financial support is invaluable. Their support for our initiative to build a third theatre, the Toowoomba Regional Arts and Community Centre (TRACC), is crucial to its achievement.

The Projects Company has done its job with remarkable success over the last year. Its innovative actions and, I emphasise, the financial support flowing from some very significant grants from arts funding sources external to this region, have resulted in an exceptional year. For example, I draw attention to the remarkable success of the *April's Fool* national tour, the Empire Youth Arts program in general and the educational and performance opportunities created for our young people.

The magnificent work of all our professional staff is to be seen in the outstanding range of products staged throughout the year. We continue to receive accolades from performers who use our facilities. I believe we have now come to be recognised by promoters as a 'must perform here' venue. Our work with young people is fast becoming a key part of arts education in our schools.



This has been achieved with financial outcomes that are most pleasing. Empire Theatres Pty Ltd has finished the 2011/2012 financial year with a satisfactory surplus. Empire Theatre Projects Pty Ltd has, remarkably, 'balanced its books' for the same period and deserves the highest praise for that achievement. The consequential consolidated result for the two companies shows a net surplus of \$39,166 for the 2011/2012 year.

This would have been unachievable without the brilliant 'pro bono' work of our volunteers under the leadership of Margaret Turnbull and our Friends in general. Our Foundation, similarly, makes a massive contribution to the Theatre's reputation with its Chair, Sheena Liley, providing leadership to the Trustees and great assistance to me in her role as Deputy Chair of the Board.

Despite its success, the ongoing viability of our Projects Company will depend upon the achievement of appropriate resources by way of new grants and earned income. Together with a successful conclusion to the construction of our third theatre, this is our great challenge for the next year or two.

I want to record my particular thanks, and those of my Board colleagues, to our General Manager Kerry Saul. He took up this role in September 2011 after being Technical Manager for many years. He is doing a magnificent job both through leadership of his very strong professional team and by his own detailed knowledge of the arts industry. TRACC and the Company are in good hands!

There are great opportunities ahead of us. With the continued outstandingly generous support of our donors, business partners, Friends and all our audience members, I am very optimistic that the Theatres will continue to flourish.

I thank my Board colleagues for their support throughout the year and commend this Annual Report to you.

Peter Swannell

Professor Peter Swannell, AM
Chairman, Empire Theatres Pty Ltd
Chairman, Empire Theatre Projects Pty Ltd

CHAIR'S REPORT

On 1 July 2011, I was appointed Chair of the Empire Theatres Foundation following the retirement of Mr Don Stevens AM. I pay tribute to Don, whose service to the Theatre pre-1999 and professional skills and experience in his roles as a Foundation Trustee since inception in 2001 and later as Chairman since 2007 has been invaluable. We all wish Don and Barbara a fulfilling retirement from Theatre 'duties' after so many years.

I would also like to mention the outstanding service given by Mr Merv Bond who retired as a Trustee as at 30 June 2012. Merv was also a Trustee since the Foundation's inception, as a Board appointee. As with Don, he has delivered outstanding commitment and financial expertise to the Foundation over more than a decade of service.

In place of our retiring Trustees, I welcome Mrs Carol James (senior teacher) and Mr Matt Cherry (chartered accountant) to the Foundation.

It has been a busy 12 months for the Foundation, including the excitement of seeing our Patron, Geoffrey Rush, named the 2012 Australian of the Year and graciously highlighting his support of the Foundation's activities in the ensuing media coverage.

The Foundation's Youth Program continued to thrive, with 28 Youth Bursaries awarded to recipients from the Toowoomba, Dalby, Roma, Lockyer Valley and Warwick areas. Since 2003 there have now been 228 Youth Bursaries awarded. This is an exceptional contribution to our regional community, broadening horizons and encouraging positive personal development. The performing arts backgrounds of Trustees Mrs Janelle Davis and Dr Kate Foy are often crucial in the operation of this program.

The 2012 Brian Boak Outstanding Performer Bursary was awarded to USQ theatre graduate and nationally recognised actor/deviser Lucas Stibbard to attend the Royal Academy of Dramatic Arts (RADA) Acting Shakespeare Program in London. In July 2011, we had the great pleasure of hosting a recital of the 2008 Brian Boak Outstanding Performer, pianist Bonnie Brown, performing alongside the 2008 Brian Boak Developing Performer, flautist Nicola Hayden, and multiple Youth Bursary recipient, French horn virtuoso Alex Miller.

Our History Collection was displayed at the Cobb & Co Museum from August to October 2011 to complete the Theatre's Centenary Celebrations. The material in the history collection has recently been digitised. Another application has been made to the National Library of Australia for funds to further the conservation process. In early 2012, the Foundation received the donation of a wooden 'Hobby Horse', used on stage during Radio 4GR concerts in the 1930s. Responsibility for the Theatre's archival history is an important facet of our work and we thank the Toowoomba Regional Council Local History Library for its assistance.

The Foundation's involvement with the exciting Toowoomba Regional Arts and Community Centre (TRACC) project includes providing a vehicle for tax-deductible donations



and their prudential financial management. The Foundation resolved to support the TRACC with a pledge of \$150,000, payable by 30 June 2014 from the Foundation's reserves. This payment will not in any way reduce the capital funds associated with the Brian Boak Bequest.

At the close of 2011-2012, Trustees were very pleased to confirm local, internationally-awarded country singer, Gina Jeffreys, as our newest Fellow of the Empire Theatres Foundation. We look forward to formally welcoming Ms Jeffreys to the Empire.

Apart from occasional grant income, none of the work done by the Foundation could be achieved without the backing of our private donors and business sponsors - all listed in this report. This year we were delighted to welcome MacDonald Law and Wippells Autos as sponsors. It has not been an easy economic year for local business and private supporters, so their generosity is all the more appreciated. It is crucial that the Foundation widens its income base if it is to maintain its life-enhancing work for young local performers.

A lot of time is devoted to ensuring the smooth operation of Foundation business. While we all agree it is invariably inspiring, I express thanks to my fellow Trustees who put countless hours into reading bursary applications and interviewing, while also fulfilling meeting and function commitments. The ready legal advice and support of Mr Tom Sullivan and Mr David Janetzki has been much appreciated throughout the last year. My thanks go as well to our dedicated and efficient Foundation Officer, Lauren Sullivan, to Anthony Nunn (Finance), our Marketing Department and especially to the Theatre's General Managers, Ann-Marie Ryan and Kerry Saul, for their oversight and unflagging support of Foundation objectives.

The past year has been one of achievement and progress for the Empire Theatres Foundation. I am confident of our future and what we can continue to do for our young people in this region, with ongoing community support.

Sheena Liley

Mrs Sheena Liley

Chair

Empire Theatres Foundation

GENERAL MANAGER'S REPORT

Empire Theatres Pty Ltd had an operating surplus against our budgeted targets for the 2011/2012 financial year.

Audience numbers have been within expectations for the period. Function and events attendance increased by 20 percent on the previous year. Our major community musical production, *The Wizard of Oz*, became our third most attended performance, with more than 7,500 patrons seeing the wonderful show, which was supported by Heritage Bank as our major sponsor. Children's performance attendances have increased against a lesser number of attendances for drama and classical music works. Our program continues to be rich and varied with something for everyone and our audiences continue to support the Empire Theatre.

Some of the highlights of our 2011/2012 season included the live ABC broadcast of *Q&A* to an Australia wide audience estimated to be above 800,000 viewers. Carl Barron attracted 4,645 people with three sold out shows. Over 6,000 children attended *James and the Giant Peach* and *My Grandma Lived in Gooligulch*, with some school groups travelling over 200 kilometres to attend. Sing Out performs biennially at the Empire Theatre and this year required three evening performances to accommodate the number of schools participating. Our community drama *Secret Bridesmaids' Business* performed to 1,200 patrons and received excellent feedback.

The Empire Theatre Projects Company has completed its third year of operation. Highlights have been the coordination of the national tour of *April's Fool*, which has now played to more than 6,600 people nationwide and over 1,000 people at performances for the first time at the Empire Theatre. Projects Manager Jeanette Wedmaier and Empire Youth Arts Director Claire Christian have successfully coordinated and ran the Projects Company, further progressing with the establishment of youth arts initiatives and improving our relationships with schools. Our level of community engagement through workshops, youth arts and holiday programs has more than doubled from the last reporting period. Our teacher's professional development program has continued successfully this year. We assisted in the Lockyer Valley flood recovery program, which culminated in a performance on stage at the Empire Theatre by students from Lockyer District State High School. We continue to provide youth arts classes both in our region and in Dalby, Lockyer Valley and Crows Nest. The commencement of our Homegrown Series of independent locally-produced performances in the Empire Theatre Studio has also been very successful to date.

The Empire Theatres' website was relaunched during the period with a much greater emphasis on new media connection. Our marketing team works hard to ensure we are online and visible through the new media platforms.

There are many people who contribute to the success of Empire Theatres and I would like to thank the Board, and particularly



the Chairman for the continuing support of myself and our staff. I also acknowledge and thank our growing list of supporters and donors, who provide financial and enthusiastic support for the arts in our region. I also acknowledge the great contribution and support that the Mayor, Councillors and Officers of Toowoomba Regional Council provide.

Our Friends of the Theatre continue to be the envy of other venues and of other volunteer organisations. They provide a wonderful experience for our visiting artists and make our theatre a warm and welcoming place. I thank them for their continued commitment to the theatre.

Staff changes that have occurred over the past year provided challenges for all of us and I would like to thank our staff, each one of them, for their committed support to our organisation. In particular I thank Deputy General Manager Helen Oldham, Technical Manager Timothy Panitz, Projects Manager Jeanette Wedmaier and Empire Youth Arts Director Claire Christian for accepting larger responsibilities in the organisation. I also welcome Geoff Thompson to the Marketing Manager position. I would like to particularly thank our Events Manager, Margaret Turnbull, for her efforts in managing a much increased function business through this period. Also, a special thank you to Anthony Nunn and Alison Murrell who look after our finances and have received an unqualified audit.

During this year we have continued our efforts to realise the Toowoomba Regional Arts and Community Centre (TRACC) with a dedicated fundraising team and a committed design group from Toowoomba Regional Council. Development application planning and concept designs have been completed. Federal funding of \$2 million has been announced in support of the project and we believe TRACC will be open for business in late 2013. I pay particular note to Clive Armitage for his generous and ongoing support and efforts to date.

Empire Theatres continues to be a vibrant and exciting part of Toowoomba's cultural landscape and I thank all of those who support and strive to enhance our position in this wonderful community and region.

Kerry Saul

Mr Kerry Saul

General Manager

Empire Theatres Pty Ltd

Empire Theatre Projects Pty Ltd

Empire Theatres Foundation

PRESIDENT’S REPORT

It is my pleasure to report on the activities of the Friends of the Empire Theatre Incorporated for the year ending 30 June 2012.

It is very gratifying to see the manner in which the Friends has continued to evolve and grow into a multi-functional organisation that gives pleasure to so many people. Not only are we providing assistance to the Theatre and its patrons, I consider we are a ‘self-help’ group which caters for the passions of theatre lovers, which we all are. This is our secret of success. We are here because we want to be, and to make it work.

The year ending 30 June 2012 has been a successful one for the Friends. We completed our basic charter in the provision of front of house assistance to patrons and staff as well as the usual mailout duties, catering and provision of flowers.

The Friends continues to support the Morning Melodies series of events by providing morning tea and extended patron care to the multitude of customers of all ages. The service provided by our catering team, led by Leonie Cusack and Marj Dunn, is something wonderful. Thank you to all members who attend regularly for mailout and catering duties.

We were also part of *The Wizard of Oz* this year when we provided the catering during rehearsal times.

We continue to maintain a healthy membership list. As of 30 June we boast 627 members, with approximately 200 of these actively taking part in volunteer duties.

Part of our function is to provide finance for various projects in the Empire Theatre precinct. I am happy to list some significant donations.

TO EMPIRE THEATRES PTY LTD:

• Catering equipment	\$1,715
• Steamer	\$490
• Vacuum cleaner	\$120
• Barbecue	\$850
• White majestic marquee	\$3,950
• Installation of 100 Year Commemoration sign	\$1,295
• Folding machine repair	\$130
• Dry cleaning of volunteer vests	\$890
• Coffee machine repair	\$440
Total	\$9,880



TO EMPIRE THEATRES FOUNDATION:

• Donation to Bursary Fund	\$1,000
• Naming rights to five theatre seats	\$5,000
Total	\$6,000

This brings our accumulated total donations to Theatre Services, since inception, to \$485,228.41, and \$18,000 to the Empire Theatres Foundation.

Combining these two figures shows we have now exceeded the half a million dollar mark in donations. All Friends and volunteers can be proud of this achievement.

As seen by the ‘naming rights’ donation, we took advantage of this opportunity to commemorate past Friends with a suitable plaque attached to five theatre seats.

Our donations have been intentionally reduced a little this year in preparation for some expected financial requirements in the new year in relation to the Toowoomba Regional Arts and Community Centre (TRACC).

I would like to express my appreciation to our Friends Committee for their efforts through the year. In particular I wish to publicly thank our Treasurer Noreen Pauli, who is not seeking re-election for the upcoming term. Noreen has filled the Treasurer position since our inception in 1996 and all who know her can vouch for her meticulous manner, which has ensured perfect financial accounting for 16 years. We are all indebted to Noreen.

I extend my sincere thanks to the following people:

- Toowoomba Regional Council for allowing the Friends to be part of the Empire Theatre operation and for the sponsorship of our insurance policy
- Peter Swannell and the Board
- Kerry Saul and his management team
- Mary-Lou Coorey for her auditing services.

I congratulate the Board on another successful year and look forward to a prosperous year to come.

Colin Muller

Mr Colin Muller
President
 Friends of the Empire Theatre Inc.

EMPIRE THEATRES' BUSINESS PARTNERS

The Empire Theatres' Business Partners are like-minded organisations with a shared commitment towards quality, innovation and inspiration in delivering their own customer focused performance within our community. These mutually beneficial partnerships enable the Empire Theatre to expand its programming diversity.

Performance Partners



Government Partners



Media Partners





PERFORMANCE ATTENDANCE AT THE EMPIRE THEATRE 2011 – 2012

BANDS

New Empire	125
Rock Bands	100
Total	225

CHILDREN

Boats	450
My Grandma Lived in Goolgulgulch	2935
James & the Giant Peach	3347
Dora The Explorer	1136
Police Citizen's Youth Club	1500
Scooby Doo	1012
Fame Theatre Company	1150
Sesame Street - Elmo's World Tour	1015
World Festival of Magic	800
Total	13345

CLASSICAL

Bonnie Brown	175
Oz Opera - La Traviata	1038
Jane Rutter	640
Il Festino	47
St. Petersburg Quartet	24
Camerata of St John - Pictures	212
Music Teachers Association of Qld	83
Camerata of St. John - Sara MacLiver	233
Dominic J Walsh	91
Camerata of St. John with Goldner	231
Total	2774

COMEDY

Breast Wishes	322
Arj Barker	1105
Carl Barron	4645
Busting Out	436
Ross Noble	1297
Funny Boys	447
Chasing The Lollyman	68
Total	8320

COMMUNITY

Centenary Film Festival	291
City of Toowoomba Eisteddfod - July 2011	4388
Josh Arnold CD Launch	437
Wakakirri Eisteddfod	1281
Young Australia Workshop	770
City of Toowoomba Eisteddfod - May 2012	5179
ABC TV - Q&A	1400
Fanfare 2012	500
Sing Out	3889
McGregor Summer School Gala Concert	415
Total	18550

COMMUNITY ENGAGEMENT

I Am Here	115
Empire Youth Arts Workshops Term 3 2011	41
Empire Youth Arts Workshops Term 4 2011	41
Empire Youth Arts Workshops Term 1 2012	60
Empire Youth Arts Workshops Term 2 2012	55
Empire Youth Arts IMPACT Ensemble Sem 2 2011	11
Empire Youth Arts IMPACT Ensemble Sem 1 2012	18
Man Up Forum	45
Lockyer Valley Semester 2 AIR Workshops	594
Lockyer Valley Semester 2 New Crop Ensemble	28
Get Real - Lockyer District State High School	132

PERFORMANCE ATTENDANCE AT THE EMPIRE THEATRE 2011 – 2012

COMMUNITY ENGAGEMENT CONTD...

Lockyer District Workshops Term 1 2012	24
Lockyer District Workshops Term 2 2012	25
Circus School Holiday Workshop	14
Musical Theatre Masterclass	13
Dance School Holiday Workshop	14
Youth Arts Holiday Workshop January 2012	38
Pittsworth Drama Workshops Term 3 2011	16
Pittsworth Drama Workshops Term 4 2011	18
Pittsworth Drama Workshops Term 1 2012	6
Pittsworth Drama Workshops Term 2 2012	20
Dalby Drama Workshops Term 4 2011	14
Dalby Drama Workshops Term 1 2012	20
Dalby Drama Workshops Term 2 2012	25
Rockville State School Dance Classes	52
Crow's Nest Drama Workshops Term 1 2012	18
Crow's Nest Drama Workshops Term 2 2012	16
Indigenous Dance Project	100
Bangarra Dance Theatre Workshops	60
We Sat In The Dark	101
Scott Witt Professional Development	10
Musical Theatre Professional Development	11
Contemporary Dance Professional Development	15
National Youth Week - Film Out Loud Workshops	16
National Youth Week - Film Out Loud Presentation	64
Film & TV Professional Development	10
ABC Open Photography Workshops	36
ABC Open Filmmaking Workshops	16
ABC Open Stop Motion Animation Workshops	5
Total	1917

COUNTRY

Warren H Williams	79
Adam Brand - Country Thunder Tour	588
John Williamson	588
Dierks Bentley & Lee Kernaghan	1398
Total	2653

DANCE

Flamenco Fire	155
Bangarra Dance Theatre - Mathinna	683
Queensland Ballet - Cloudland	1032
Syncopation	570
Festival of Russian Ballet	938
Men in Pink Tights	743
Total	4121

DRAMA

Often I Find That I Am Naked	722
Biddies	644
Total	1366

LOCAL DANCE

Darling Downs School of Excellence in Dance	445
the GRID	515
Kiyua Performing Arts	450
A Christmas Wish	2007
Dance Central - Peter Pan	2198
Total	5615

MUSICAL THEATRE

Menopause the Musical	1422
Toowoomba Youth Choral Society - Seussical the Musical	1215
Toowoomba Choral Society - Joseph and His Amazing	3711
Technicolour Dreamcoat	
Total	6348

OTHER

Loop the Loop	73
USQ Graduations	2500
Shaolin Warriors	423
Total	2996

POPULAR MUSIC

Cool Nights Big Band - July	39
Cool Nights Big Band - August	98
Cool Nights Big Band - September	90
Rhonda Burchmore - Legs 11	830
Kate Miller-Heidke	277
Suzi Quatro	1556
Looking Thru A Glass Onion	605
Oh What A Night!	602
Isla Grant	616
Cool Nights Big Band - October	83
The Pointer Sisters	638
Busby Marou	155
Cool Nights Big Band - November	24
Cool Nights Big Band - December	88
Cool Nights Big Band - January	23
The Searchers	739
Cool Nights Big Band - February	47
Easterfest	600
Cool Nights Big Band - April	104
The Old Fella and Benchmark	979
St. Vincent's - James Morrison	341
Cool Nights Big Band - June	50
Boy & Bear	992
INXS	956
Songs From An Unmade Bed	42
Total	10574

PRODUCTIONS

April's Fool	1162
The Wizard of Oz	7575
TLK TXT SPK	84
Blackrock	489
Origin8 2011	954
Total	10264

SCHOOL

The Glennie School	365
St. Mary's College Awards Night	800
Harristown State High School Awards Night	1400
The Glennie School Carol Service/Speech Day	2000
Toowoomba Grammar School Awards Night	1450
Total	6015

SENIORS

Morning Melodies - Little Pattie's Show	1021
Morning Melodies - Hilary Henshaw - Best of Broadway	663
Morning Melodies - Back to the Tivoli	1197
Morning Melodies - Back to the Tivoli	1048
Morning Melodies - Back to the Tivoli	1026
Morning Melodies - Back to the Tivoli	1194
Total	6149

Empire Theatre's National Tour of April's Fool 4600
Functions 16329

TOTAL 122,161



**EMPIRE THEATRES PTY LTD
& CONTROLLED ENTITY**

ABN 83 086 482 288

FINANCIAL STATEMENTS
For the year ended 30 June 2012

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EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

DIRECTORS' REPORT

Your Directors present their report on the company and its controlled entity for the year ended 30 June 2012.

Directors

The names of the Directors in office at any time during, or since the end of the financial year are:

Prof P Swannell AM (Chairman)
Mrs S Liley (Deputy Chair)
Mr M Bond (Company Secretary)
Mr R Miller
Dr K Foy
Ms M Taylor
Mr A Wielandt
Mr R Chiverrell

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

Principal Activities

The principal activity of the consolidated group has been to develop, foster, maintain and provide facilities for all kinds of artistic expression in the Performing Arts, pursuant to the Operating Agreement with Toowoomba Regional Council.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Review of Operations

The consolidated profit of the group for the financial year ended 30 June 2012 was \$39,166 (2011: \$87,533 loss). The group donated non-current assets to the value of \$19,282 (2011: \$nil) to the Toowoomba Regional Council. The consolidated group is exempt from income tax.

A review of the operations of the group during the financial year shows the results of those operations as follows:

- Community Service Obligation subsidies from the Toowoomba Regional Council totalled \$1,100,258 (2011: \$1,076,622) during the financial year.
- Gross income from Productions for the financial year totalled \$389,250 (2011: \$324,616), whilst gross income from Hires and Functions totalled \$1,227,738 (2011: \$941,605).
- Hires and Functions generated net income of \$499,014 (2011: \$431,930) during the financial year, whilst Productions generated net income of \$27,054 (2011: \$57,732 net expenditure).

Events Subsequent to the End of the Reporting Period

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

Likely Developments and Expected Results of Operations

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

Environmental Regulation

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

DIRECTORS' REPORT

Dividends

No ordinary dividend was recommended or paid during the year (2011: \$nil) .

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the consolidated group.

Proceedings on Behalf of consolidated group

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

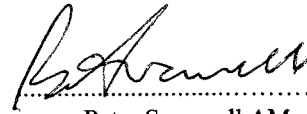
The consolidated group was not a party to any such proceedings during the year.

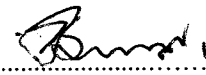
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with a resolution of the Board of Directors:

31st August 2012
Toowoomba


.....
Peter Swannell AM
Chairman


.....
Mervyn Bond
Company Secretary

AUDITOR'S INDEPENDENCE DECLARATION
For Empire Theatres Pty Ltd
ABN 83 086 482 288

To the Directors of Empire Theatres Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence Declaration

As lead auditor of the audit of Empire Theatres Pty Ltd for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been –

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

.....*Ian Brooks*.....

Ian Brooks (CA: Audit Partner)
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Dated:*3.9.12*.....

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated		Company	
		2012 \$	2011 \$	2012 \$	2011 \$
Revenue	2	2,597,324	2,144,736	2,044,489	1,670,248
Cost of sales		<u>(1,716,516)</u>	<u>(1,536,828)</u>	<u>(1,207,111)</u>	<u>(1,029,009)</u>
Gross profit		880,808	607,908	837,378	641,239
Other revenue	2	1,254,421	1,261,566	1,168,793	1,180,496
Marketing expenses		(221,700)	(222,444)	(220,801)	(222,423)
Occupancy expenses		(420,000)	(420,000)	(420,000)	(420,000)
Administration expenses		(950,639)	(840,637)	(841,287)	(702,531)
Buildings maintenance expenses		(353,915)	(368,036)	(353,915)	(368,036)
Other expenses	3	<u>(149,809)</u>	<u>(105,890)</u>	<u>(131,711)</u>	<u>(99,477)</u>
Profit / (loss) for the year		<u>39,166</u>	<u>(87,533)</u>	<u>38,457</u>	<u>9,268</u>
Profit / (loss) attributable to members of the entity		<u>39,166</u>	<u>(87,533)</u>	<u>38,457</u>	<u>9,268</u>
Total comprehensive income attributable to members of the entity		<u>39,166</u>	<u>(87,533)</u>	<u>38,457</u>	<u>9,268</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	Consolidated		Company	
		2012 \$	2011 \$	2012 \$	2011 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	13 (a)	1,443,245	1,242,351	1,353,275	1,110,228
Trade and other receivables	5	126,620	50,088	227,159	202,600
Inventories	6	10,380	10,430	10,380	10,430
Other assets	7	-	36,213	-	36,213
TOTAL CURRENT ASSETS		1,580,245	1,339,082	1,590,814	1,359,471
NON-CURRENT ASSETS					
Investments	8	-	-	1	1
TOTAL NON-CURRENT ASSETS		-	-	1	1
TOTAL ASSETS		1,580,245	1,339,082	1,590,815	1,359,472
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	790,659	592,229	764,165	574,846
Short term provisions	10	108,902	96,486	108,902	96,486
TOTAL CURRENT LIABILITIES		899,561	688,715	873,067	671,332
NON-CURRENT LIABILITIES					
Long-term provisions	10	13,882	22,731	13,882	22,731
TOTAL NON-CURRENT LIABILITIES		13,882	22,731	13,882	22,731
TOTAL LIABILITIES		913,443	711,446	886,949	694,063
NET ASSETS		\$ 666,802	\$ 627,636	\$ 703,866	\$ 665,409
EQUITY					
Issued capital	14	1	1	1	1
Retained earnings		666,801	627,635	703,865	665,408
TOTAL EQUITY		\$ 666,802	\$ 627,636	\$ 703,866	\$ 665,409

The accompanying notes form part of these financial statements.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Note	<u>Issued Capital</u>	Retained Earnings	Total
		Ordinary		
<i>Consolidated</i>				
Balance at 1 July 2010		1	715,168	715,169
Comprehensive income				
Profit / (loss) attributable to members		-	(87,533)	(87,533)
Total comprehensive income for the year		-	(87,533)	(87,533)
Balance at 30 June 2011		<u>1</u>	<u>627,635</u>	<u>627,636</u>
Comprehensive income				
Profit / (loss) attributable to members		-	39,166	39,166
Total comprehensive income for the year		-	39,166	39,166
Balance at 30 June 2012		<u>1</u>	<u>666,801</u>	<u>666,802</u>
<i>Company</i>				
Balance at 1 July 2010		1	656,140	656,141
Comprehensive income				
Profit attributable to members		-	9,268	9,268
Total comprehensive income for the year		-	9,268	9,268
Balance at 30 June 2011		<u>1</u>	<u>665,408</u>	<u>665,409</u>
Comprehensive income				
Profit attributable to members		-	38,457	38,457
Total comprehensive income for the year		-	38,457	38,457
Balance at 30 June 2012		<u>1</u>	<u>703,865</u>	<u>703,866</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated		Company	
		2012 \$	2011 \$	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		3,104,250	2,473,858	2,423,393	1,845,759
Community service obligations received		1,210,284	1,184,284	1,210,284	1,184,284
Payments to suppliers and employees		(4,184,223)	(3,795,352)	(3,454,870)	(3,207,984)
Interest received		70,583	72,134	64,240	66,861
Net cash provided by / (used in) operating activities	13 (b)	<u>200,894</u>	<u>(65,076)</u>	<u>243,047</u>	<u>(111,080)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from shares issued		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		200,894	(65,076)	243,047	(111,080)
Cash and cash equivalents at the beginning of the financial year		<u>1,242,351</u>	<u>1,307,427</u>	<u>1,110,228</u>	<u>1,221,308</u>
Cash and cash equivalents at the end of the financial year	13 (a)	<u><u>\$ 1,443,245</u></u>	<u><u>\$ 1,242,351</u></u>	<u><u>\$ 1,353,275</u></u>	<u><u>\$ 1,110,228</u></u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

The financial statements cover the consolidated financial statements and notes of Empire Theatres Pty Limited and the controlled entity ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Empire Theatres Pty Limited as an individual parent entity ('Parent Entity').

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The group is a not-for-profit group.

(a) Going Concern

The group is dependent upon continued funding by way of Community Service Obligation contributions from the Toowoomba Regional Council for a major portion of the company's income (\$1,100,258 for the year ended 30 June 2012). The Operating Agreement with the Toowoomba Regional Council ensures that funding will be provided to the company until at least 2014. This ensures that the company is a going concern.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Empire Theatres Pty Ltd at the end of the reporting period. A controlled entity is any entity over which Empire Theatres Pty Ltd has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. Empire Theatre Projects Pty Ltd was incorporated on 5th March 2009, and has been the only controlled entity of Empire Theatres Pty Ltd from this date.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(c) Income Tax

The group has been advised by the Australian Taxation Office that it is exempt from income tax.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value on the first in first out basis.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

(e) Property, Plant & Equipment

In accordance with the Operating Agreement between the company and the Toowoomba Regional Council (dated 20th April 2009), all items of non-technical property, plant and equipment valued in excess of \$5,000 vest in the Toowoomba Regional Council. Items of technical property, plant and equipment valued in excess of \$3,000 vest in Toowoomba Regional Council.

All other items of property, plant and equipment are treated as an expense in the year of acquisition.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Classification and subsequent measurement

Financial instruments are subsequently valued at fair value, amortised cost, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

Amortised cost is calculated as (a) the amount at which the financial asset or financial liability is measured at initial recognition; (b) less principal repayments; and (c) less any reduction for impairment.

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other receivables are classified as non-current assets.)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

(iii) Financial Liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

(h) Impairment of Assets

At the end of each reporting period, the group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, the impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within the borrowings in current liabilities on the statement of financial position.

(j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Employee Benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(l) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred for periods longer than one year is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods (such as merchandise and drinks) is recognised upon delivery of goods to customers.

Revenue from the Rendering of services is recognised when the function has been completed.

Revenue from Productions is recognised when the performance has been completed.

Revenue from Community Service Obligations is recognised on a time proportional basis throughout the year.

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

(m) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period that remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(n) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing, which are disclosed as operating cash flows.

(p) Comparative Figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year.

When the group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(q) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. There are no key estimates. The directors believe that all receivables will be collected in full, and therefore no provision for impairment has been made.

(r) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the group. The group has decided not to early adopt any of the new and amended pronouncements. The group's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013). This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- removing the tainting rules associated with held-to-maturity assets;

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

(r) New Accounting Standards for Application in Future Periods (continued)

- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

Tier 1: Australian Accounting Standards; and

Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and are not expected to impact the group.

- AASB 10: Consolidated Financial Statements (applicable for annual reporting periods commencing on or after 1 January 2013). AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

- AASB 13: Fair Value Measurement (applicable for annual reporting periods commencing on or after 1 January 2013). AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

This Standard is not expected to significantly impact the group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Company	
	2012 \$	2011 \$	2012 \$	2011 \$
Note 2: Revenue				
Sales revenue				
Sale of goods	112,871	116,639	112,871	116,639
Rendering of services	2,095,203	1,703,481	1,542,368	1,228,993
Productions	389,250	324,616	389,250	324,616
	<u>2,597,324</u>	<u>2,144,736</u>	<u>2,044,489</u>	<u>1,670,248</u>
Other revenue				
Interest revenue	70,583	72,134	64,240	66,861
Community Service Obligation - Toowoomba Regional Council	1,100,258	1,076,622	1,100,258	1,076,622
Donations	295	481	295	481
Grants and subsidies	39,034	52,797	-	-
Sponsorships	39,341	54,000	-	31,000
Other revenue	4,910	5,532	4,000	5,532
	<u>1,254,421</u>	<u>1,261,566</u>	<u>1,168,793</u>	<u>1,180,496</u>
Total Revenue	<u><u>\$ 3,851,745</u></u>	<u><u>\$ 3,406,302</u></u>	<u><u>\$ 3,213,282</u></u>	<u><u>\$ 2,850,744</u></u>

Note 3: Profit / (loss) for the Year

(a) Expenses:

Cost of Sales	1,716,516	1,536,828	1,207,111	1,029,009
Remuneration of the auditor - auditing the financial report	20,100	20,267	16,200	16,380
Rental expense on operating leases - minimum lease payments	420,000	420,000	420,000	420,000
Employee benefits expense	1,503,016	1,373,232	1,405,024	1,373,232

(b) Significant Revenue and Expenses:

The following revenue and expense items are relevant in explaining the financial performance.

Donation of non-current assets to Toowoomba Regional Council	<u>19,282</u>	<u>-</u>	<u>19,282</u>	<u>-</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Company	
	2012 \$	2011 \$	2012 \$	2011 \$
Short-term employee benefits	<u>403,078</u>	<u>488,675</u>	<u>403,078</u>	<u>488,675</u>
	<u>403,078</u>	<u>488,675</u>	<u>403,078</u>	<u>488,675</u>

Short-term employee benefits comprise salaries & wages, superannuation and bonus payments.

Note 5: Trade And Other Receivables

Trade receivables	<u>126,620</u>	<u>50,088</u>	<u>227,159</u>	<u>202,600</u>
	<u>\$ 126,620</u>	<u>\$ 50,088</u>	<u>\$ 227,159</u>	<u>\$ 202,600</u>

Credit Risk

The group does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining the insolvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the group.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

	Gross Amount \$	Past Due and Impaired \$	< 30 \$	31 - 60 \$	61 - 90 \$	Within Initial Trade Terms \$
<i>Consolidated</i>						
2012						
Trade receivables	<u>126,620</u>	<u>-</u>	<u>123,016</u>	<u>1,890</u>	<u>1,714</u>	<u>126,620</u>
	<u>126,620</u>	<u>-</u>	<u>123,016</u>	<u>1,890</u>	<u>1,714</u>	<u>126,620</u>
2011						
Trade receivables	<u>50,088</u>	<u>-</u>	<u>48,224</u>	<u>1,864</u>	<u>-</u>	<u>50,088</u>
	<u>50,088</u>	<u>-</u>	<u>48,224</u>	<u>1,864</u>	<u>-</u>	<u>50,088</u>

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 5: Trade And Other Receivables (continued)

	Gross Amount \$	Past Due and Impaired \$	< 30 \$	31 - 60 \$	61 - 90 \$	Within Initial Trade Terms \$
<i>Company</i>						
2012						
Trade receivables	227,159	-	223,555	1,890	1,714	227,159
	<u>227,159</u>	<u>-</u>	<u>223,555</u>	<u>1,890</u>	<u>1,714</u>	<u>227,159</u>
2011						
Trade receivables	202,600	-	66,901	1,864	133,835	202,600
	<u>202,600</u>	<u>-</u>	<u>66,901</u>	<u>1,864</u>	<u>133,835</u>	<u>202,600</u>

The group does not hold any financial assets whose terms have been renegotiated and that would otherwise be past due or impaired.

	Consolidated		Company	
	2012 \$	2011 \$	2012 \$	2011 \$
Note 6: Inventories				
Bar Stocks - at cost	\$ 10,380	\$ 10,430	\$ 10,380	\$ 10,430
	<u>\$ 10,380</u>	<u>\$ 10,430</u>	<u>\$ 10,380</u>	<u>\$ 10,430</u>
Note 7: Other assets				
Prepayments	\$ -	\$ 36,213	\$ -	\$ 36,213
	<u>\$ -</u>	<u>\$ 36,213</u>	<u>\$ -</u>	<u>\$ 36,213</u>
Note 8: Investments				
Empire Theatre Projects Pty Ltd	\$ -	\$ -	\$ 1	\$ 1
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

This company is a wholly owned subsidiary of Empire Theatres Pty Ltd

Note 9: Trade and Other Payables - Current

Unsecured Liabilities

Trade payables	128,260	157,913	128,260	157,913
Security deposits - hires	74,198	40,050	74,198	40,050
Box office ticket prepayments	338,442	219,718	338,442	219,718
Sundry payables and accrued expenses	192,923	119,458	166,429	102,075
Employee benefits	56,836	55,090	56,836	55,090
	<u>\$ 790,659</u>	<u>\$ 592,229</u>	<u>\$ 764,165</u>	<u>\$ 574,846</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Note 10: Provisions				
Employee Benefits				
Opening balance at 1 July 2011	119,217	116,351	119,217	116,351
Additional provisions	38,633	12,119	38,633	12,119
Amounts used	<u>(35,066)</u>	<u>(9,253)</u>	<u>(35,066)</u>	<u>(9,253)</u>
Balance at 30 June 2012	<u>\$ 122,784</u>	<u>\$ 119,217</u>	<u>\$ 122,784</u>	<u>\$ 119,217</u>
<u>Analysis of provisions</u>				
Current	108,902	96,486	108,902	96,486
Non-current	<u>13,882</u>	<u>22,731</u>	<u>13,882</u>	<u>22,731</u>
	<u>\$ 122,784</u>	<u>\$ 119,217</u>	<u>\$ 122,784</u>	<u>\$ 119,217</u>

A provision has been recognised for employee benefits relating to long-service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

Note 11: Remuneration And Retirement Benefits

(a) Remuneration of Directors

Remuneration received or receivable by all Directors of the company from the company or any related party in connection with the management of the company

\$ 19,150	\$ 22,400	\$ 19,150	\$ 20,000
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The names of Directors who have held office during the financial year:

Peter Swannell AM (Chairman)
 Sheena Liley (Deputy Chair)
 Mervyn Bond (Company Secretary)
 Ross Miller
 Kathryn Foy
 Melissa Taylor
 Andrew Wielandt
 Richard Chiverrell

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$

Note 12: Contingent Liabilities and Contingent Assets

There were no known material contingent liabilities or contingent assets at balance sheet date.

Note 13: Cash Flow Information

(a) Cash and Cash Equivalents

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

- Cash on hand	5,631	5,631	5,631	5,631
- Cash at bank	392,514	511,620	302,544	379,497
- Short term notes	25,100	25,100	25,100	25,100
- Short term deposit	1,020,000	700,000	1,020,000	700,000
	<u>\$ 1,443,245</u>	<u>\$ 1,242,351</u>	<u>\$ 1,353,275</u>	<u>\$ 1,110,228</u>

The effective interest rate on short-term bank deposits was 5.65% (2011: 5.53%).

(b) Reconciliation of cash flow from operations with profit / (loss) for the year

Profit / (loss) for the year	39,166	(87,533)	38,457	9,268
Changes in assets and liabilities:				
(Increase) / decrease in trade debtors	(38,033)	(38,096)	(24,559)	(60,881)
(Increase) / decrease in inventory	50	(1,234)	50	(1,234)
Decrease in other receivables	36,213	943	36,213	943
Increase / (decrease) in trade and other payables	(29,652)	(66,112)	(29,653)	(66,113)
Increase in employee entitlements	5,313	18,588	5,313	18,588
Increase / (decrease) in sundry payables	187,837	108,368	217,226	(11,651)
	<u>\$ 200,894</u>	<u>\$ (65,076)</u>	<u>\$ 243,047</u>	<u>\$ (111,080)</u>

(c) Credit Stand-by Arrangements and Loan Facilities

Empire Theatres Pty Ltd has no credit stand-by arrangements or loan facilities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	Consolidated		Company	
	2012	2011	2012	2011
	\$	\$	\$	\$
Note 14: Issued Capital				
1 (2011: 1) fully paid ordinary share	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

The group has authorised share capital amounting to 1 ordinary share of no par value.

Note 15: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

- (a) The parent entity is wholly owned by the Toowoomba Regional Council.
- (b) During the financial year, Toowoomba Regional Council contributed \$1,100,258 (2011: \$1,076,622) to the company as a Community Service Obligation of the Council.
- (c) During the financial year, the company paid \$420,000 (2011: \$420,000) to Toowoomba Regional Council as rent for 56 Neil Street, Wesley Church and City Hall Theatre, Toowoomba.
- (d) During the financial year, the company paid \$24,466 (2011: \$21,100) to Toowoomba Regional Council for the rent of 2 motor vehicles (2011: 2 motor vehicles).
- (e) Operating lease commitments

- not later than 12 months	\$ 24,466
- between 12 months and five years	\$ 50,928
- (e) Empire Theatre Projects Pty Ltd is a controlled entity of Empire Theatres Pty Ltd.

Note 16: Events After the Reporting Period

The Directors are not aware of any events after the balance sheet date that will have a material impact on this financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 17: Financial Risk Management

a. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, local money market instruments, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated		Company	
	2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets				
Cash and cash equivalents	1,443,245	1,242,351	1,353,275	1,110,228
Receivables	126,620	50,088	227,159	202,600
Total Financial Assets	\$ 1,569,865	\$ 1,292,439	\$ 1,580,434	\$ 1,312,828
Financial Liabilities				
Trade and other payables	790,659	592,229	764,165	574,846
Total Financial Liabilities	\$ 790,659	\$ 592,229	\$ 764,165	\$ 574,846

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The group does not have any derivative instruments at 30 June 2012.

Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the group, credit terms are generally 14 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the directors have otherwise cleared as being financially sound.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 17: Financial Risk Management (continued)

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables is provided in Note 5.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Directors. Such policy requires that surplus funds are only invested with counterparties with a high credit rating.

b. Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.
- monitoring undrawn facilities
- maintaining a reputable credit profile.
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions.

The tables on the following page reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the following table to settle financial liabilities reflects the earliest contractual settlement dates.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 17: Financial Risk Management (continued)

	Within 1 Year		Totals	
	2012	2011	2012	2011
	\$	\$	\$	\$
<i>Consolidated</i>				
Financial Liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	733,823	537,139	733,823	537,139
Total expected outflows	<u>733,823</u>	<u>537,139</u>	<u>733,823</u>	<u>537,139</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,443,245	1,242,351	1,443,245	1,242,351
Receivables	126,620	50,088	126,620	50,088
Total anticipated inflows	<u>1,569,865</u>	<u>1,292,439</u>	<u>1,569,865</u>	<u>1,292,439</u>
Net inflow on financial instruments	<u>836,042</u>	<u>755,300</u>	<u>836,042</u>	<u>755,300</u>
<i>Company</i>				
Financial Liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	707,329	519,756	707,329	519,756
Total expected outflows	<u>707,329</u>	<u>519,756</u>	<u>707,329</u>	<u>519,756</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,353,275	1,110,228	1,353,275	1,110,228
Receivables	227,159	202,600	227,159	202,600
Total anticipated inflows	<u>1,580,434</u>	<u>1,312,828</u>	<u>1,580,434</u>	<u>1,312,828</u>
Net inflow on financial instruments	<u>873,105</u>	<u>793,072</u>	<u>873,105</u>	<u>793,072</u>

c. Market risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect the future cash flows or the fair value of fixed rate financial instruments.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 17: Financial Risk Management (continued)

Sensitivity Analysis

The following table illustrates sensitivities to the group's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in interest rates that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Consolidated

	Profit	Equity
	\$	\$
Year Ended 30 June 2012		
+ / - 2% in interest rates	+ / - 25,000	+ / - 25,000
Year Ended 30 June 2011		
+ / - 2% in interest rates	+ / - 25,000	+ / - 25,000

Company

	Profit	Equity
	\$	\$
Year Ended 30 June 2012		
+ / - 2% in interest rates	+ / - 27,000	+ / - 27,000
Year Ended 30 June 2011		
+ / - 2% in interest rates	+ / - 23,000	+ / - 23,000

Net Fair Values

The net fair values of financial assets and financial liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 18: Company Details

The registered office and principal place of business of the company is:

Empire Theatre
 56 Neil Street
 Toowoomba Qld 4350

The principal activity of the group is to develop, foster, maintain and provide facilities for all kinds of artistic expression in the Performing Arts, pursuant to the Operating Agreement with the Toowoomba Regional Council.

EMPIRE THEATRES PTY LTD & CONTROLLED ENTITY
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DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 22, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards, as stated in accounting policy Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

31st August 2012
Toowoomba



Peter Swannell AM
Chairman



Mervyn Bond
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Empire Theatres Pty Ltd

Matters relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Empire Theatres Pty Ltd for the financial year ended 30 June 2012 included on Empire Theatres' website. The directors are responsible for the integrity of the Empire Theatres' website and I have not been engaged to report on the integrity of the Empire Theatres' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Report on the Financial Report

I have audited the accompanying financial report of Empire Theatres Pty Ltd, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Empire Theatres Pty Ltd on 20 August 2012, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion –

- (a) the financial report of Empire Theatres Pty Ltd is in accordance with the *Corporations Act 2001*, including –
- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



.....
Ian Brooks (CA: Audit Partner)
 (as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
 Brisbane

Dated: 3.9.12



EMPIRE THEATRES FOUNDATION

ABN 69 130 487 365

FINANCIAL STATEMENTS
For the year ended 30 June 2012

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EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue	2	79,098	85,573
Administration expenses		(11,221)	(26,490)
Bursary expenses		(16,833)	(25,998)
Course expenses		(29,473)	(20,143)
Sponsorship expenses		-	-
Other expenses	3	<u>(1,589)</u>	<u>(11,133)</u>
Profit for the year		<u>\$ 19,982</u>	<u>\$ 1,809</u>
Profit attributable to members of the entity		<u>\$ 19,982</u>	<u>\$ 1,809</u>
Total comprehensive income attributable to members of the entity		<u>\$ 19,982</u>	<u>\$ 1,809</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash assets	7 (a)	662,660	514,251
Trade and other receivables	4	<u>3,000</u>	<u>6,150</u>
TOTAL CURRENT ASSETS		<u>665,660</u>	<u>520,401</u>
TOTAL ASSETS		<u>665,660</u>	<u>520,401</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>151,109</u>	<u>25,832</u>
TOTAL CURRENT LIABILITIES		<u>151,109</u>	<u>25,832</u>
TOTAL LIABILITIES		<u>151,109</u>	<u>25,832</u>
NET ASSETS		<u>\$ 514,551</u>	<u>\$ 494,569</u>
EQUITY			
Retained earnings		<u>514,551</u>	<u>494,569</u>
TOTAL EQUITY		<u>\$ 514,551</u>	<u>\$ 494,569</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Retained Earnings \$	Total \$
Balance at 1 July 2010	492,760	492,760
Comprehensive income		
Profit attributable to the Foundation	1,809	1,809
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,809</u>	<u>1,809</u>
Balance at 30 June 2011	<u>\$ 494,569</u>	<u>\$ 494,569</u>
Comprehensive income		
Profit attributable to the Foundation	19,982	19,982
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>19,982</u>	<u>19,982</u>
Balance at 30 June 2012	<u>\$ 514,551</u>	<u>\$ 514,551</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, sponsorships and raffles		44,678	46,083
Receipts from grants		8,580	8,580
Interest received		28,990	28,074
Payments for courses, travel and accommodation, hospitality and sponsorships		<u>(78,909)</u>	<u>(61,821)</u>
Net cash provided by operating activities	7 (b)	<u>3,339</u>	<u>20,916</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
TRACC building account funds received		<u>145,070</u>	<u>-</u>
Net cash provided by investing activities		<u>145,070</u>	<u>-</u>
Net increase in cash held		148,409	20,916
Cash at the beginning of the financial year		<u>514,251</u>	<u>493,335</u>
Cash at the end of the financial year	7 (a)	<u><u>\$ 662,660</u></u>	<u><u>\$ 514,251</u></u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

The financial statements cover the Empire Theatres Foundation as an individual entity.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The Foundation has been advised by the Australian Taxation Office that it is exempt from income tax.

(b) Cash

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less.

(c) Revenue and Other Income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Donation and Sponsorship revenue is recognised when a pledge has been confirmed in writing.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing, which are disclosed as operating cash flows.

(e) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period that remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(f) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

(g) Comparative Figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year.

(h) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future periods and which the Foundation has decided not to adopt early. A discussion of those future requirements and their impact on the Foundation is as follows:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013). This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Foundation has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.
- Numerous other minor changes have been made to various Standards and Interpretations, but none of these are expected to have any material impact on the Foundation's financial statements.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 2: Revenue

	2012	2011
	\$	\$
Other revenue		
Donations	3,688	6,635
Sponsorships	46,409	42,909
Interest	28,990	28,074
Grant income	-	7,800
Other revenue	11	155
Total Revenue	<u>\$ 79,098</u>	<u>\$ 85,573</u>

Note 3: Profit From Ordinary Activities

(a) Expenses:

Remuneration of the auditor		
- auditing the financial report	2,600	2,600

Note 4: Trade and Other Receivables

	Gross	Past Due				Within
Current	Amount	and	< 30	31 - 60	61 - 90	Initial Trade
Trade receivables	3,000.00	Impaired	3,000.00	-	-	Terms
	<u>\$ 3,000</u>	\$ -	\$ 3,000	\$ -	\$ -	\$ 3,000
Current	Amount	Impaired	< 30	31 - 60	61 - 90	
Trade receivables	6,150.00	-	4,650.00	1,500.00	-	6,150.00
	<u>\$ 6,150</u>	\$ -	\$ 4,650	\$ 1,500	\$ -	\$ 6,150

Note 5: Trade and Other Payables

Current

Unsecured Liabilities

TRACC building account	145,070	-
Sundry creditors and accruals	6,039	25,832
	<u>\$ 151,109</u>	<u>\$ 25,832</u>

Note 6: Remuneration And Retirement Benefits

Remuneration of Trustees of the Foundation

Remuneration received or receivable by all Trustees of the Foundation.	<u>\$ 2,800</u>	<u>\$ 4,200</u>
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The names of Trustees who have held office during the financial year:

Mrs Sheena Liley (Chairperson)
 Mr Tom Sullivan
 Mr Mervyn Bond (resigned 30 June 2012)
 Dr Kathryn Foy
 Mr David Janetzki
 Mrs Janelle Davis
 Mrs Carol James (appointed 12 December 2011)

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 7: Cash Flow Information		
(a) Cash and Cash Equivalents		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
- Cash at bank	262,660	114,251
- Short term deposits	400,000	400,000
	\$ 662,660	\$ 514,251
The effective interest rate on short-term bank deposits was 5.65% (2011: 5.62%).		
(b) Reconciliation of Cash Flow from Operations with Profit from ordinary activities		
Profit from ordinary activities	19,982	1,809
Changes in assets and liabilities:		
Decrease (increase) in trade receivable	3,150	(6,150)
Decrease (increase) in sponsorships receivable	-	1,500
Increase (decrease) in GST receivable	-	1,814
Increase (decrease) in payables	(19,793)	21,943
	\$ 3,339	\$ 20,916
(c) Credit Stand-by Arrangements and Loan Facilities		
The Foundation has no credit stand-by arrangements or financing facilities in place.		

Note 8: Events After the Balance Date

The Trustees are not aware of any events after the balance date that will have a material impact on this financial report.

Note 9: Related Party Transactions

The Foundation's operations are governed by Empire Theatres Pty Ltd, but it is not a controlled entity of Empire Theatres Pty Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 10: Financial Risk Management

a. Financial Risk Management

The Foundation's financial instruments consist mainly of deposits with banks, local money market instruments, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2012	2011
	\$	\$
Financial Assets		
Cash and cash equivalents	662,660	514,251
Receivables	-	-
	\$ 662,660	\$ 514,251
Financial Liabilities		
Trade and other payables	151,109	25,832
	\$ 151,109	\$ 25,832

Financial Risk Management Policies

The Trustees' overall risk management strategy seeks to assist the Foundation in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The main purpose of non-derivative financial instruments is to raise finance for Foundation operations. The Foundation does not have any derivative instruments at 30 June 2012.

Specific Financial Risk Exposures and Management

The main risks the Foundation is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Foundation.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Foundation, credit terms are generally 14 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Trustees have otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 10: Financial Risk Management (continued)

The Foundation has no significant concentration of credit risk with any single counterparty or Foundation of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Trustees. Such policy requires that surplus funds are only invested with counterparties with a high credit rating.

b. Liquidity risk

Liquidity risk arises from the possibility that the Foundation might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Foundation manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.
- monitoring undrawn facilities
- maintaining a reputable credit profile.
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Within 1 Year		Totals	
	2012	2011	2012	2011
	\$	\$	\$	\$
Financial Liabilities due for payment				
Trade and other payables	151,109	25,832	151,109	25,832
Total expected outflows	<u>151,109</u>	<u>25,832</u>	<u>151,109</u>	<u>25,832</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	662,660	514,251	662,660	514,251
Receivables	-	-	-	-
Total anticipated inflows	<u>662,660</u>	<u>514,251</u>	<u>662,660</u>	<u>514,251</u>
Net inflow on financial instruments	<u>511,551</u>	<u>488,419</u>	<u>511,551</u>	<u>488,419</u>

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 10: Financial Risk Management (continued)

c. Market risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect the future cash flows or the fair value of fixed rate financial instruments.

b. Sensitivity Analysis

The following table illustrates sensitivities to the Foundation's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in interest rates that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Year ended 30 June 2012		
+ / - 2% in interest rates	+ / - 11,000	+ / - 11,000
Year ended 30 June 2011		
+ / - 2% in interest rates	+ / - 10,000	+ / - 10,000

Net Fair Values

The net fair values of financial assets and financial liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 11: Foundation Details

The principal place of business of the Foundation is:

Empire Theatre
 56 Neil Street
 Toowoomba Qld 4350

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

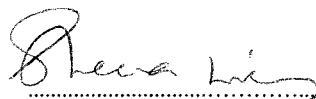
TRUSTEES' CERTIFICATE

The Trustees of the Foundation declare that:

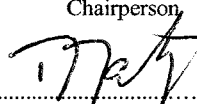
1. the financial statements and notes, as set out on pages 1 to 11 present fairly the Foundation's financial position as at 30 June 2012 and its performance for the year ended 30 June 2012 in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. In the Trustees' opinion, subject to ongoing financial support from Empire Theatres Pty Ltd, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Trustees.

3rd September 2012
Toowoomba



Sheena Liley
Chairperson



David Janetzki
Trustee

INDEPENDENT AUDITOR'S REPORT

To the Trustees and Members of Empire Theatres Foundation

Matters relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Empire Theatres Foundation for the year ended 30 June 2012 included on Empire Theatres' website. The trustees are responsible for the integrity of the Empire Theatres' website and I have not been engaged to report on the integrity of the Empire Theatres' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

Report on the Financial Report

I have audited the accompanying financial report of Empire Theatres Foundation, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and certificates given by the trustees.

The Trustees' Responsibility for the Financial Report

The trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the trust deed of Empire Theatres Foundation dated 24 April 2001. The trustees' responsibility also includes such internal control as the trustees determine as necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with the provisions of the trust deed of the Empire Theatres Foundation dated 24 April 2001, I have audited the financial report of the Foundation and –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the financial report presents fairly, in all material respects, the financial position of Empire Theatres Foundation as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.



.....
Ian Brooks (CA: Audit Partner)
 (as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
 Brisbane

Dated: 3.9.12.....



EMPIRE THEATRE PROJECTS PTY LTD

ABN 61 135 705 878

FINANCIAL STATEMENTS
For the year ended 30 June 2012

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EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

DIRECTORS' REPORT

Your Directors present their report on the company for the year ended 30 June 2012:

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Peter Swannell AM (Chairman)
 Andrew Wielandt
 Ross Miller

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

Principal Activities

The company was established to increase the breadth and depth of the community's connection with the performing arts in the Toowoomba Regional Council area.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the company during the financial year.

Review of Operations

The operating result for the year ended 30 June 2012 was a profit of \$710 (2011: \$96,800 loss). The company is exempt from income tax.

A review of the operations of the company during the financial year and the results of those operations are as follows:

- Gross income from box office and entry fees for the financial year totalled \$431,554 (2011: \$355,220).

Events Subsequent to the End of the Reporting Period

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

Dividends

No ordinary dividend was recommended or paid during the year.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Likely Developments and Expected Results of Operations

The future operations of the company are expected to relate to the principal activity outlined above.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of company

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

The company was not a party to any such proceedings during the year.

EMPIRE THEATRE PROJECTS PTY LTD

ABN 61 135 705 878

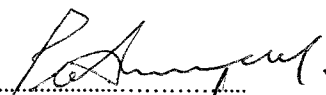
DIRECTORS' REPORT

Auditor's Independence Declaration

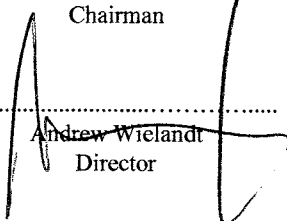
A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with a resolution of the Board of Directors:

31st August 2012
Toowoomba



Peter Swannell AM
Chairman



Andrew Wielandt
Director

AUDITOR'S INDEPENDENCE DECLARATION
For Empire Theatre Projects Pty Ltd
ABN 61 135 705 878

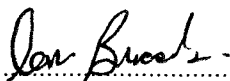
To the Directors of Empire Theatres Projects Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence Declaration

As lead auditor of the audit of Empire Theatre Projects Pty Ltd for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been –

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



.....
Ian Brooks (CA: Audit Partner)
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Dated: 3.9.12

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue	2	552,835	474,488
Cost of sales	3	<u>(482,443)</u>	<u>(474,504)</u>
Gross profit/(loss)		70,392	(16)
Other revenue	2	85,628	81,070
Marketing expenses		(27,861)	(33,336)
Administration expenses		(109,351)	(138,105)
Other expenses		<u>(18,098)</u>	<u>(6,413)</u>
Profit/(loss) for the year		<u>710</u>	<u>(96,800)</u>
Profit/(loss) attributable to members of the entity		<u>710</u>	<u>(96,800)</u>
Total comprehensive income/(expenditure) attributable to members of the entity		<u>710</u>	<u>(96,800)</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8 (a)	89,970	132,123
Trade and other receivables	4	<u>15,474</u>	<u>2,000</u>
TOTAL CURRENT ASSETS		<u>105,444</u>	<u>134,123</u>
TOTAL ASSETS		<u>105,444</u>	<u>134,123</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	<u>142,506</u>	<u>171,895</u>
TOTAL CURRENT LIABILITIES		<u>142,506</u>	<u>171,895</u>
TOTAL LIABILITIES		<u>142,506</u>	<u>171,895</u>
NET ASSETS (LIABILITIES)		<u>(37,062)</u>	<u>(37,772)</u>
EQUITY			
Issued capital	9	1	1
Accumulated losses		<u>(37,063)</u>	<u>(37,773)</u>
TOTAL EQUITY		<u>(37,062)</u>	<u>(37,772)</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	<u>Issued Capital</u>	<u>Accumulated Profit/(Loss)</u>	<u>Total</u>
	<u>Ordinary \$</u>		
Balance at 30 June 2010	<u>1</u>	<u>59,027</u>	<u>59,028</u>
Comprehensive income			
Loss attributable to members	-	(96,800)	(96,800)
Other comprehensive income for the year	-	-	-
Total comprehensive expenditure for the year	<u>-</u>	<u>(96,800)</u>	<u>(96,800)</u>
Dividends paid	-	-	-
Balance at 30 June 2011	<u>1</u>	<u>(37,773)</u>	<u>(37,772)</u>
Comprehensive income			
Profit attributable to members	-	710	710
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>710</u>	<u>710</u>
Dividends paid	-	-	-
Balance at 30 June 2012	<u>1</u>	<u>(37,063)</u>	<u>(37,062)</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		698,442	661,410
Payments to suppliers and employees		(746,938)	(620,679)
Interest received		6,343	5,273
		<u> </u>	<u> </u>
Net cash (used in)/provided by operating activities	8 (b)	(42,153)	46,004
Net (decrease)/increase in cash held		(42,153)	46,004
Cash at the beginning of the financial year		132,123	86,119
		<u> </u>	<u> </u>
Cash at the end of the financial year	8 (a)	<u>89,970.00</u>	<u>132,123.00</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

The financial statements cover the Empire Theatre Projects Pty Limited as an individual entity.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Going Concern

The company is dependent upon continued funding from Empire Theatres Pty Ltd to ensure that the entity can continue to operate as a going concern. As at the time of signing this report the Directors are not aware of any intentions by Empires Theatre Pty Ltd to cease providing funding to Empire Theatre Projects Pty Ltd within the next 12 months.

(b) Income Tax

The company is wholly owned by Empire Theatres Pty Ltd, which is exempt from income tax. Accordingly, the company is also exempt from income tax.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Classification and subsequent measurement

Financial instruments are subsequently valued at fair value, amortised cost, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

Amortised cost is calculated as (a) the amount at which the financial asset or financial liability is measured at initial recognition; (b) less principal repayments; and (c) less any reduction for impairment.

(i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other receivables are classified as non-current assets.)

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

(iii) Financial Liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, the impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within the borrowings in current liabilities on the statement of financial position.

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred for periods longer than a year is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from Box office & entry fees is recognised when the performance has been completed.

Revenue from Fees and services is recognised when the performance has been completed.

Revenue from Grants and subsidies is recognised when the company obtains control of the grant or subsidy or the right to receive the grant or subsidy, it is probable that the economic benefits comprising the grant or subsidy will flow to the company, and the grant or subsidy can be reliably measured.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Summary of Significant Accounting Policies (continued)

(h) Revenue and Other Income (continued)

Revenue from the sale of merchandise is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(n) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing, which are disclosed as operating cash flows.

(k) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. There are no key estimates. The Directors believe that all receivables will be collected in full, and therefore no provision for impairment has been made.

(l) Comparative Figures

When required by Accounting Standards, comparative figures are adjusted to conform to changes in presentation for the current financial year.

When the group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

(m) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the group. The group has decided not to early adopt any of the new and amended pronouncements. The group's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013). This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The company has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
 - removing the tainting rules associated with held-to-maturity assets;
 - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
 - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
 - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.
- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

Tier 1: Australian Accounting Standards; and

Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and are not expected to impact the company.

- AASB 13: Fair Value Measurement (applicable for annual reporting periods commencing on or after 1 January 2013). AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

This Standard is not expected to significantly impact the company.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 2: Revenue		
Operating activities		
Box office & entry fee revenue	431,554	355,220
Merchandise sales	10,647	7,000
Fees and services	<u>110,634</u>	<u>112,268</u>
	<u>552,835</u>	<u>474,488</u>
Other revenue		
Interest	6,343	5,273
Grants and subsidies	39,034	52,797
Sponsorships	39,341	23,000
Other revenue	<u>910</u>	<u>-</u>
	<u>85,628</u>	<u>81,070</u>
Total Revenue	<u><u>638,463.00</u></u>	<u><u>555,558.00</u></u>

Note 3: Profit / (Loss) for the Year

(a) Expenses:

Cost of Sales	482,443	474,504
Remuneration of the auditor - auditing or reviewing the financial report	3,900	3,887
Employee Benefit Expense	97,992	-

(b) Significant Revenue and Expenses:

The following revenue and expense items are relevant in explaining the financial performance.

Box office & entry fees revenue	<u>431,554</u>	<u>355,220</u>
	2012	2011
	\$	\$

Note 4: Trade And Other Receivables

Trade receivables	<u>15,474</u>	<u>2,000</u>
	<u>15,474.00</u>	<u>2,000.00</u>

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining insolvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 4: Trade And Other Receivables (continued)

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

	Gross Amount \$	Past Due and Impaired \$	< 30 \$	31 - 60 \$	61 - 90 \$	Within Initial Trade Terms \$
2012						
Trade receivables	15,474	-	15,474	-	-	15,474
	<u>15,474</u>	<u>-</u>	<u>15,474</u>	<u>-</u>	<u>-</u>	<u>15,474</u>
2011						
Trade receivables	2,000	-	2,000	-	-	2,000
	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
					2012 \$	2011 \$

Note 5: Trade and Other Payables - Current

Unsecured Liabilities

Related Party Creditors - Empire Theatres Pty Ltd	116,013	154,512
Sundry payables and accrued expenses	26,493	17,383
	<u>142,506.00</u>	<u>171,895.00</u>
	2012 \$	2011 \$

Note 6: Remuneration And Retirement Benefits

(a) Remuneration of Directors

Remuneration received or receivable by all Directors of the company from the company or any related party in connection with the management of the company

	-	-
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The names of Directors who have held office during the financial year:

Peter Swannell AM (Chairman)
Ross Miller
Andrew Wielandt

Note 7: Contingent Liabilities and Contingent Assets

There were no known material contingent liabilities or contingent assets at balance date.

Note 8: Cash Flow Information

(a) **Cash and Cash Equivalents**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

- Cash at bank	<u>89,970.00</u>	<u>132,123.00</u>
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EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 8: Cash Flow Information (continued)		
(b) Reconciliation of cash flow from operations with profit / (loss) for the year		
Profit / (loss) for the year	710	(96,800)
Changes in assets and liabilities:		
(Increase) decrease in trade debtors	(13,474)	22,785
Increase (decrease) in sundry payables	<u>(29,389)</u>	<u>120,019</u>
	<u>- 42,153.00</u>	<u>46,004.00</u>

(c) Credit Stand-by Arrangements and Loan Facilities
The company has no formal credit stand-by arrangements or loan facilities.

	2012	2011
	\$	\$
Note 9: Issued Capital		
1 fully paid ordinary share	<u>1.00</u>	<u>1.00</u>

The company has authorised share capital amounting to 1 ordinary share of no par value.

Note 10: Related Party Transactions

The company is wholly owned by Empire Theatres Pty Ltd, which in turn is wholly owned by the Toowoomba Regional Council.

Note 11: Events After the Reporting Period

The Directors are not aware of any events after the balance date that will have a material impact on this financial report.

Note 12: Economic Dependence

Empire Theatres Pty Ltd is committed to the ongoing support of the company. This ensures that the company is a going concern.

Note 13: Financial Risk Management

a. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 13: Financial Risk Management (continued)

	2012	2011
	\$	\$
Financial Assets		
Cash and cash equivalents	89,970	132,123
Receivables	15,474	2,000
	<u>105,444.00</u>	<u>134,123.00</u>
Total Financial Assets		
Financial Liabilities		
Trade and other payables	142,506	171,895
	<u>142,506.00</u>	<u>171,895.00</u>
Total Financial Liabilities		

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2012.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed through maintaining procedures ensuring, as far as possible, that customers and counterparties to transactions are of sound credit worthiness. It includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 14 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the directors have otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentration of credit risk with any single counterparty or company of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 4.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 13: Financial Risk Management (continued)

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 4.

Credit risk related to balances with banks and other financial institutions is managed by the directors. Such policy requires that surplus funds are only invested with counterparties with a high credit rating.

b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.
- monitoring undrawn facilities
- maintaining a reputable credit profile.
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Within 1 Year 2012 \$	Within 1 Year 2011 \$	Total 2012 \$	Total 2011 \$
Financial Liabilities due for payment				
Trade and other payables	142,506	171,895	142,506	171,895
Total expected outflows	<u>142,506</u>	<u>171,895</u>	<u>142,506</u>	<u>171,895</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	89,970	132,123	89,970	132,123
Receivables	15,474	2,000	15,474	2,000
Total anticipated inflows	<u>105,444</u>	<u>134,123</u>	<u>105,444</u>	<u>134,123</u>
Net (outflow)/inflow on financial instruments	<u>(37,062)</u>	<u>(37,772)</u>	<u>(37,062)</u>	<u>(37,772)</u>

EMPIRE THEATRE PROJECTS PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 13: Financial Risk Management (continued)

c. Market risk

i. *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect the future cash flows or the fair value of fixed rate financial instruments.

b. Sensitivity Analysis

The following table illustrates sensitivities to the company's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in interest rates that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
Period ended 30 June 2012		
+ / - 2% in interest rates	+ / - 2,200	+ / - 2,200
Period ended 30 June 2011		
+ / - 2% in interest rates	+ / - 2,000	+ / - 2,000

Net Fair Values

The net fair values of financial assets and financial liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Note 14: Company Details

The registered office and principal place of business of the company is:

Empire Theatre
 56 Neil Street
 Toowoomba Qld 4350

Empire Theatres Pty Ltd established the Projects Company to increase the breadth and depth of the community's connection with the performing arts in the Toowoomba Regional Council area.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

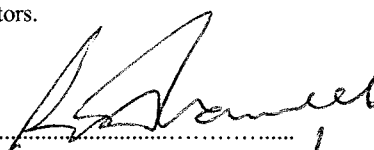
DIRECTORS' DECLARATION

The Directors of the company declare that:

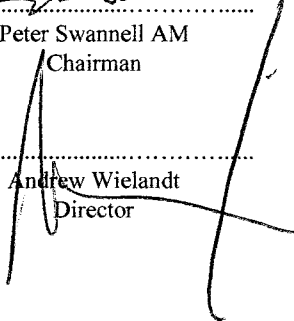
1. The financial statements and notes, as set out on pages 4 to 17, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards, as stated in accounting policy Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

31st August 2012
Toowoomba



Peter Swannell AM
Chairman



Andrew Wielandt
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Empire Theatres Projects Pty Ltd

Report on the Financial Report

I have audited the accompanying financial report of Empire Theatre Projects Pty Ltd, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-


General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Empire Theatre Projects Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In my opinion –

- (a) the financial report of Empire Theatre Projects Pty Ltd is in accordance with the *Corporations Act 2001*, including –
- (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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Ian Brooks (CA: Audit Partner)
 (as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
 Brisbane

Dated:..... 3.9.12.....

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ANNUAL GENERAL MEETING
MONDAY 15 OCTOBER 2012

56 Neil Street, Toowoomba Qld 4350