

EMPIRE THEATRES

ANNUAL REPORT 2012-2013





CONTENTS

Vision, Mission, Goals and Objectives	2
Empire Theatres Pty Ltd Board of Directors and Staff Lists	3
Empire Theatres Pty Ltd Board of Directors	4
Empire Theatres Foundation Trustees	5
Empire Theatres Pty Ltd Staff Structure	6
Empire Theatres Foundation Objectives and Sponsors	7
Toowoomba Regional Arts and Community Centre	8
Empire Theatres Pty Ltd Chairman’s Report	10
Empire Theatres Foundation Chair’s Report	11
Empire Theatres Pty Ltd General Manager’s Report	12
Friends of the Empire Theatre Inc. President’s Report	13
Empire Theatres’ Business Partners.....	14
Performance Attendance at the Empire Theatre 2012 - 2013	15
Empire Theatres Pty Ltd Consolidated Financial Statements.....	17
Empire Theatres Foundation Financial Statements.....	43
Empire Theatre Projects Pty Ltd Financial Statements	57



Corporate Information

As at 30 June 2013

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 & STAFF LISTS

AS AT 30 JUNE 2013

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 (resigned 19 February 2013)
Mr Andrew Wielandt	Mrs Janelle Davis (appointed 19 February 2013)
Ms Melissa Taylor	Mr Mark O'Connell (appointed 19 February 2013)
Mr Ross Miller	

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 Richard Chiverrell (appointed 17 December 2012)
Mr Tom Sullivan	Mr Matt Cherry (appointed 16 July 2012)

STAFF

General Manager	Kerry Saul
Deputy General Manager & 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
	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		Ben Hunt

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 Theatres 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 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 recently retired from the role of senior architect and project manager with Project Services, previously in private practice with Project Strategies & 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.



Mr Ross Miller

Ross Miller was born and educated in Toowoomba. Ross worked for Queensland Trustees for 10 years before moving into the investment advisory industry, later managing a sharebroking firm. In the early 1970's Ross was involved in several businesses both local & national. During the 1980's he was involved with the management of the Carnival of Flowers. Ross served as an alderman of Toowoomba City Council from 1982 to 1991, then Mayor 1993-1996. As Mayor he was instrumental in the decision to refurbish the Empire Theatre.



Mr Mark O'Connell

Mark O'Connell joined the Department of Defence in 2010 and currently is responsible for the day to day management of the three military bases on the Darling Downs. Born and educated in Toowoomba, prior to his current role Mr O'Connell spent the last 18 years with a Multinational Wine & Spirits company working in Brisbane, Sydney and the Americas, with the last four years as Managing Director - Australia. He is also a member of the Lions Club of Toowoomba West.



Ms Melissa Taylor

Melissa completed a Bachelor of Business at USQ with a double major in Economics and Government. Melissa joined Taylor's Removals and Storage in 2004, the fourth generation of the family involved in the business. Melissa is now part owner of the company with her Father. Melissa's other Board appointments include the Queensland Trucking Association (QTA) and the USQ Advisory Board to the School of Management and Marketing.



Mr Andrew Wielandt

Andrew 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 & Industry, Deputy Chair of the Toowoomba Hospital Foundation and serving on the board of The Empire Theatres and Faculty of Business Advisory Committee at the University of Southern Queensland. He is an Associate Fellow of the Australian Institute of Management.



Mrs Sheena Liley - 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.



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Mr Matt Cherry

Matt Cherry was born and raised in Toowoomba, attending Centenary Heights and USQ. He has over 15 years in public practice and two years with a multi-national company as a tax accountant. In 2008 he entered a partnership in Horizon Accounting Group and has enjoyed the challenges that owning a business brings. Matt is a member of the Rotary Club of Toowoomba South and treasurer of the Toowoomba Choral Society production's committee.



Mr Richard Chiverrell

Richard Chiverrell recently retired from the role of senior architect and project manager with Project Services, previously in private practice with Project Strategies & 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.



Mrs Janelle Davis

Janelle graduated from the University of Southern Queensland with a Bachelor of Creative Arts, majoring in Voice. A teaching career spanning 20 years, Janelle is currently on staff at Toowoomba Preparatory School, Toowoomba Grammar and Dance Central in the capacity of Voice and Piano teacher. Janelle has worked on many of the Empire Theatres productions as a Vocal Coach and Choral Conductor. Aside from teaching, Janelle is a Company Director of Crackerjack Chicken.



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, New England Theatre Company and for La Boite Theatre Company. Kate is an Honorary Professor at 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 UNE. Kate's last appearance for the Empire Theatre was in Secret Bridesmaids' Business in 2011. Kate currently teaches acting in the Musical Theatre Department, Queensland Conservatorium of Music at Griffith University. Kate also works as an actor, director, and voice-over artist. As a theatre advocate she was, until recently, Chairman of the Board at Queensland Theatre Company and currently serves as a Trustee of the Empire Theatres Foundation.



Mrs Carol James

Carol 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.



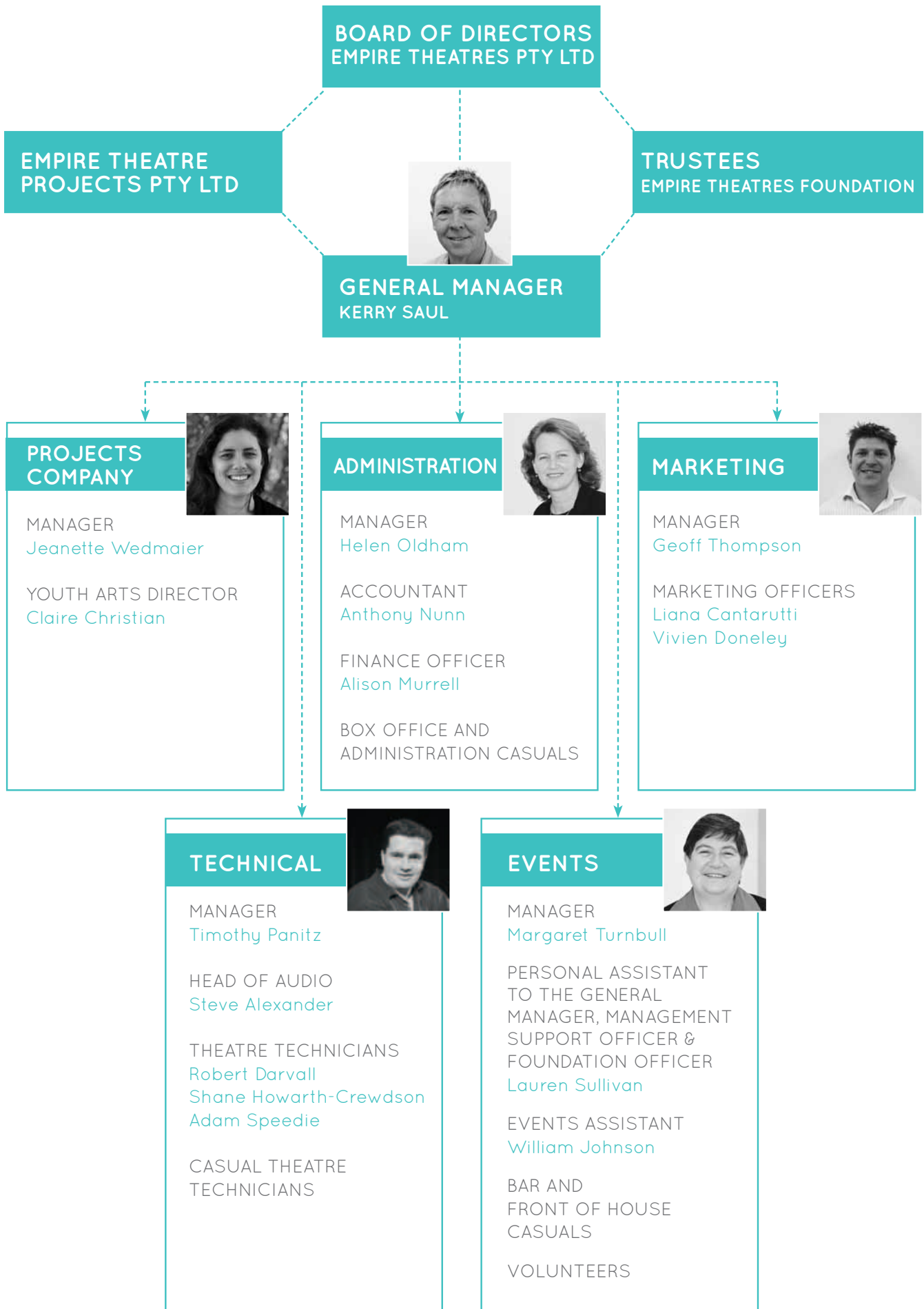
Mr David Janetzki

Mr Janetzki is Heritage Bank's General Counsel and Assistant Company Secretary. He previously worked as UK and Ireland Inhouse Counsel for the Manpower Group in London and as a senior lawyer for national firm Corrs Chambers Westgarth. He holds economics and law (honours) degrees from the University of Queensland and an A.Mus.A (piano). David is the Deputy Chairman of the Empire Theatres Foundation and lectures banking, finance and insurance law at the University of Southern Queensland. He has previously held directorships with a number of public companies, charitable trusts and community organisations in the arts, aged care, education and business sectors.



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. Tom 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 fund-raising 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 2012-2013 financial year:

FOUNDATION DONORS

Essie Thomson
Tom & Maree Sullivan
Friends of the Empire Theatre Inc.

Jill Young
Ron & Shelly Barclay

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 2012-2013 financial year:



2012 – 2013 Foundation Sponsors as at 30 June 2013



The past year has seen major advances in the progress of TRACC. Construction commenced in September 2013 with a planned completion of July 2014. Toowoomba Regional Council is to be commended for their efforts and support in bringing this wonderful community project to fruition.

We were privileged to receive a visit in August 2012 from 2012 Australian of The Year, and patron of The Empire Theatres Foundation, Geoffrey Rush. Mr Rush was kind enough to attend a fundraising function for TRACC and in the process, became a major donor himself.

The process of completing the design within the budget proved to be extremely difficult and some hard decisions were required to be made with regard to size of ancillary areas, fixtures and fittings and external works. We have endeavoured not to compromise the theatrical space and believe TRACC will be a wonderful asset for the community.

The design and construct contract for TRACC was awarded to Hutchinson Builders who, as their area manager Rob Weymouth stated, have a great affinity for the Empire Theatre and were very keen to be the builder for the next phase of the Arts Precinct.

The stated fundraising target of \$1.5 million has been realised with amazing business and community support. A function was held in November to encourage further support and we were able to announce many of our major supporters on that evening. Continued fundraising has assisted in providing funds to enable the building to be fully equipped and to install some of the items which originally had to be omitted during the cost planning process. Our target is to raise a further \$500,000 prior to the building opening in July 2014.

The major donors to the project to date are Clive and Conchita Armitage, and there are many more who have made significant donations to the TRACC project. The assistance of everyone who has donated is greatly appreciated, including the many donors in the first year who now have their names on seats in the Empire Theatre auditorium.

It is with great anticipation that all involved with this project look forward to its completion and ultimately enjoying this outstanding new facility for years to come.

TRACC DONORS DURING 2012-2013 FINANCIAL YEAR:

Andrew Wielandt	Margaret Turnbull
Ann Dashwood	Mark & Meredith Rawlings
Barry Bernoth	Mary-Ann Wheatley
Beris Broderick	Melissa Taylor
Brazil Enterprises Pty Ltd	Natalie Foster
Clive & Conchita Armitage	Paul & Judy Antonio
Denise McTaggart	Peter & Janice Swannell
Don & Judy Alexander	Peter Hutton
Don & Philippa Adsett	Roy & Anne Brook
Frank & Sybil Wippell	Tim & Sarah Panitz
Garrett Fitzgerald	TS Burstow Funerals Pty Ltd
Geoffrey Rush	(Sponsorship)
Helen Oldham	University of Southern Queensland
Ian & Karen Macfarlane	(Sponsorship)
John & Sheena Liley	Wippells Autos (Sponsorship)
Kathryn Foy	Heritage Bank (Sponsorship)
Kerry Saul	Peter Snow & Co (Sponsorship)
Lauren Sullivan	Tilly's Crawler Parts (Sponsorship)
Lea Rapoport	



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 educated 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

It gives me much satisfaction to be able to report that our Theatres continue to give pleasure to our community.

We have welcomed patrons from across the region. We have hosted diverse performances by touring professionals. We have provided an outstanding venue for use by local groups and individuals. "Hairspray" was very well received and made money!

Our Youth Theatre's work with young people, under the auspices of our Projects Company, has flourished and become an important feature of the diverse opportunities now available. Through astute use of the Studio and the Church Theatre we are adept at matching facilities and costs to the needs and capacities of particular groups.

We balance 'profit and investment', working to sustain a viable diverse performance venue as well as a 'venue for hire'. We provide excellent meeting areas for local businesses and community groups and we continue to host 'gala functions' on stage and elsewhere.

The ability to offer outstanding services for an ever-increasing diversity of purposes is crucial to our financial and artistic success. The theatre precinct, incorporating the two established theatres, Encores Restaurant and, soon, the new Toowoomba Arts and Community Centre (TRACC), has become a key presence in our city. It is a strategically placed component of the Region's infrastructure and the focus of community activity into the future.

We have had a good year! We 'balanced the books' for the main company and presented an outstanding range of performances. The growth in audience numbers attending our 'posh end' ballet, classical music and operatic performances has been particularly pleasing!

We have been treated to some outstanding productions by national and international performers, providing excellent entertainment for newcomers and experienced patrons alike. We have hosted performers from many different genres as well as facilitating the presentation of unconventional, 'home-grown' work through our Projects Company.

The General Manager and his staff, in addition to attending to all the customary operational matters, and in close collaboration with the Regional Council, have been preparing for the construction of TRACC. With the site cleared and ready to give birth, building is scheduled to begin in September. We have raised more than \$1.6 million from our community towards the construction costs! Brilliant! Thank you!

It will be a very exciting and challenging time as we look forward to an opening of the new theatre in mid 2014. I congratulate Kerry Saul and



the Regional Council on their excellent, detailed planning throughout the year. Our next task will be to open the doors to a whole range of users from across the community.

Our objective must be to make this new theatre revenue-positive as quickly as possible without impinging on the revenue-earning capacity of the two existing theatres. I am confident we have the staff, the support and the will to achieve this and I commend the initiative to our community.

We are fortunate to have such a dedicated staff of theatre professionals, so ably led by the General Manager. We remain viable not only through the support of our Regional Council but also through the magical volunteer work of our Friends of the Theatre and the generous support of our business sponsors. Thank You!

I thank Sheena Liley, Chair of the Empire Theatre Foundation, and her fellow trustees. The Foundation provides the vehicle through which tax-deductible donations to the TRACC project can still be made.

I gratefully acknowledge the continuing support of my Board colleagues. Founding Board member Mervyn Bond, our Company Secretary and a superb member for over thirteen years, decided to take his calculator home at the end of June. We will greatly miss his wisdom and friendship. He has been replaced by Bill Armagnacq, the unspellable Deputy CEO and Company Secretary of Heritage Bank.

Dr Kate Foy also left the Board during the year but continues her many excellent contributions to the Foundation and the theatre industry in Brisbane and elsewhere. We wish her well as we also welcome two other new members, Janelle Davis and Mark O'Connell. They bring impressive records of music, theatre and business achievements to the Board and I am delighted to have all three new members as colleagues.

Thank you to all our patrons and best wishes.

Peter Swannell

Professor Peter Swannell, AM

Chairman, Empire Theatres Pty Ltd

Chairman, Empire Theatre Projects Pty Ltd

CHAIR'S REPORT

The past year for the Empire Theatres Foundation has been one of considered review in some areas and consolidation in others. Overall, the Foundation has enjoyed another year of achievement in this important area of the Empire's work.

Accountant Matthew Cherry was appointed a Trustee early in the financial year and David Janetzki elected as Deputy Chair in September. The Board approved the Foundation's recommendation that the total number of Trustees be increased by one, nominating Richard Chiverrell to the newly-created position from December. I welcome Matt and Richard to what is an effective and very committed team with relevant skills and strong community contacts.

The Foundation's core business - facilitating the support of young performers in our region and preserving the story of our amazing Theatre - has been advanced in a number of ways.

The Youth Bursary programme continues to flourish. A record 73 applications were received with 23 short-course bursaries awarded, including the Foundation's 250th such bursary. This programme continues to be highly effective in enhancing talent and performance skills at different levels and the feedback we receive from all winners provides a useful way of reviewing our '3-Tier' Youth Bursary system each year. Other skills are developed in our young performers during the process: through personal interview, written acquittal reports, the occasional media interview and thank you letters to bursary sponsors. These are all valuable tools for confidence building and personal marketing. A young winner from the Lockyer Valley this year, Deanne Steffens, entertained us with her self-devised comedy show and many Youth Bursary winners were involved in the Empire production of 'Hairspray' in 2013.

Trustees reviewed the operation of the Brian Boak Bursary programme, resulting in significant changes to its future operation. The effect of low interest rates on the Bursary's capital fund needed to be addressed. Trustees also wanted to find ways to facilitate effective engagement between Bursary winners, the Theatre and our young, local performers. This was a valuable process which we shall repeat in the future.

In the meantime, we all enjoyed our deliberations over the 2013 Developing Performer Bursary applicants. Two winners were chosen - Toowoomba clarinettist David Hatch (now in London) and Ingham tenor (studying in Italy) Paul Tabone. The quality of applicants was outstanding and Trustees found it very satisfying to be able to assist David and Paul at a pivotal stage in their careers. While we regret that last year's Outstanding Performer winner, Lucas Stibbard, was unable to carry out his planned study program due in part to a major career development, Trustees were very pleased to welcome past winner, cellist Martin Smith, to the Theatre in August 2012 as one third of the very accomplished Streeton Trio which is Europe-based but tours regularly here for Musica Viva.

The Foundation's aim to give more attention to the Theatre's valuable archive was realised through the year. The collection as at mid 2012 was digitised, and a review of the History programme carried out by Trustee Dr. Kate Foy. The Foundation was delighted to be the recipient of a National Library of Australia



Community Heritage Grant which has enabled much-needed conservation treatment of paper documents to be carried out this year. Memorabilia was forwarded to the Foundation through the Friends of the Empire for assessment, in accordance with professional guidelines. We thank the Friends for this partnership and continue to be grateful to the Toowoomba Regional Council's Local History Library for access to its storage facilities.

Later in 2012, the Foundation and Board named Toowoomba-born singer Gina Jeffreys as our latest Fellow of the Theatre. Gina's international reputation makes her a worthy addition to our other Fellows - Toowoomba actors Shane Withington and Judy Morris. A highlight for the Theatre (and regional) community was the visit in August 2012 from the Foundation's Patron, Geoffrey Rush. He was clearly moved by his interaction with our younger performers and Youth Bursary winners and his most generous donation to the TRACC project is an outstanding endorsement.

The Foundation has continued to administer funds donated for TRACC and anticipates working closely with the TRC and Theatre management in the year ahead as this new performance space becomes a reality. Foundation funds were also allocated to support Projects Company Youth Theatre performance and workshop experiences and to local Kiyua Performing Arts to bring 12 deserving students to see 'Hairspray'.

As I stressed last year, apart from the (very) occasional grant, all the work of the Foundation is dependent on funds received from the generous private donors and business sponsors acknowledged in this Annual Report. We are sincerely grateful for the faith these supporters demonstrate in our skills and the Foundation's mission. We remain acutely aware of the importance of finding additional sources of funding, post-TRACC, and to this end are working with the Theatre's Marketing Department staff to explore the best and most cost-effective ways of achieving this, particularly through social media and the Theatre's website.

I sincerely thank my fellow Trustees for their dedicated efforts during another successful year, the Board for its support, and General Manager Kerry Saul and his staff, with special mention of our excellent Foundation Officer, Lauren Sullivan and Accountant, Anthony Nunn.

Sheena Liley

Mrs Sheena Liley

Chair

Empire Theatres Foundation

GENERAL MANAGER'S REPORT

Empire Theatres Pty Ltd achieved an operating surplus for the 2012/2013 financial year.

Patron numbers overall were slightly lower than previous years although our major community musical production, Hairspray, exceeded our expectations and an additional show was scheduled. More than 6,500 patrons attended the lively performances with Heritage Bank continuing their excellent support as the presenting partner. Children's performance attendances declined compared to last year, primarily due to less product availability. We continue to strive to meet the needs of our community with diverse programming, while meeting the necessary financial outcomes to remain a successful operating Company. Our functions and events business has continued to run successfully over the past year.

2012/13 provided many highlights for the Theatre. Queensland Ballet opened their premiere season of Giselle here, which was a wonderful outcome for us and I believe also for Queensland Ballet. Animal Farm provided a fast paced and dramatic evening to over 1,200 patrons and senior school students while Morning Melodies was consistent with audiences of at least 1,000 per performance. Additionally, throughout the year we participated in three simulcasts from QPAC with the free Bolshoi Ballet simulcast event attracting almost 1,300 patrons. Careflight held their annual charity Ball on the Empire Stage for the first time and the feedback has been of the highest quality with a return booking for 2014. Cosentino, The Ten Tenors and Guy Sebastian all achieved sell-out performances and we also hosted an event that generated national interest with The National Budgerigar Show in June, where participants 'flew' in from all over Australia.

The Empire Theatre Projects Company completed its fourth year of operation with Projects Manager Jeanette Wedmaier successfully coordinating further progressing the establishment of youth arts initiatives and improving our relationships with schools. Youth Arts director Claire Christian resigned during the period to accept a role with the Queensland Theatre Company, although she remained involved with projects throughout the year. Our level of community engagement through workshops, youth arts and holiday programs has continued to increase in size and number with just under 5,000 attendances to all events. Projects continued to provide training for young people in our local and extended regions as well as provide one off workshops as far afield as St George and Mitchell, while continuing to work with service groups involved in providing social outcomes for our community. Our Homegrown Series of independent works has continued this year with some great outcomes, most notably with locally produced and devised work being performed on the Gold Coast and in Brisbane in the past year.

There are many people who contribute to the success of the Empire Theatre 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 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.

I would like to thank our staff, for their committed support and enthusiasm for our Theatre. In particular I thank Deputy General Manager Helen Oldham, Technical Manager Timothy Panitz, Projects Manager Jeanette Wedmaier, Events Manager Margaret Turnbull and Marketing Manager Geoff Thompson. A special thank you must also go to our talented and hardworking marketing and technical teams and also to Anthony Nunn and Alison Murrell who look after our finances and once again received an unqualified audit for the 2012/13 financial year.

During this year we have successfully continued our efforts, in association with Toowoomba Regional Council, to realise the Toowoomba Regional Arts and Community Centre (TRACC) and as you are aware, construction is now underway. Our fundraising team have been highly successful with over \$1.6 million pledged to the project to date and funds are still being sought to ensure that the extras which were excluded are able to be installed. I give particular thanks to the TRACC Fundraising Committee for their highly successful efforts up until now.

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

The Friends of the Empire Theatre began in 1996 with the basic aim of promoting the theatre and providing volunteer assistance. We still continue with the same primary functions as well as some added benefits which have evolved through our journey.

Front of house duties are still our most visible contribution. It is pleasing to see so many volunteers still willing to contribute. Our catering team, led by Leonie Cusack, once again had a very productive year, I thank all volunteer providers of the now famous delicacies which appear magically at many functions and the renowned Morning Melodies morning teas.

I extend my thanks also, to our mail-out team who regularly meet to fill the envelopes.

Our financial position is excellent, we are still providing monies for regular purchases for the theatre but we are, however, treading a cautious expenditure path to be prepared for our commitment to the TRACC project.

Following the demolition of the church hall and our Friend's room, we moved our storage area to the new space provided within the main theatre. This area was soon fitted out with new cupboards and work areas for the catering team. I thank Theatre management for the provision of the room.

We maintain a healthy membership. As of June 30 we had 586 members with approximately 200 of these taking active part as volunteers.

Once again we were able to make some significant donations to the Theatre. I am pleased to list some here.

- Sewing Machine
- Three Coffee Machines
- 100 Booster seats
- A \$1000 donation to the Empire Theatres Foundation

In total, donated dollars were \$11,000. This brings our donations to \$514,228.41 since inception.

We made two purchases for the benefit of our volunteers.

- A laptop computer and the associated financial software
- Storage cupboards in the new Friends' Room.

I would like to express my appreciation to our Executive and Committee. My thanks go to Vice President Neil Geddes, Secretary Richard



Chiverrell and Treasurer Gay Jorgenson who completed her first treasury year most capably, and to all ten of the Management Committee for their contributions.

I wish to extend my appreciation to the following people:

- The Toowoomba Regional Council for allowing the Friends to live their passion and for the sponsorship of our insurance policy.
- Mr Peter Swannell and his Board.
- Mr Kerry Saul, his management team and staff.
- Mrs Mary Lou Coorey for her auditing services.

I congratulate the Board on another successful year and look forward to further enhancing the Empire Theatre in the 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 2012 - 2013

CHILDREN

Blue Roo Theatre Company	150
PCYC Pantomime	1500
World Festival of Magic	1400
Fame Theatre Company	911
Dorothy the Dinosaur	545
The Wiggles	1613
Chasing the Lollyman	68
Peter Rabbit	2395
Nadia and the Flamingo	282
Total	8864

CLASSICAL

Grigoryan Brothers	81
Camerata of St John	241
Camerata of St John - Ben	242
Opera Qld - The Mikado	981
Don Quixote	654
Streeton Trio	40
QPAC Simulcast - Hamburg Orchestra	429
Ingrid James & San Gabriel	53
QSO - Nordic Fantasy	586
QSO - Circus Circus	642
QPAC Simulcast - Madama Butterfly	300
Total	4249

COMEDY

Jimeoin	1345
Puppetry 3D	695
Kitty Flanagan	1105
Akmal	690
Danny Bhoy	807
The Kransky Sisters	948
Melbourne Comedy Roadshow	1196
Total	6786

COMMUNITY

Easterfest - Church	300
City of Toowoomba Eisteddfod - July 2012	4285
Wakakirri	616
McGregor Summer School Concert	404
String Out	726
City of Toowoomba Eisteddfod - 2013	4054
Total	10385

COUNTRY

The McClymonts	801
Kasey Chambers & Shane Nicholson	847
Total	1648

DANCE

Russian Ballet - Swan Lake	421
Rhythms of Ireland	1016
Russian Ballet - Sleeping Beauty	888
Queensland Ballet - Giselle	1445
Bolshoi Ballet Simulcast	1284
Expressions Dance - R&J	392
Total	5446

DRAMA

The Disappearances Project	527
Animal Farm	1287
Female of the species	729
Total	2543

PERFORMANCE ATTENDANCE AT THE EMPIRE THEATRE 2012 – 2013

HOMEGROWN

Escape from the Breakup Forest	178
Life Etc	194
Landscapes	155
Oh the Humanity	184
Total	711

LOCAL DANCE

Dance Central - Mother Goose	1174
DDSED - Snow White	370
A Christmas Wish	2073
Dance Central - Alice in Wonderland	1027
The Grid - Dance Showcase	424
Kiyua Performing Arts	400
QJAM Entertainment	366
Total	5834

MUSIC THEATRE

Junior Choral - Beauty & The Beast	1546
Choral Society - Dusty the Original Pop Diva	2556
Total	4102

OTHER

Charmaine Wilson	79
Consentino	1542
Total	1621

POPULAR MUSIC

Cool Nights Big Band - Aug	99
Katie Noonan & Karin Schaupp	153
Cool Nights Big Band - Dec	91
Cool Nights Big Band - Feb	50
Kate Miller-Heidke	317
Macca on Tour	583
Jon English	438
Hot August Night	511
Man in Black	757
Vienna Boys Choir	536
Cool Nights Big Band - Oct	32
Todd McKenney	854
The Searchers	810
Oh What A Night	715
Ten Tenors	1551
Glenn Miller Orchestra	1336
Easterfest - James Morrison	600
Foster & Allen	812
Guy Sebastian	1551
The Beatles Experience	647
Tom Burlinson	802
Gone with the Wind	207
Total	13452

PRODUCTIONS

Hairspray	6543
Total	6543

SCHOOL PRODUCTIONS

Rangeville Showcase	788
HSHS - Awards Night	1300
St Mary's - Awards Night	700
Glennie - Carols/Speech Day	2100
Grammar Speech Day	1500
Fairholme Drama Showcase	118
Total	6506

SENIORS

MM - Simon Gallaher	849
MM - Back to the Tivoli October	1077
MM - Tenorissimo!	1204
MM - Back to the Tivoli Feb	1057
MM - John McNally	1050
MM - Back to the Tivoli June	1162
Total	6399

COMMUNITY ENGAGEMENT

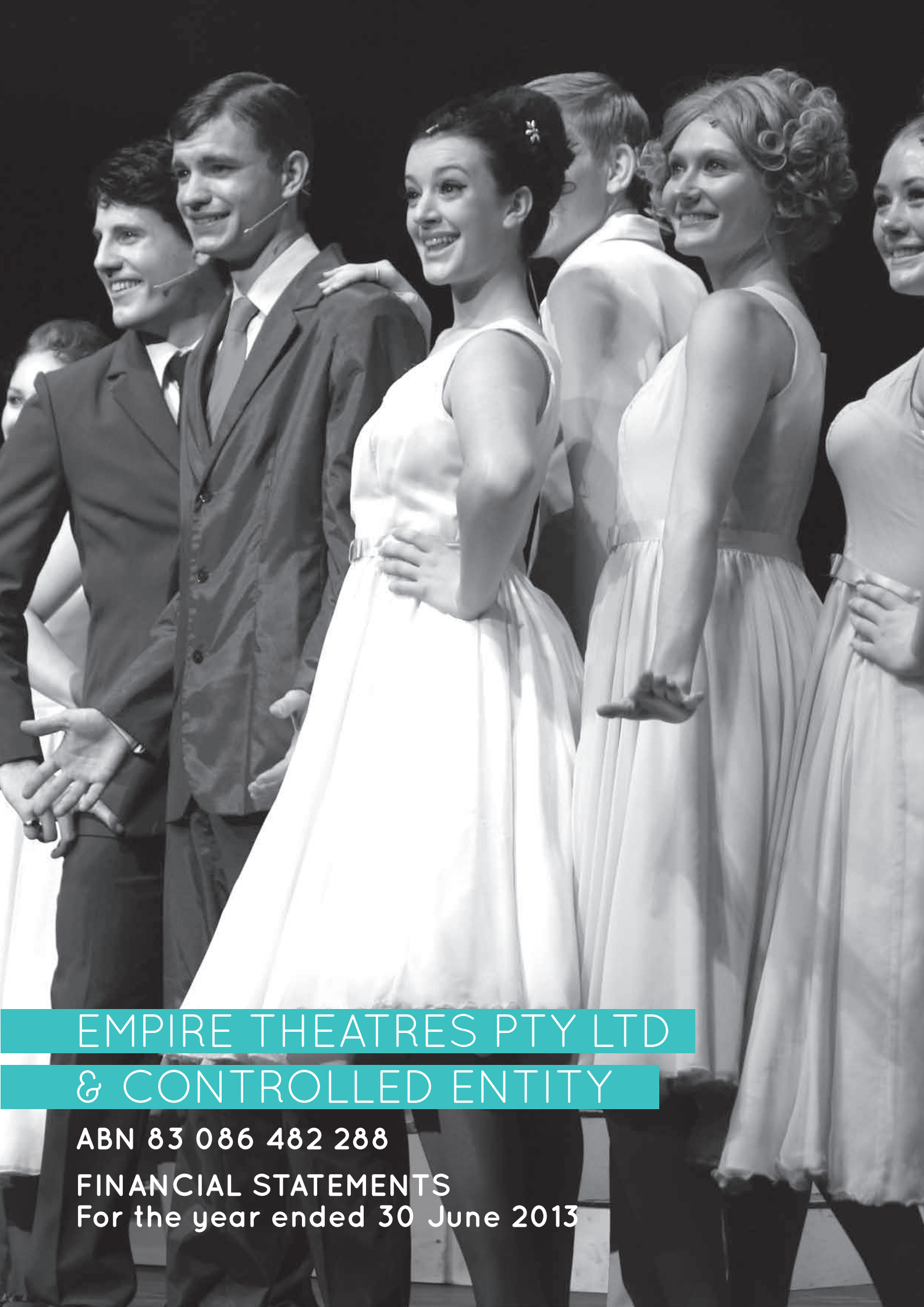
Drama Workshops 2012	240
September Youth Arts Workshop 2012	17
Impact Ensemble Semester 2 2012 workshops	16
10 Down 6 Across	202
Slut Toowoomba Shows	338
Slut QACI show	90
Impact Ensemble Sem 1 -workshops	12
2013 Holiday Workshops	39
Youth Arts Workshop Mitchell	26
Drama Workshops 2013	143
Origin8 2012 workshops	153
Origin8 2012 competition entrants	249
Origin8 2012 Top 8 screening	472
Toowoomba History Pilots	243
Stop Motion Project	9
Carol Burns Acting Masterclass	9
Africa Project - Stage 1	15
Something About Mermaids, Toowoomba & Lockyer Performances	218
The Virginity Monologues	54
Teacher PD Day	18
AWCODA Youth Group Tour	16
R&J dance workshop	47
Play reading - Frankenstein	27
The Labels Project forum	125
Youth Arts Workshop St George	24
Total	2802

FUNCTIONS

Total	14844
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TOTAL

102735



EMPIRE THEATRES PTY LTD
& CONTROLLED ENTITY

ABN 83 086 482 288

FINANCIAL STATEMENTS
For the year ended 30 June 2013

Contents

	Page
Directors' Report	1-2
Auditors' Independence Declaration	3
Financial Report	
Statement of Profit or Loss and other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 22
Directors' Declaration	23
Independent Audit Report	24 - 25

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 2013.

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 (resigned 1 July 2013)
 Mr R Miller
 Dr K Foy (resigned 19 February 2013)
 Ms M Taylor
 Mr A Wielandt
 Mr R Chiverrell
 Mr M O'Connell (appointed 19 February 2013)
 Mrs J Davis (appointed 19 February 2013)
 Mr B Armagnacq (appointed 16 July 2013)

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 loss of the group for the financial year ended 30 June 2013 was \$55,135 (2012: \$39,166 profit). The group donated non-current assets to the value of \$21,327 (2012: \$19,282) 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 \$1,109,101 (2012: \$1,100,258) during the financial year.
- Gross income from Productions for the financial year totalled \$382,282 (2012: \$389,250), whilst gross income from Hires and Functions totalled \$1,197,212 (2012: \$1,227,738).
- Hires and Functions generated net income of \$509,699 (2012: \$499,014) during the financial year, whilst Productions generated net income of \$5,862 (2012: \$27,054).

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 (2012: \$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

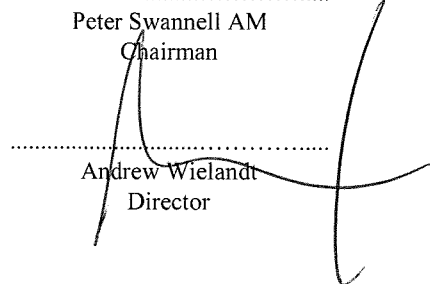
A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

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

20th August 2013
Toowoomba



.....
Peter Swannell AM
Chairman



.....
Andrew Wielandt
Director

AUDITOR'S INDEPENDENCE DECLARATION

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 for the audit of Empire Theatres Pty Ltd for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been –

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



MR HYMAN CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated		Company	
		2013 \$	2012 \$	2013 \$	2012 \$
Revenue	2	2,353,038	2,597,324	2,001,321	2,044,489
Cost of sales		<u>(1,511,466)</u>	<u>(1,716,516)</u>	<u>(1,219,475)</u>	<u>(1,207,111)</u>
Gross profit		841,572	880,808	781,846	837,378
Other revenue	2	1,220,964	1,254,421	1,178,131	1,168,793
Marketing expenses		(258,540)	(221,700)	(239,677)	(220,801)
Occupancy expenses		(420,000)	(420,000)	(420,000)	(420,000)
Administration expenses		(903,385)	(950,639)	(783,789)	(841,287)
Buildings maintenance expenses		(369,643)	(353,915)	(369,643)	(353,915)
Other expenses		<u>(166,103)</u>	<u>(149,809)</u>	<u>(130,713)</u>	<u>(131,711)</u>
Profit / (loss) for the year		<u>(55,135)</u>	<u>39,166</u>	<u>16,155</u>	<u>38,457</u>
Profit / (loss) attributable to members of the entity		<u>(55,135)</u>	<u>39,166</u>	<u>16,155</u>	<u>38,457</u>
Total comprehensive income attributable to members of the entity		<u>(55,135)</u>	<u>39,166</u>	<u>16,155</u>	<u>38,457</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 2013

	Note	Consolidated		Company	
		2013 \$	2012 \$	2013 \$	2012 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	13 (a)	1,310,186	1,443,245	1,285,466	1,353,275
Trade and other receivables	5 (a)	105,265	126,620	105,265	227,159
Inventories	6	13,317	10,380	13,317	10,380
Other assets	7	-	-	-	-
TOTAL CURRENT ASSETS		1,428,768	1,580,245	1,404,048	1,590,814
NON-CURRENT ASSETS					
Trade and other receivables	5 (b)	-	-	128,664	-
Investments	8	-	-	1	1
TOTAL NON-CURRENT ASSETS		-	-	128,665	1
TOTAL ASSETS		1,428,768	1,580,245	1,532,713	1,590,815
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	671,475	790,659	667,066	764,165
Short term provisions	10	113,884	108,902	113,884	108,902
TOTAL CURRENT LIABILITIES		785,359	899,561	780,950	873,067
NON-CURRENT LIABILITIES					
Long-term provisions	10	31,742	13,882	31,742	13,882
TOTAL NON-CURRENT LIABILITIES		31,742	13,882	31,742	13,882
TOTAL LIABILITIES		817,101	913,443	812,692	886,949
NET ASSETS		\$ 611,667	\$ 666,802	\$ 720,021	\$ 703,866
EQUITY					
Issued capital	14	1	1	1	1
Retained earnings		611,666	666,801	720,020	703,865
TOTAL EQUITY		\$ 611,667	\$ 666,802	\$ 720,021	\$ 703,866

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 2013

	Note	Issued Capital Ordinary	Retained Earnings	Total
<i>Consolidated</i>				
Balance at 1 July 2011		1	627,635	627,636
Comprehensive income				
Profit attributable to members		-	39,166	39,166
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	39,166	39,166
Dividends paid		-	-	-
Balance at 30 June 2012		1	666,801	666,802
Comprehensive income				
Profit / (loss) attributable to members		-	(55,135)	(55,135)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(55,135)	(55,135)
Dividends paid		-	-	-
Balance at 30 June 2013		1	611,666	611,667
<i>Company</i>				
Balance at 1 July 2011		1	665,408	665,409
Comprehensive income				
Profit attributable to members		-	38,457	38,457
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	38,457	38,457
Dividends paid		-	-	-
Balance at 30 June 2012		1	703,865	703,866
Comprehensive income				
Profit attributable to members		-	16,155	16,155
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	16,155	16,155
Dividends paid		-	-	-
Balance at 30 June 2013		1	720,020	720,021

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 2013

	Note	Consolidated		Company	
		2013	2012	2013	2012
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,651,429	3,104,250	2,202,906	2,423,393
Community service obligations received		1,220,011	1,210,284	1,220,011	1,210,284
Payments to suppliers and employees		(4,071,898)	(4,184,223)	(3,557,256)	(3,454,870)
Interest received		67,399	70,583	66,530	64,240
Net cash provided by / (used in) operating activities	13 (b)	<u>(133,059)</u>	<u>200,894</u>	<u>(67,809)</u>	<u>243,047</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		(133,059)	200,894	(67,809)	243,047
Cash and cash equivalents at the beginning of the financial year		<u>1,443,245</u>	<u>1,242,351</u>	<u>1,353,275</u>	<u>1,110,228</u>
Cash and cash equivalents at the end of the financial year	13 (a)	<u>\$ 1,310,186</u>	<u>\$ 1,443,245</u>	<u>\$ 1,285,466</u>	<u>\$ 1,353,275</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 2013

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 (\$1,109,101 for the year ended 30 June 2013). 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 profit or loss and other 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 2013

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 profit or loss and other comprehensive income.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 profit or loss and other comprehensive income.

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

(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 2013

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) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are 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 determined that this has had no material 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;

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies (continued)

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

- 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.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (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 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013). This has had no material impact on the financial statements.
- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (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.

Changes have been made to other Standards and Interpretations, but none of these are expected to have any material impact on Empire Theatre Pty Ltd financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note 2: Revenue				
Sales revenue				
Sale of goods	130,012	112,871	130,012	112,871
Rendering of services	1,840,744	2,095,203	1,489,027	1,542,368
Productions	382,282	389,250	382,282	389,250
	<u>2,353,038</u>	<u>2,597,324</u>	<u>2,001,321</u>	<u>2,044,489</u>
Other revenue				
Interest revenue	67,399	70,583	66,530	64,240
Community Service Obligation - Toowoomba Regional Council	1,109,101	1,100,258	1,109,101	1,100,258
Donations	-	295	-	295
Grants and subsidies	5,000	39,034	-	-
Sponsorships	36,964	39,341	-	-
Other revenue	2,500	4,910	2,500	4,000
	<u>1,220,964</u>	<u>1,254,421</u>	<u>1,178,131</u>	<u>1,168,793</u>
Total Revenue	<u>\$ 3,574,002</u>	<u>\$ 3,851,745</u>	<u>\$ 3,179,452</u>	<u>\$ 3,213,282</u>
Note 3: Auditor Remuneration				
Remuneration of the auditor	20,100	20,100	16,200	16,200

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated		Company	
	2013 \$	2012 \$	2013 \$	2012 \$
Note 4: Key Management Personnel Compensation				
The totals of remuneration paid to key management personnel (KMP) of the group during the year are as follows:				
Short-term employee benefits	460,739	403,078	460,739	403,078
Post-employment benefits	-	-	-	-
	<u>460,739</u>	<u>403,078</u>	<u>460,739</u>	<u>403,078</u>

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

Note 5: Trade And Other Receivables

(a) Current

Trade receivables	105,265	126,620	105,265	227,159
Less: Provision for impairment	-	-	-	-
	<u>105,265</u>	<u>126,620</u>	<u>105,265</u>	<u>227,159</u>
Other receivables	-	-	-	-
	<u>\$ 105,265</u>	<u>\$ 126,620</u>	<u>\$ 105,265</u>	<u>\$ 227,159</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 \$	> 60 \$	Within Initial Trade Terms \$
<i>Consolidated</i>						
2013						
Trade receivables	105,265	-	104,154	1,041	70	105,265
Other receivables	-	-	-	-	-	-
	<u>105,265</u>	<u>-</u>	<u>104,154</u>	<u>1,041</u>	<u>70</u>	<u>105,265</u>
2012						
Trade receivables	126,620	-	123,016	1,890	1,714	126,620
Other receivables	-	-	-	-	-	-
	<u>126,620</u>	<u>-</u>	<u>123,016</u>	<u>1,890</u>	<u>1,714</u>	<u>126,620</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 5: Trade And Other Receivables (continued)

	Gross Amount \$	Past Due and Impaired \$	< 30 \$	31 - 60 \$	> 60 \$	Within Initial Trade Terms \$
<i>Company</i>						
2013						
Trade receivables	105,265	-	104,154	1,041	70	105,265
Other receivables	-	-	-	-	-	-
	<u>105,265</u>	<u>-</u>	<u>104,154</u>	<u>1,041</u>	<u>70</u>	<u>105,265</u>
2012						
Trade receivables	227,159	-	223,555	1,890	1,714	227,159
Other receivables	-	-	-	-	-	-
	<u>227,159</u>	<u>-</u>	<u>223,555</u>	<u>1,890</u>	<u>1,714</u>	<u>227,159</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	
	2013 \$	2012 \$	2013 \$	2012 \$
<u>(b) Non Current</u>				
Trade receivables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,664</u>	<u>\$ -</u>

Note 6: Inventories

Bar Stocks - at cost	<u>\$ 13,317</u>	<u>\$ 10,380</u>	<u>\$ 13,317</u>	<u>\$ 10,380</u>
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Note 7: Other assets

Prepayments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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Note 8: Investments

Empire Theatre Projects Pty Ltd	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
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This company is a wholly owned subsidiary of Empire Theatres Pty Ltd

Note 9: Trade and Other Payables - Current

Unsecured Liabilities

Trade payables	100,385	128,260	100,385	128,260
Security deposits - hires	88,662	74,198	88,662	74,198
Box office ticket prepayments	291,099	338,442	291,099	338,442
Sundry payables and accrued expenses	138,051	192,923	133,642	166,429
Employee benefits	53,278	56,836	53,278	56,836
	<u>\$ 671,475</u>	<u>\$ 790,659</u>	<u>\$ 667,066</u>	<u>\$ 764,165</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note 10: Provisions				
Employee Benefits				
Opening balance at 1 July 2012	122,784	119,217	122,784	119,217
Additional provisions	22,842	38,633	22,842	38,633
Amounts used	-	(35,066)	-	(35,066)
Balance at 30 June 2013	<u>\$ 145,626</u>	<u>\$ 122,784</u>	<u>\$ 145,626</u>	<u>\$ 122,784</u>
<u>Analysis of provisions</u>				
Current	113,884	108,902	113,884	108,902
Non-current	31,742	13,882	31,742	13,882
	<u>\$ 145,626</u>	<u>\$ 122,784</u>	<u>\$ 145,626</u>	<u>\$ 122,784</u>

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

	<u>\$ 22,000</u>	<u>\$ 19,150</u>	<u>\$ 22,000</u>	<u>\$ 19,150</u>
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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) (resigned 1 July 2013)
Ross Miller
Kathryn Foy (resigned 19 February 2013)
Melissa Taylor
Andrew Wielandt
Richard Chiverrell
Janelle Davis (appointed 19 February 2013)
Mark O'Connell (appointed 19 February 2013)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$

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	579,455	392,514	554,735	302,544
- Short term notes	25,100	25,100	25,100	25,100
- Short term deposit	700,000	1,020,000	700,000	1,020,000
	<u>\$ 1,310,186</u>	<u>\$ 1,443,245</u>	<u>\$ 1,285,466</u>	<u>\$ 1,353,275</u>

The effective interest rate on short-term bank deposits was 3.95% (2012: 5.65%).

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

Profit / (loss) for the year	(55,135)	39,166	16,155	38,457
Changes in assets and liabilities:				
(Increase) / decrease in trade debtors	8,704	(38,033)	(6,770)	(24,559)
(Increase) / decrease in inventory	(2,937)	50	(2,937)	50
Decrease in other receivables	-	36,213	-	36,213
Increase / (decrease) in trade and other payables	(27,875)	(29,652)	(27,875)	(29,653)
Increase in employee entitlements	19,284	5,313	19,284	5,313
Increase / (decrease) in sundry payables	(75,100)	187,837	(65,666)	217,226
	<u>\$ (133,059)</u>	<u>\$ 200,894</u>	<u>\$ (67,809)</u>	<u>\$ 243,047</u>

(c) Credit Stand-by Arrangements and Loan Facilities

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
Note 14: Issued Capital				
1 (2012: 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 \$1,109,101 (2012: \$1,100,258) to the company as a Community Service Obligation of the Council.
- (c) During the financial year, the company paid \$420,000 (2012: \$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 \$22,242 (2012: \$24,466) to Toowoomba Regional Council for the rent of 2 motor vehicles (2012: 2 motor vehicles).
- (e) Donation of non-current assets to Toowoomba Regional Council \$21,327 (2012: \$19,282)
- (f) Operating lease commitments

- not later than 12 months	\$ 24,594
- between 12 months and five years	\$ 28,331
- (g) Empire Theatre Projects Pty Ltd is a controlled entity of Empire Theatres Pty Ltd. Empire Theatres Pty. Ltd. has a receivable of \$128,664 payable from Empire Theatre Projects 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 2013

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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	1,310,186	1,443,245	1,285,466	1,353,275
Receivables	105,265	126,620	105,265	227,159
Total Financial Assets	<u>\$ 1,415,451</u>	<u>\$ 1,569,865</u>	<u>\$ 1,390,731</u>	<u>\$ 1,580,434</u>
Financial Liabilities				
Trade and other payables	671,475	790,659	667,066	764,165
Total Financial Liabilities	<u>\$ 671,475</u>	<u>\$ 790,659</u>	<u>\$ 667,066</u>	<u>\$ 764,165</u>

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 2013.

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
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 17: Financial Risk Management (continued)

	Within 1 Year		Totals	
	2013	2012	2013	2012
	\$	\$	\$	\$
<i>Consolidated</i>				
Financial Liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	618,197	733,823	618,197	733,823
Total expected outflows	<u>618,197</u>	<u>733,823</u>	<u>618,197</u>	<u>733,823</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,310,186	1,443,245	1,310,186	1,443,245
Receivables	105,265	126,620	105,265	126,620
Total anticipated inflows	<u>1,415,451</u>	<u>1,569,865</u>	<u>1,415,451</u>	<u>1,569,865</u>
Net inflow on financial instruments	<u>797,254</u>	<u>836,042</u>	<u>797,254</u>	<u>836,042</u>
<i>Company</i>				
Financial Liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	613,788	707,329	613,788	707,329
Total expected outflows	<u>613,788</u>	<u>707,329</u>	<u>613,788</u>	<u>707,329</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,285,466	1,353,275	1,285,466	1,353,275
Receivables	105,265	227,159	105,265	227,159
Total anticipated inflows	<u>1,390,731</u>	<u>1,580,434</u>	<u>1,390,731</u>	<u>1,580,434</u>
Net inflow on financial instruments	<u>776,943</u>	<u>873,105</u>	<u>776,943</u>	<u>873,105</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
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 2013		
+ / - 2% in interest rates	+ / - 27,000	+ / - 27,000
Year Ended 30 June 2012		
+ / - 2% in interest rates	+ / - 25,000	+ / - 25,000

Company

	Profit \$	Equity \$
Year Ended 30 June 2013		
+ / - 2% in interest rates	+ / - 26,000	+ / - 26,000
Year Ended 30 June 2012		
+ / - 2% in interest rates	+ / - 27,000	+ / - 27,000

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
ABN 83 086 482 288


DIRECTORS' DECLARATION

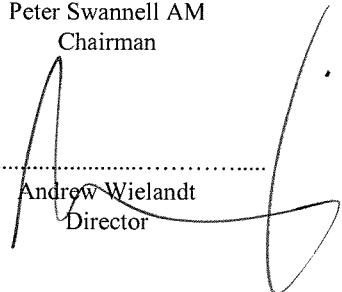
In accordance with a resolution of the directors of Empire Theatres Pty Ltd, the directors declare that:

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, and the Corporations Regulation 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 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.

20th August 2013
Toowoomba


.....
Peter Swannell AM
Chairman


.....
Andrew Wielandt
Director

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EMPIRE THEATRES FOUNDATION

ABN 69 130 487 365

FINANCIAL STATEMENTS

For the year ended 30 June 2013

Contents

	Page
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 11
Trustees' Certificate	12
Independent Audit Report	13 - 14

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue	2	103,803	79,098
Administration expenses		(15,394)	(11,221)
Bursary expenses		(3,150)	(16,833)
Course expenses		(16,301)	(29,473)
Sponsorship expenses		-	-
Other expenses		<u>(15)</u>	<u>(1,589)</u>
Operating Result		<u>\$ 68,944</u>	<u>\$ 19,982</u>
Operating result attributable to the Foundation		<u>\$ 68,944</u>	<u>\$ 19,982</u>
Total comprehensive income attributable to the Foundation		<u>\$ 68,944</u>	<u>\$ 19,982</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 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash assets	7 (a)	1,313,457	662,660
Trade and other receivables	4	<u>6,150</u>	<u>3,000</u>
TOTAL CURRENT ASSETS		<u>1,319,607</u>	<u>665,660</u>
TOTAL ASSETS		<u>1,319,607</u>	<u>665,660</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>736,112</u>	<u>151,109</u>
TOTAL CURRENT LIABILITIES		<u>736,112</u>	<u>151,109</u>
TOTAL LIABILITIES		<u>736,112</u>	<u>151,109</u>
NET ASSETS		<u>\$ 583,495</u>	<u>\$ 514,551</u>
EQUITY			
Retained earnings		<u>583,495</u>	<u>514,551</u>
TOTAL EQUITY		<u>\$ 583,495</u>	<u>\$ 514,551</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 2013

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2011	494,569	494,569
Comprehensive income		
Operating result 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>
Comprehensive income		
Operating result attributable to the Foundation	68,944	68,944
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>68,944</u>	<u>68,944</u>
Balance at 30 June 2013	<u>\$ 583,495</u>	<u>\$ 583,495</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 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, sponsorships and raffles		51,936	44,678
Receipts from grants		2,200	8,580
Interest received		46,517	28,990
Payments for courses, travel and accommodation, hospitality and sponsorships		<u>(25,356)</u>	<u>(78,909)</u>
Net cash provided by operating activities	7 (b)	<u>75,297</u>	<u>3,339</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
TRACC building funds received		<u>575,500</u>	<u>145,070</u>
Net cash provided by investing activities		<u>575,500</u>	<u>145,070</u>
Net increase in cash held		650,797	148,409
Cash at the beginning of the financial year		<u>662,660</u>	<u>514,251</u>
Cash at the end of the financial year	7 (a)	<u><u>\$ 1,313,457</u></u>	<u><u>\$ 662,660</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 2013

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

Note 1: Summary of Significant Accounting Policies

Objective and Principle Activity of the the Foundation

- 1 Provide performing arts opportunities to further the cultural experiences and professional development of young people nationally with connections to the Toowoomba Region where appropriate;**
- 2 Promote the performing arts for the benefit of the local community**
- 3 To preserve and promote the movable cultural heritage associated with the Empire Theatres.**

Toowoomba Regional Arts and Community Centre (TRACC)

The Foundation supports the construction of the Toowoomba Regional Arts and Community Centre as it meets the objectives of the Foundation. Funds raised to support the project are held by the Foundation on behalf of donors and sponsors until the construction of the project is underway.

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. **These financial statements have been prepared by the board of trustees.**

(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.

Toowoomba Regional Arts and Community Centre (TRACC)

The Foundation supports the construction of the Toowoomba Regional Arts and Community Centre as it meets the objectives of the Foundation. Funds raised to support the project are held by the Foundation on behalf of donors and sponsors until the construction

(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 2013

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) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are 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 determined that this has had no material 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.
- Changes have been made to other Standards and Interpretations, but none of these are expected to have any material impact on Empire Theatre Foundation's financial statements

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 2: Revenue

	2013 \$	2012 \$
Other revenue		
Donations	4,440	3,688
Sponsorships	50,818	46,409
Interest	46,517	28,990
Grant income	2,000	-
Other revenue	28	11
Total Revenue	<u>103,803</u>	<u>\$ 79,098</u>

Note 3: Auditor Remuneration

Remuneration of the auditor - auditing the financial report	2,600	2,600
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Note 4: Trade and Other Receivables

	Gross Amount	Past Due and Impaired	< 30	31 - 60	61 - 90	Within Initial Trade Terms
Current (2013)						
Trade receivables	6,150	-	6,150	-	-	6,150
	<u>\$ 6,150</u>	<u>\$ -</u>	<u>\$ 6,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,150</u>
Current (2012)						
Trade receivables	3,000	-	3,000	-	-	3,000
	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>

Note 5: Trade and Other Payables**Current****Unsecured Liabilities**

TRACC building account	720,570	145,070
Sundry creditors and accruals	15,543	6,039
	<u>\$ 736,112</u>	<u>\$ 151,109</u>

Note 6: Remuneration And Retirement Benefits**Remuneration of Trustees of the Foundation**

Remuneration received or receivable by all Trustees of the Foundation.	<u>\$ 3,083</u>	<u>\$ 2,800</u>
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The names of Trustees who have held office during the financial year:

Mrs Sheena Liley (Chairperson)
Mr Tom Sullivan
Dr Kathryn Foy
Mr David Janetzki
Mrs Janelle Davis
Mrs Carol James
Mr Matthew Cherry (appointed 16 July 2012)
Mr Richard Chiverrell (appointed 17 December 2012)

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
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	168,457	262,660
- Short term deposits	1,145,000	400,000
	\$ 1,313,457	\$ 662,660
The effective interest rate on short-term bank deposits was 4.25% (2012: 5.65%).		
(b) Reconciliation of Cash Flow from Operations with Profit from ordinary activities		
Profit from ordinary activities	68,944	19,982
Changes in assets and liabilities:		
Decrease (increase) in trade receivable	(3,150)	3,150
Increase (decrease) in payables	9,504	(19,793)
	\$ 75,297	\$ 3,339
(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. Empire Theatres Foundation has paid to the parent entity the amount of \$9,710 as part of administration expenses.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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:

	2013	2012
	\$	\$
Financial Assets		
Cash and cash equivalents	1,313,457	662,660
Receivables	6,150	3,000
	<u>1,319,607</u>	<u>665,660</u>
Total Financial Assets	<u>\$ 1,319,607</u>	<u>\$ 665,660</u>
Financial Liabilities		
Trade and other payables	736,112	151,109
	<u>736,112</u>	<u>151,109</u>
Total Financial Liabilities	<u>\$ 736,112</u>	<u>\$ 151,109</u>

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 2013.

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 2013

Note 10: Financial Risk Management (continued)

The Foundation has no significant concentration of credit risk with any single counterparty or 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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Financial Liabilities due for payment				
Trade and other payables	736,112	151,109	736,112	151,109
Total expected outflows	<u>736,112</u>	<u>151,109</u>	<u>736,112</u>	<u>151,109</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,313,457	662,660	1,313,457	662,660
Receivables	6,150	3,000	6,150	3,000
Total anticipated inflows	<u>1,319,607</u>	<u>665,660</u>	<u>1,319,607</u>	<u>665,660</u>
Net inflow on financial instruments	<u>583,495</u>	<u>514,551</u>	<u>583,495</u>	<u>514,551</u>

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 2013		
+ / - 2% in interest rates	+ / - 19,800	+ / - 19,800
Year ended 30 June 2012		
+ / - 2% in interest rates	+ / - 11,000	+ / - 11,000

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 2013 and its performance for the year ended 30 June 2013 are in accordance with Empire Theatre Foundation Trust Deed as amended 1 February 2013 and 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.

26th August 2013
Toowoomba

.....
Sheena Liley
Chairperson

.....
David Janetzki
Trustee



EMPIRE THEATRE PROJECTS PTY LTD

ABN 61 135 705 878

FINANCIAL STATEMENTS

For the year ended 30 June 2013

Contents

	Page
Directors' Report	1 - 2
Auditors' Independence Declaration	3
Financial Report	
Statement of Profit or Loss and other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 17
Directors' Declaration	18
Independent Audit Report	19 - 20

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 2013:

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 2013 was a loss of \$71,291 (2012: \$710 profit). 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 \$337,652 (2012: \$431,554).

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

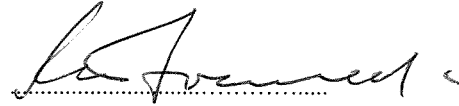
DIRECTORS' REPORT

Auditor's Independence Declaration

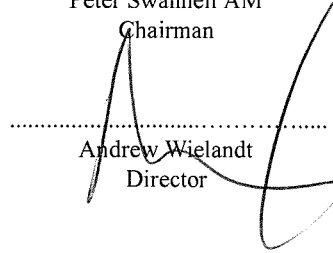
A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

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

20th August 2013
Toowoomba



Peter Swannell AM
Chairman



Andrew Wielandt
Director

AUDITOR'S INDEPENDENCE DECLARATION

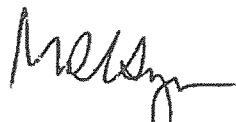
To the Directors of Empire Theatre Projects Pty Ltd

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

Independence Declaration

As lead auditor for the audit of Empire Theatres Projects Pty Ltd for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been –

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



MR HYMAN CA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue	2	351,717	552,835
Cost of sales	3	<u>(291,991)</u>	<u>(482,443)</u>
Gross profit		59,726	70,392
Other revenue	2	42,833	85,628
Marketing expenses		(18,863)	(27,861)
Administration expenses		(119,597)	(109,351)
Other expenses		<u>(35,390)</u>	<u>(18,098)</u>
Profit/(loss) for the year		<u><u>(71,291)</u></u>	<u><u>710</u></u>
Profit/(loss) attributable to members of the entity		<u><u>(71,291)</u></u>	<u><u>710</u></u>
Total comprehensive income/(expenditure) attributable to members of the entity		<u><u>(71,291)</u></u>	<u><u>710</u></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 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8 (a)	24,720	89,970
Trade and other receivables	4	<u>-</u>	<u>15,474</u>
TOTAL CURRENT ASSETS		<u>24,720</u>	<u>105,444</u>
TOTAL ASSETS		<u>24,720</u>	<u>105,444</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5 (a)	<u>4,409</u>	<u>142,506</u>
TOTAL CURRENT LIABILITIES		<u>4,409</u>	<u>142,506</u>
NON-CURRENT LIABILITIES			
Trade and other payables	5 (b)	<u>128,664</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>128,664</u>	<u>-</u>
TOTAL LIABILITIES		<u>133,073</u>	<u>142,506</u>
NET ASSETS (LIABILITIES)		<u><u>(108,353)</u></u>	<u><u>(37,062)</u></u>
EQUITY			
Issued capital	9	1	1
Accumulated losses		<u>(108,354)</u>	<u>(37,063)</u>
TOTAL EQUITY		<u><u>(108,353)</u></u>	<u><u>(37,062)</u></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 2013

	<u>Issued Capital</u>	<u>Accumulated Profit/(Loss) \$</u>	<u>Total \$</u>
	<u>Ordinary \$</u>		
Balance at 30 June 2011	1	(37,773)	(37,772)
Comprehensive income			
Profit attributable to members	-	710	710
Other comprehensive income for the year	-	-	-
Total comprehensive expenditure for the year	-	710	710
Dividends paid	-	-	-
Balance at 30 June 2012	1	(37,063)	(37,062)
Comprehensive income			
Loss attributable to members	-	(71,291)	(71,291)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(71,291)	(71,291)
Dividends paid	-	-	-
Balance at 30 June 2013	1	(108,354)	(108,353)

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 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		448,523	698,442
Payments to suppliers and employees		(514,642)	(746,938)
Interest received		869	6,343
		<u> </u>	<u> </u>
Net cash (used in)/provided by operating activities	8 (b)	<u>(65,250)</u>	<u>(42,153)</u>
Net (decrease)/increase in cash held		(65,250)	(42,153)
Cash at the beginning of the financial year		<u>89,970</u>	<u>132,123</u>
Cash at the end of the financial year	8 (a)	<u><u>24,720</u></u>	<u><u>89,970</u></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 2013

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. Empire Theatre Pty Ltd has agreed to provide ongoing financial support to ensure the company can meet its debts as they fall due.
- (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 2013

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 profit and loss or other 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 profit or loss and other comprehensive income.

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 2013

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.

No comparative figures were amended in the current year.

(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 company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the group but applicable in future reporting periods is set out below:

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1: Summary of Significant Accounting Policies (continued)

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

- AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010). These Standards are 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 determined that this has had no material 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.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (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 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (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.

Changes have been made to other Standards and Interpretations, but none of these are expected to have any material impact on Empire Theatre Projects Pty Ltd financial statements.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Note 2: Revenue		
Operating activities		
Box office & entry fee revenue	337,652	431,554
Merchandise sales	9,065	10,647
Fees and services	5,000	110,634
	351,717	552,835
Other revenue		
Interest	869	6,343
Grants and subsidies	5,000	39,034
Sponsorships	36,964	39,341
Other revenue	-	910
	42,833	85,628
Total Revenue	394,550	638,463

Note 3: Auditor Remuneration

Auditor Remuneration	3,900	3,900
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(b) Significant Revenue and Expenses:

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

Box office & entry fees revenue	337,652	431,554
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	2013	2012
	\$	\$
Note 4: Trade And Other Receivables		
Trade receivables	-	15,474
	-	15,474

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.

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 \$
2013						
Trade receivables	-	-	-	-	-	-
	-	-	-	-	-	-
2012						
Trade receivables	2,000	-	15,474	-	-	15,474
	2,000	-	15,474	-	-	15,474
					2013	2012
					\$	\$

Note 5: Trade and Other Payables

(a) Current

Unsecured Liabilities

Related Party Creditors - Empire Theatres Pty Ltd	-	116,013
Sundry payables and accrued expenses	4,409	26,493
	4,409	142,506

(b) Non Current

Unsecured Liabilities

Related Party Creditors - Empire Theatres Pty Ltd	128,664	-
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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	24,720	89,970
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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 2013

	2013	2012
	\$	\$
Note 8: Cash Flow Information (continued)		
(b) Reconciliation of cash flow from operations with profit / (loss) for the year		
Profit / (loss) for the year	(71,291)	710
Changes in assets and liabilities:		
(Increase) decrease in trade debtors	15,474	(13,474)
Increase (decrease) in sundry payables	<u>(138,097)</u>	<u>(29,389)</u>
	<u>(193,914)</u>	<u>(42,153)</u>
	<u>Cash From</u>	

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

	2013	2012
	\$	\$
Note 9: Issued Capital		
1 fully paid ordinary share	<u>1</u>	<u>1</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 2013

Note 13: Financial Risk Management (continued)

	2013 \$	2012 \$
Financial Assets		
Cash and cash equivalents	24,720	89,970
Receivables	-	15,474
	<hr/>	<hr/>
Total Financial Assets	<u>24,720</u>	<u>105,444</u>
Financial Liabilities		
Trade and other payables	4,409	142,506
	<hr/>	<hr/>
Total Financial Liabilities	<u>4,409</u>	<u>142,506</u>

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 2013.

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 2013

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 2013 \$	Within 1 Year 2012 \$	Total 2013 \$	Total 2012 \$
Financial Liabilities due for payment				
Trade and other payables	4,409	142,506	4,409	142,506
Total expected outflows	<u>4,409</u>	<u>142,506</u>	<u>4,409</u>	<u>142,506</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	24,720	89,970	24,720	89,970
Receivables	-	15,474	-	15,474
Total anticipated inflows	<u>24,720</u>	<u>105,444</u>	<u>24,720</u>	<u>105,444</u>
Net (outflow)/inflow on financial instruments	<u>20,311</u>	<u>(37,062)</u>	<u>20,311</u>	<u>(37,062)</u>

EMPIRE THEATRE PROJECTS PTY LTD
ABN 61 135 705 878

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 2013		
+ / - 2% in interest rates	+ / - 1,100	+ / - 1,100
Period ended 30 June 2012		
+ / - 2% in interest rates	+ / - 2,200	+ / - 2,200

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

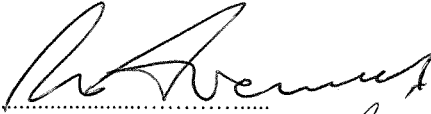
DIRECTORS' DECLARATION

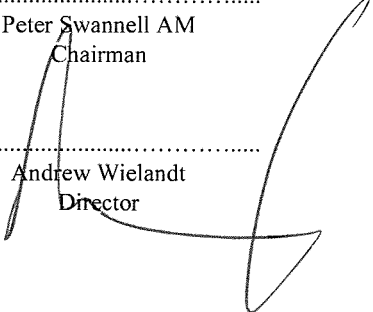
In accordance with a resolution of the directors of Empire Theatre Projects Pty Ltd, the directors declare that:

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, and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 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.

20th August 2013
Toowoomba


.....
Peter Swannell AM
Chairman


.....
Andrew Wielandt
Director





ANNUAL GENERAL MEETING
MONDAY 21 OCTOBER 2013

56 Neil Street, Toowoomba Qld 4350