

EMPIRE THEATRES

ANNUAL REPORT 2010 – 2011

EMPIRE THEATRES PTY LTD | EMPIRE THEATRES FOUNDATION | EMPIRE THEATRE PROJECTS PTY LTD



100
Celebrating
100 years
Empire Theatre







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Corporate Information

As at June 30 2011

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 Building Society
 Heritage Plaza
 Ruthven St, Toowoomba QLD 4350

Auditors:

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



OUR VISION

VISION STATEMENT

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

MISSION STATEMENT

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

GOALS AND OBJECTIVES

Programming

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

Strategic Development

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

Corporate Governance

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

Communication

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

EMPIRE THEATRES PTY LTD BOARD and STAFF LISTS

AS AT 30 JUNE 2011

BOARD OF DIRECTORS OF EMPIRE THEATRES PTY LTD

Chairman: Professor Peter Swannell, AM
Deputy Chair: Mrs Sheena Liley
Company Secretary: Mr Mervyn Bond

Dr Kate Foy Mr Richard Chiverrell
 Ms Melissa Taylor Mr Andrew Wielandt
 Mr Ross Miller

TRUSTEES OF THE EMPIRE THEATRES FOUNDATION

Chairman: Mr Don Stevens, AM
Deputy Chair: Mrs Sheena Liley
 Mr Mervyn Bond Dr Kate Foy
 Mr David Janetzki Ms Janelle Davis
 Mr Thomas Sullivan

STAFF

General Manager	Ann-Marie Ryan
Deputy General Manager and Technical Manager	Kerry Saul
Administration Manager	Helen Oldham
Events Manager	Margaret Turnbull
Marketing Manager	Kirsten Bartholomew
Artistic Director	Lewis Jones
Head of Lighting	Timothy Panitz
Senior Audio Technician	Steve Alexander
Marketing Officers	Alana Wilson
	Vivien Doneley
Accountant	Anthony Nunn
Finance Officer	Alison Murrell
Projects Officer	Jeanette Wedmaier
Youth Arts Director	Claire Christian
Mechanist	Robert Darvall
Theatre Technician	Shane Howarth-Crewdson
Personal Assistant to the General Manager, Management Support Officer, Foundation Officer	Lauren Sullivan
Events Trainee	William Johnson
Technical Trainee	Ben Hunt

CASUAL STAFF

Box Office: Lauren Keating	Events: Niamh Gilberd	Technicians: Kris Stewart
Sally Oldham	Andrew Johnson	Matthew Skerman
Kerry Politch	Michelle Mingay	Jessica Schutt
Ora Whitley	Sheriden Wright	

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



Professor Peter Swannell, AM – Chairman

Peter Swannell is a Professor Emeritus and former Vice-Chancellor of the University of Southern Queensland (USQ). He is Chair of the Board of The Queensland Museum, a Director of Heritage Building Society and a Fellow of the Institution of Engineers Australia. Prof Swannell holds degrees from USQ, Bristol University and Birmingham University and is a Member of the Order of Australia.



Mrs Sheena Liley – Deputy Chair

Sheena Liley is a former lawyer, focusing on advocacy and dispute resolution, and is a Director of her family's company. She has served as a Director of Empire Theatres Pty Ltd since its inception, as Deputy Chair from 2007 and has chaired the Board's Programme Review Committee since 2004. She is also a Trustee of the Empire Theatres Foundation. A member of several community reference groups and the executive of the Toowoomba Branch of Save the Children since 1996, she sings with two local choirs 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 Secretary of the Company and a member of the Audit and Finance Committee. He is a past president of Toowoomba Rotary Club and a Paul Harris Fellow. Mr Bond is a former member of the Council of the University of Southern Queensland and a former member of the Council of The Glennie School. He has served as Secretary and member of the Local Ambulance Committee. Before retiring he also spent some years on the Committee for the Anglican Church Master Superannuation Fund and Anglican Care of the Aged.



Dr Kate Foy

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



Mr Richard Chiverrell

Richard Chiverrell is currently a senior architect and project manager with Project Services, previously in private practice with Project Strategies and Solutions Pty Ltd. Most of his professional life has been involved with medical facilities specialising in Scientific Health Services, Forensic Facilities, and Aged Care and Multi-Purpose Health Facilities for Queensland Health in outback areas.



Mr Andrew Wielandt

Andrew Wielandt is the managing partner for Toowoomba-based wealth management and wealth protection company, Dornbusch Partners. His community engagement activities include serving on the Boards of Empire Theatres Pty Ltd, the Toowoomba Hospital Foundation and the Faculty of Business Advisory Committee at the University of Southern Queensland. He is an Associate Fellow of the Australian Institute of Management.



Ms Melissa Taylor

Melissa Taylor completed a Bachelor of Business at the University of Southern Queensland (USQ) with a double major in Economics and Government. As fourth generation of the family, Ms Taylor joined Taylor's Removals and Storage in 2004 and in 2009, became Director of the company. Ms Taylor's other Board appointments include the Queensland Trucking Association (QTA) and the USQ Advisory Board to the School of Management and Marketing.



Mr Ross Miller

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



Mr Don Stevens, AM – Chairman

Don Stevens is a qualified accountant and a Fellow of CPA Australia. He was the CEO of Heritage Building Society for many years and Chancellor of the University of Southern Queensland for ten years. He holds an Honorary Doctorate of the University and was appointed a Member in the General Division of the Order of Australia for services to regional education and to the community. Mr Stevens was also Chairman of the Empire Theatre Restoration Association.



Mrs Sheena Liley – Deputy Chair

Sheena Liley is a former lawyer, focusing on advocacy and dispute resolution, and is a Director of her family's company. She has served as a Director of Empire Theatres Pty Ltd since its inception, as Deputy Chair from 2007 and has chaired the Board's Programme Review Committee since 2004. She is also a Trustee of the Empire Theatres Foundation. A member of several community reference groups and the executive of the Toowoomba Branch of Save the Children since 1996, she sings with two local choirs and has always been involved in the performing arts.



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Ms Janelle Davis

Janelle Davis graduated from the University of Southern Queensland with a Bachelor of Creative Arts, majoring in Voice. She has enjoyed numerous roles in opera, light opera and musical theatre and has conducted many choirs and played in bands. Ms Davis has worked on many Empire Theatres' productions in the capacity of Vocal Coach and Choral Master including *Chicago*, *Grease*, *Sweet Charity*, *Disney's Beauty and the Beast* (in which she also played Mrs Potts), *Cabaret*, *Singin' In The Rain*, *Cats*, *Monty Python's Spamalot* and recently performed in *Secret Bridesmaids' Business*. Ms Davis currently teaches music theatre classes at Dance Central and teaches piano at Toowoomba Grammar School and Voice at the Toowoomba Preparatory School.



Mr David Janetzki

Mr Janetzki is Heritage Building Society's Corporate Lawyer and Assistant Company Secretary. He holds economics and law (honours) degrees from the University of Queensland and an A.Mus.A in piano. He has worked as an inhouse lawyer in London and with national law firm Corrs Chambers Westgarth. He serves on a number of Toowoomba business and community Boards.



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 2010 – 2011 Financial Year:

YOUTH BURSARY DONORS

Friends of the Empire Theatre Inc.
 Geoffrey Rush
 Cr Ros Scotney
 Tom and Maree Sullivan
 Mrs K Howell
 Moya Schaefer
 Beryl Gemmell
 Don and Barbara Stevens
 Christian and Helle Lundgaard
 Jeff and Jill Young
 R I Barclay

TOOWOOMBA REGIONAL ARTS AND COMMUNITY CENTRE (TRACC) DONORS

Friends of the Empire Theatre Inc.
 Peter and Janice Swannell
 Dance Central
 Andrew and Sarah Wielandt
 Geoffrey Rush
 Taylors Removals & Storage
 Richard Chiverrell
 Andrew Mason

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 acknowledge the generous contributions of our corporate partners during the 2010 – 2011 Financial Year.

2010 – 2011 Foundation Sponsors as at 30 June 2011



CHAIRMAN'S REPORT

It has been an exciting and successful year, marking the 100th Anniversary of the opening of the original Empire Theatre.

We have celebrated that milestone most appropriately, with a diverse range of performance types by both local and touring artistes. We've had a terrific Gala Ball on stage, attended by over 320 patrons. Our shows have been watched by almost 105,000 people and our functions and meetings business continues to flourish with nearly 13,000 people using our facilities.

There were 114 major performances in our theatres including children's shows, classical music, comedy, popular music, dance, drama, country music, and school productions. We have produced, staged and directed two major in-house shows, *Monty Python's Spamalot* and *The Boy from Oz*, to critical acclaim and with satisfactory financial outcomes.

Our Morning Melodies series, aimed particularly at our more senior citizens, continued very successfully with the six shows playing to over 5,500 patrons who consumed bakeries-full of biscuits and several Sydharbs of tea.

Empire Theatre Projects Pty Ltd, wholly owned by Empire Theatres Pty Ltd, has completed its second full year of operations. Set up in March 2009, it provides a vehicle through which the Theatre can extend its artistic and physical reach within a risk-mitigated consolidated company structure.

It is partially funded by arts-related grants from the State and other arts funding bodies. The parent Company makes investment into the Projects Company as a major component of that company's revenue. The Projects Company, throughout 2010/2011, performed significantly better than budget, investing, nonetheless, a net \$96,800 in its activities in this last financial year. A previous year surplus of revenue over expenditure of \$59,027, results in a net investment \$37,773 since the commencement of the Projects Company.

This represents a significant and laudable investment in taking the performing arts to a wider audience.

Our main company Empire Theatres Pty Ltd completed the financial year with a small but hard-won surplus



of \$9,268. The main company, the Projects Company and the Empire Theatres Foundation have all received unqualified Audit Reports from the Queensland Audit Office with no material matters identified.

The Company and the Foundation have achieved small but significant surpluses and received unqualified Audit outcomes in each of the years of their existence. This gives my Board and our Foundation Trustees considerable satisfaction with regard to the quality of the governance and financial management of the organisation.

I conclude by acknowledging the excellent work done by my Board colleagues throughout the year and thank them for their support. I similarly applaud the work done by all our staff under the leadership of the General Manager. The countless hours of voluntary work provided by the Friends of the Theatre are, of course, also invaluable to the successful operation of the venue. Our Friends are the envy of the industry and the quality of our professional staff is second to none in the industry.

I commend this Annual Report to you and invite you to examine all aspects of the Financial Statements contained therein. We are living in a time of great opportunity for the Empire Theatre, not least in moving towards the creation of the Toowoomba Regional Arts and Community Centre (TRACC) over the years ahead.

With the continuing support of the people of our region and our excellent owners, the Toowoomba Regional Council, there is much to be optimistic about our organisation and the future of our Theatres.

I commend this Annual Report to you.

Peter Swannell

Professor Peter Swannell, AM

Chairman, Empire Theatres Pty Ltd

Chairman, Empire Theatre Projects Pty Ltd

CHAIRMAN'S REPORT

In recognition of the Centenary year of our marvellous Empire Theatre, and as custodian of its historical collection, the Foundation was proud to present 'Evolution of an Empire', an exhibition of historical items from that collection. Tracing the history of the Theatre from its opening in 1911, its early film years, destruction by fire and rebuilding in 1933 through to the restoration and re-opening in 1997 and on to current productions, 'Evolution of an Empire' was mounted in the Toowoomba Regional Art Gallery with the kind support of the Regional Arts Development Fund.

To the great satisfaction of the Trustees, past bursary winners continue to feature in the Theatre's productions with 21 youth bursary winners involved this year. In April, French Horn player Alex Miller, winner of two youth bursaries, was a soloist with the Queensland Symphony Orchestra when it performed at the Theatre.

From 65 applicants, the Trustees awarded 28 youth bursaries this year covering 20 different course options. Since the youth bursaries commenced in 2003, a total of 197 have now been awarded. These have been funded by our corporate sponsors, whose logos appear elsewhere in this Annual Report and we sincerely thank them for their continued support. We are also delighted that Downlands College, supporters of *The Boy From Oz* in April, became a corporate sponsor of the Foundation from May 2011.

The Foundation's work is also supported by a steadily growing number of donors, whose names also appear elsewhere in this Annual Report. This year we were delighted to receive donations from the Friends of the Empire Theatre Inc and from our patron, Geoffrey Rush.

Trumpet player and conductor, Sam Nester, was selected from 44 applicants as this year's Brian Boak Developing Performer Bursary winner. After completing his Bachelor of Music at the Queensland Conservatorium in 2007, Sam furthered his studies at the Western Australian Academy of Performing Arts and was awarded a place on the University's Dean's Honours List when he graduated. He was awarded a Fulbright Scholarship in 2010, and while completing his Master of Music at the Manhattan School of Music in New York this year, will conduct two operas at the School and have a work of his own premiered.

Victorian based actor Emily Goddard, winner of the 2009 Brian Boak Developing Performer Bursary,



brought her skills back to Toowoomba during the year, by conducting a number of workshops with the Empire Youth Arts students, University of Southern Queensland Acting students, and also Downlands College, Concordia College and Harristown High School students.

The Trustees were delighted to provide funding assistance to the Projects Company to engage facilitators from the Aboriginal Centre for Performing Arts in Brisbane to facilitate a series of workshops with groups of indigenous youths in the Toowoomba and Oakey regions. Four workshops are being held each school term and feedback to date has been very positive.

As a result of musician Josh Arnold's successful work with Newtown State School children to improve student engagement, creativity and literacy through songwriting, the Foundation became a sponsor of a project to allow Newtown State School students, with Josh Arnold's help, to record and manufacture their own music album.

Other funding included support for the Origin8 Fast Film Festival and four emerging performing artists to further their professional development at the Adelaide Fringe Festival.

In conclusion, I express my appreciation for the support received during my time as Foundation Chairman from Empire Theatre's Chairman Peter Swannell, AM, Board members, General Manager Ann-Marie Ryan and her staff, particularly Foundation Officers Jeanette Wedmaier and, more recently, Lauren Sullivan.

I sincerely thank my fellow Trustees for their support, and their dedication to the Foundation. I am delighted that the Board has appointed Sheena Liley as the new Chair, and am confident that under her leadership the Foundation will go from strength to strength over the coming years.

Don Stevens

Mr Don Stevens, AM

Chairman

Empire Theatres Foundation

ACTING GENERAL MANAGER'S REPORT

Due to the resignation of Ann-Marie Ryan prior to this report being completed, I have produced this report on her behalf.

The Empire Theatres Pty Ltd has an operating surplus for the twelfth consecutive year and has received an unqualified audit.

This result would not have been possible without the contribution of the Theatre's dedicated and professional staff led by Ann-Marie who continue to strive for excellence in everything they do. This Theatre is most fortunate and the envy of the industry to continue to attract the best staff available, and I believe the staff is the Empire Theatre's most valuable asset. I sincerely thank one and all for their contribution during the financial year.

Our program continues to be rich and varied with something for everyone and our audiences continue to support the Empire Theatre. We have retained a high level of audience attendance during this financial period. Children's performance attendances have increased against a lesser number of attendances for drama, classical and popular genres, primarily due to less high profile commercial hires during the period. Patrons continue to attend from many parts of Australia as well as our own region, providing benefits to our community other than just theatre attendance.

The Empire Theatre Projects Company has completed its second year of operation. Highlights have been the continuation of the creation of *April's Fool* culminating in the world premiere performance at the Oakey Cultural Centre to great critical acclaim. This wholly created and produced Empire Theatre Production has since been funded for a national tour in 2012. The addition to the Projects team of Claire Christian as Youth Arts Director has allowed us to improve our relationship with schools and operate a very successful professional development program for teachers. The Empire Youth Arts program has been expanded since the beginning of 2011 and has proven very successful to date. Claire has also provided an arts service to students from the Lockyer Valley in response to the major flooding at the start of this year.

The staff join me in thanking the Board and Trustees for their ongoing dedication, hard work and support. We are grateful to Council Officers who are only ever



a phone call away with invaluable advice and guidance and I would like to especially thank the Senior Management team for their tremendous efforts once again this year. I would like to particularly thank our Events Manager Margaret Turnbull for her efforts in maintaining our function business through this period. After an extended leave our Marketing Manager Kirsten Bartholomew returned and continues to lead an exceptionally talented team. Helen Oldham, our Administration Manager, has overseen the establishment of our finance department, as well as continuing ticketing operations and I am very appreciative of her commitment.

I also genuinely thank the Friends of the Empire Theatre Inc for their commitment and ongoing support. Our Friends make a true contribution to the bottom line of our operations.

Kerry Saul

Mr Kerry Saul

Acting General Manager

Empire Theatres Pty Ltd

PRESIDENT’S REPORT

It is indeed my pleasure to report on the activities of the Friends of the Empire Theatre Incorporated for the year ending 30 June 2011.

We, as an association, have been in operation for 15 years now, just a small fraction of the 100 year life of our theatre. It is very pleasing to be part of the continuing progression of the Empire Theatre and the Centenary Celebrations at this time.

The year ending 30 June 2011 was another successful one for the Friends. The front of house duties, by our ever increasing band of volunteers, continues to be an ongoing effort which seemingly has no bounds. The provision of flowers, catering and mail-out services were again an integral part of our core business. My appreciation goes to all volunteers.

Our catering team, under the guidance of Leonie Cusack and Marj Dunn showed their wares during Morning Melodies, many lunches and teas, gift platters for visiting artists and catering for in-house rehearsals for *Monty Python’s Spamalot* and *The Boy from Oz*.

Our membership numbers as of June 2011 were 650, with 270 volunteers actively providing service.

Our major source of income continues to be as a result of front of house duties but this was boosted this year by an art raffle, donated by Dulcie Whittaker and a very popular Card and Games Day. My thanks go to all ticket sellers and organisers.

This year, we lost the services of our auditor, Mr Jai Ram and were subsequently pleased to acquire the services of Mrs Mary-Lou Coorey. We thank Mr Ram and the Toowoomba Regional Council for his services and welcome Mrs Coorey.

Once again, we were pleased to make several donations to Theatre Services. These included:

• Roland Drum Pad valued at	\$830
• 1008 Wine Glasses	\$2,000
• 20 Booster Seats	\$1,800
• Re-Upholstery of 4 Divans	\$2,200
• Antique Look Bar	\$400
• 6 Oval Dining Tables	\$4,000
• Cleaning of Volunteer Vests etc.	\$630
Total	\$22,260



This amount increases the total donated dollar, since inception, to \$475,348.41

We diversified a little this year by donating to the Empire Theatres Foundation as well. \$1,000 went to the Bursary Fund and \$1,000 to assist with the Centenary History Display.

The Friends were pleased to initiate the building fund for the Toowoomba Regional Arts and Community Centre (TRACC) Project by making a \$10,000 donation. This not only assists financially but indicates a clear commitment to a very exciting project. Total dollars to the Foundation was \$12,000.

We also assisted the Empire Theatres Foundation in acquiring a \$3,300 RADF grant to assist in the preservation of the historical collection.

I would like to acknowledge the valued contributions made by our Treasurer, Noreen Pauli; Secretary, Richard Chiverrell and Vice President, Greg Kowald and offer sincere thanks to the entire Management Committee.

I wish to extend my sincere appreciation, on behalf of all members, to three groups:

1. The Toowoomba Regional Council for allowing the Friends to be part of the Empire Theatre and for the sponsorship of our insurance policy.
2. Peter Swannell and the Board of the Empire Theatres Pty Ltd for guidance and support.
3. The Management and Staff of the Empire Theatre. In particular, Ann-Marie Ryan and Margaret Turnbull for their attendance at committee meetings.

I congratulate the Board of Management on another successful year and wish them a prosperous year ahead.

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 and Event Partners



Funding Partners



Some projects have received financial assistance through Regional Stages, a joint initiative of Arts Queensland and the Australia Council for the Arts.

Media Supporters



PERFORMANCE ATTENDANCE AT THE EMPIRE THEATRE 2010 – 2011

Band	Total
Youth Rock Bands - Blessed Are None	107
Centenary Celebrations	
Centenary Ball	326
Sunday Soiree	127
	453
Children	
Dora the Explorer	1597
Dorothy the Dinosaur	600
The Fairies	506
World Festival of Magic	1000
Fame Theatre Company	1356
Dorothy the Dinosaur Rockin Christmas	524
Ben 10 LIVE	934
Wombat Stew	3613
Erth's Dinosaur Petting Zoo	1605
	11735
Classical	
Opera Queensland - The Merry Widow	1164
Karin & Camerata for Christmas	298
Camerata of St John	213
Band of Brothers	139
Brisbane Symphony Orchestra	189
Camerata of St John	209
ACO2 - Australian Chamber Orchestra	432
TaikOz	439
Queensland Symphony Orchestra	1178
	4261
Comedy	
Busting Out	667
David Strassman - Ted E's Farewell Tour	2233
Akmal	799
Danny Bhoy	1108
Nothing Extraordinary Ever Happens in Toowoomba	172
Funny Boys Project	30
	5009
Community	
Toowoomba Eisteddfod - July 2010	4333
Wakakirri Eisteddfod	1084
Young Ambassadors Programme - Awards Evening	249
Queensland Police Service - Crime Prevention Unit	900
Toowoomba West Special School	335
New Hope Church - Fairytale Christmas	6000
McGregor Summer School Concert - 2011	302
New Hope Church - African Choir	500
Hymns of Praise	711



String Out 2011	652
Toowoomba Eisteddfod - May 2011	5225
Jondaryan Woolshed Heritage Festival - August 2010.....	1200

21491

Community Engagement

Aprils Fool Workshop - Issues Based	220
Aprils Fool Workshop - Theatre.....	100
Term 3 Empire Youth Arts Workshop 2010	56
Term 4 Empire Youth Arts Workshop 2010	43
Claire Marshall Dance Workshop.....	85
Progressing The Bloke Workshop	8
Summer Burst Holiday Workshop.....	19
Term 1 Empire Youth Arts Workshop 2011	42
Term 2 Empire Youth Arts Workshop 2011	35
Shake 'N' Stir Professional Development.....	28
Indigenous Dance Project - Term 1 & Term 2 2011	170
Lockyer Valley Workshops - January - June 2011	50
Regional Workshops	3
Origin8 Fast Film Festival Professional Development.....	4

863

Country

Kasey Chambers.....	778
Joe Nicholls.....	768
The McClymonts.....	1146
John Williamson.....	963
Graeme Connors.....	475

4130

Dance

Queensland Ballet - Swan Lake	1324
Russian Ballet - The Nutcracker	1476
Queensland Ballet - The Little Mermaid	1481
Untrained	273

4554

Drama

Carbon Dating.....	92
Lying Cheating Bastard	288
A Day in the Death of Joe Egg.....	276
Red Sky Morning	210
Shakespeare	649
Furious Angels	129
Water Wars	82

1726

Local Dance

Darling Downs School of Excellence in Dance.....	478
Toowoomba Community Performing Arts.....	500
A Christmas Wish.....	1762
Dance Central	2143

4883

Music Theatre

Toowoomba Youth Choral Society - Alice in Wonderland.....	1119
Toowoomba Choral Society - Guys & Dolls.....	2166

3285

Other

Charmaine Wilson	187
------------------------	-----

The University of Southern Queensland	
- September Graduations	2500
Cosentino - Distortions Tour.....	580
Miguel, Lady Torpedo and the Big Swing Brothers....	466
Fretfest - July	60
Fretfest - August.....	60
Fretfest - September	50
Fretfest - October	60
Water Wars Creative Development.....	12

3975

Popular Music

John Butler Trio	1511
Cool Nights Big Band	358
Tommy Fleming	358
David Campbell.....	564
Abbalive.....	229
Smokie.....	1195
Michael Jackson HIStory	547
Cliff & Dusty	391
Soweto Gospel Choir.....	455
The Searchers.....	553
Tom Burlinson.....	949
David Hobson.....	1191

8301

Productions

Monty Python's Spamalot.....	3785
April's Fool - Oakey	464
April's Fool - Dalby.....	600
April's Fool - Chinchilla	450
April's Fool - Ipswich	223
April's Fool - Brisbane	460
The Boy From Oz	6375
Secret Bridesmaids' Business.....	1202
Origin8 Fast Film Festival 2010	491

14050

School Productions

Harristown State High School - Awards Night.....	1300
The Glennie School Carol Service/Speech Day.....	2000
Toowoomba Grammar School Awards Night	1300
GPS Music Day	800
TGS - The Music Man.....	3501
15 Schools Sharing the Spotlight.....	551

9452

Seniors

Morning Melodies - The Australian Army Band Brisbane	1107
Morning Melodies - Back to the Tivoli	1134
Morning Melodies - Athol Guy & Friends.....	1347
Morning Melodies - Echoes of Edinburgh	1091
Morning Melodies - Dale Burrige & Danielle Everett.....	712
Morning Melodies - Back to the Tivoli	1225

6616

Functions 12915

TOTAL 117806



EMPIRE THEATRES PTY LTD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2011

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DIRECTORS' REPORT

Your directors present their report on the company and its controlled entity for the year ended 30 June 2011.

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 R Sellars (resigned 22 March 2011)
Mr M Bond (Company Secretary)
Mr R Miller
Dr K Foy
Ms M Taylor
Mr A Wielandt
Mr R Chiverrell

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

Principal Activities

The principal activity of the company 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 2011 was \$87,533 (2010: \$132,942 profit). The group donated non-current assets to the value of \$nil (2010: \$24,552) 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 \$1,076,622 (2010: \$1,057,500) during the financial year.
- Gross income from Productions for the financial year totalled \$324,616 (2010: \$516,949), whilst gross income from Hires and Functions totalled \$941,605 (2010: \$926,320).
- Hires and Functions generated net income of \$431,930 (2010: \$420,303) during the financial year, whilst Productions incurred net expenditure of \$57,732 (2010: \$56,083 net income).

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 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
ABN 83 086 482 288

DIRECTORS' REPORT

Dividends

No ordinary dividend (2010: \$nil) was recommended or paid during the year.

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 25.

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

15 August 2011
Toowoomba



.....
Peter Swannell AM
Chairman



.....
Mervyn Bond
Company Secretary

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated		Company	
		2011	2010 \$	2011	2010 \$
Revenue	2	2,144,736	2,347,344	1,670,248	1,896,195
Cost of sales	3	<u>(1,536,828)</u>	<u>(1,519,249)</u>	<u>(1,029,009)</u>	<u>(1,104,841)</u>
Gross profit		607,908	828,095	641,239	791,354
Other revenue	2	1,261,566	1,307,450	1,180,496	1,148,830
Marketing expenses		(222,444)	(249,874)	(222,423)	(219,311)
Occupancy expenses		(420,000)	(420,000)	(420,000)	(420,000)
Administration expenses		(840,637)	(806,769)	(702,531)	(704,680)
Buildings maintenance expenses		(368,036)	(355,824)	(368,036)	(355,824)
Other expenses	3	<u>(105,890)</u>	<u>(170,136)</u>	<u>(99,477)</u>	<u>(166,455)</u>
Profit / (loss) for the year		<u><u>(87,533)</u></u>	<u><u>132,942</u></u>	<u><u>9,268</u></u>	<u><u>73,914</u></u>
Profit / (loss) attributable to members of the entity		<u><u>(87,533)</u></u>	<u><u>132,942</u></u>	<u><u>9,268</u></u>	<u><u>73,914</u></u>
Total comprehensive income attributable to members of the entity		<u><u>(87,533)</u></u>	<u><u>132,942</u></u>	<u><u>9,268</u></u>	<u><u>73,914</u></u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	Consolidated		Company	
		2011 \$	2010 \$	2011 \$	2010 \$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	13 (a)	1,242,351	1,307,427	1,110,228	1,221,308
Trade and other receivables	5	50,088	90,666	202,600	143,875
Inventories	6	10,430	9,196	10,430	9,196
Other assets	7	36,213	35,000	36,213	35,000
TOTAL CURRENT ASSETS		<u>1,339,082</u>	<u>1,442,289</u>	<u>1,359,471</u>	<u>1,409,379</u>
NON-CURRENT ASSETS					
Investments	8	-	-	1	1
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
TOTAL ASSETS		<u>1,339,082</u>	<u>1,442,289</u>	<u>1,359,472</u>	<u>1,409,380</u>
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	9	592,229	610,769	574,846	636,888
Short term provisions	10	96,486	99,018	96,486	99,018
TOTAL CURRENT LIABILITIES		<u>688,715</u>	<u>709,787</u>	<u>671,332</u>	<u>735,906</u>
NON-CURRENT LIABILITIES					
Long-term provisions	10	22,731	17,333	22,731	17,333
TOTAL NON-CURRENT LIABILITIES		<u>22,731</u>	<u>17,333</u>	<u>22,731</u>	<u>17,333</u>
TOTAL LIABILITIES		<u>711,446</u>	<u>727,120</u>	<u>694,063</u>	<u>753,239</u>
NET ASSETS		<u>\$ 627,636</u>	<u>\$ 715,169</u>	<u>\$ 665,409</u>	<u>\$ 656,141</u>
EQUITY					
Issued capital	14	1	1	1	1
Retained earnings		627,635	715,168	665,408	656,140
TOTAL EQUITY		<u>\$ 627,636</u>	<u>\$ 715,169</u>	<u>\$ 665,409</u>	<u>\$ 656,141</u>

The accompanying notes form part of these financial statements.

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Note	<u>Issued Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
		Ordinary		
<i>Consolidated</i>				
Balance at 1 July 2009		1	582,226	582,227
Comprehensive income				
Profit attributable to members of the entity		-	132,942	132,942
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	132,942	132,942
Dividends paid		-	-	-
Balance at 30 June 2010		1	715,168	715,169
Comprehensive income				
Profit / (loss) attributable to members		-	(87,533)	(87,533)
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	(87,533)	(87,533)
Dividends paid		-	-	-
Balance at 30 June 2011		1	627,635	627,636
<i>Company</i>				
Balance at 1 July 2009		1	582,226	582,227
Comprehensive income				
Profit attributable to members		-	73,914	73,914
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	73,914	73,914
Dividends paid		-	-	-
Balance at 30 June 2010		1	656,140	656,141
Comprehensive income				
Profit attributable to members		-	9,268	9,268
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	9,268	9,268
Dividends paid		-	-	-
Balance at 30 June 2011		1	665,408	665,409

The accompanying notes form part of these financial statements.

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Consolidated		Company	
		2011 \$	2010 \$	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		2,473,858	2,563,092	1,845,759	2,030,734
Community service obligations received		1,184,284	1,163,250	1,184,284	1,163,250
Payments to suppliers and employees		(3,795,352)	(3,705,392)	(3,207,984)	(3,256,059)
Interest received		72,134	63,163	66,861	60,070
Net cash provided by / (used in) operating activities	13 (b)	<u>(65,076)</u>	<u>84,113</u>	<u>(111,080)</u>	<u>(2,005)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from shares issued		<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(65,076)	84,114	(111,080)	(2,005)
Cash and cash equivalents at the beginning of the financial year		<u>1,307,427</u>	<u>1,223,313</u>	<u>1,221,308</u>	<u>1,223,313</u>
Cash and cash equivalents at the end of the financial year	13 (a)	<u><u>\$ 1,242,351</u></u>	<u><u>\$ 1,307,427</u></u>	<u><u>\$ 1,110,228</u></u>	<u><u>\$ 1,221,308</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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.

(a) Funding

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 (\$1,076,622 for the year ended 30 June 2011). 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 Theatres Projects Pty Ltd was incorporated on 5th March 2009, and was the only controlled entity of Empire Theatres Pty Ltd from this date.

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

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

(c) Income Tax

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

(d) Inventories

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

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

(e) Property, Plant & Equipment

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

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

(f) Leases

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

(g) Financial Instruments

Initial recognition and measurement

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

Classification and subsequent measurement

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

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

(i) Receivables

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

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

(ii) Held-to-maturity investments

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

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

(iii) Financial Liabilities

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

Impairment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

(h) Impairment of Assets

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

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

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

(i) Cash and Cash Equivalents

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

(j) Provisions

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

(k) Employee Benefits

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

(l) Revenue and Other Income

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

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

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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) 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.

(o) 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.

(p) 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.

(q) 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 Group has decided not to adopt early. A discussion of those future requirements and their impact on the Group is as follows:

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

The key changes made to accounting requirements include:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

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

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the company.

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

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

Tier 1: Australian Accounting Standards; and

Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements. Since the company is a for-profit private sector entity that does not have public accountability, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the company will take advantage of Tier 2 reporting at a later date.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

EMPIRE THEATRES PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

- AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011). This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This Standard is not expected to impact the company.
- AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the company.

- AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the company.

- AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

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

As noted above, the company has not yet determined any potential impact on the financial statements from adopting AASB 9.

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

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

- AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the company.

- AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7].

This Standard is not expected to impact the company.

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Company	
	2011 \$	2010 \$	2011 \$	2010 \$
Note 2: Revenue				
Sales revenue				
Sale of goods	116,639	145,542	116,639	145,542
Rendering of services	1,703,481	1,684,853	1,228,993	1,233,704
Productions	324,616	516,949	324,616	516,949
	<u>2,144,736</u>	<u>2,347,344</u>	<u>1,670,248</u>	<u>1,896,195</u>
Other revenue				
Interest - other persons	72,134	63,163	66,861	60,070
Community Service Obligation - Toowoomba Regional Council	1,076,622	1,057,500	1,076,622	1,057,500
Donations	481	24,700	481	24,700
Grants and subsidies	52,797	142,759	-	-
Sponsorships	54,000	10,000	31,000	-
Other revenue	5,532	9,328	5,532	6,560
	<u>1,261,566</u>	<u>1,307,450</u>	<u>1,180,496</u>	<u>1,148,830</u>
Total Revenue	<u>\$ 3,406,302</u>	<u>\$ 3,654,794</u>	<u>\$ 2,850,744</u>	<u>\$ 3,045,025</u>

Note 3: Profit / (loss) for the Year

(a) Expenses:

Cost of Sales	1,536,828	1,519,249	1,029,009	1,104,841
Remuneration of the auditor - auditing the financial report	20,267	17,804	16,380	14,704
Rental expense on operating leases - minimum lease payments	420,000	420,000	420,000	420,000

(b) Significant Revenue and Expenses:

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

Donation of non-current assets to Toowoomba Regional Council	<u>-</u>	<u>24,552</u>	<u>-</u>	<u>24,552</u>
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EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Company	
	2011	2010	2011	2010
	\$	\$	\$	\$
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	488,675	496,300	488,675	496,300
	<u>488,675</u>	<u>496,300</u>	<u>488,675</u>	<u>496,300</u>

Note 5: Trade And Other Receivables

Trade receivables	50,088	88,510	202,600	141,719
Less: Provision for impairment	-	-	-	-
	<u>50,088</u>	<u>88,510</u>	<u>202,600</u>	<u>141,719</u>
Other receivables	-	2,156	-	2,156
	<u>\$ 50,088</u>	<u>\$ 90,666</u>	<u>\$ 202,600</u>	<u>\$ 143,875</u>

Credit Risk

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

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

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

	Gross Amount \$	Past Due and Impaired \$	< 30 \$	31 - 60 \$	61 - 90 \$	Within Initial Trade Terms \$
<i>Consolidated</i>						
2011						
Trade receivables	50,088	-	48,224	1,864	-	50,088
Other receivables	-	-	-	-	-	-
	<u>50,088</u>	<u>-</u>	<u>48,224</u>	<u>1,864</u>	<u>-</u>	<u>50,088</u>
2010						
Trade receivables	88,510	-	46,854	37,777	3,879	88,510
Other receivables	2,156	-	2,156	-	-	2,156
	<u>90,666</u>	<u>-</u>	<u>49,010</u>	<u>37,777</u>	<u>3,879</u>	<u>90,666</u>

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 5: Trade And Other Receivables (continued)

	Gross Amount \$	Past Due and Impaired \$	< 30 \$	31 - 60 \$	61 - 90 \$	Within Initial Trade Terms \$
<i>Company</i>						
2011						
Trade receivables	202,600	-	66,901	1,864	133,835	202,600
Other receivables	-	-	-	-	-	-
	<u>202,600</u>	<u>-</u>	<u>66,901</u>	<u>1,864</u>	<u>133,835</u>	<u>202,600</u>
2010						
Trade receivables	141,719	-	100,063	37,777	3,879	141,719
Other receivables	2,156	-	2,156	-	-	2,156
	<u>143,875</u>	<u>-</u>	<u>102,219</u>	<u>37,777</u>	<u>3,879</u>	<u>143,875</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	
	2011 \$	2010 \$	2011 \$	2010 \$
Note 6: Inventories				
Bar Stocks - at cost	<u>\$ 10,430</u>	<u>\$ 9,196</u>	<u>\$ 10,430</u>	<u>\$ 9,196</u>
Note 7: Other assets				
Prepayments	<u>\$ 36,213</u>	<u>\$ 35,000</u>	<u>\$ 36,213</u>	<u>\$ 35,000</u>
Note 8: Investments				
Empire Theatre Projects Pty Ltd	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

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

Note 9: Trade and Other Payables - Current

Unsecured Liabilities

Trade payables	157,913	224,025	157,913	224,025
Security deposits - hires	40,050	32,428	40,050	32,428
Box office ticket prepayments	219,718	243,084	219,718	243,084
Sundry payables and accrued expenses	119,458	71,864	102,075	97,983
Employee benefits	55,090	39,368	55,090	39,368
	<u>\$ 592,229</u>	<u>\$ 610,769</u>	<u>\$ 574,846</u>	<u>\$ 636,888</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Company	
	2011 \$	2010 \$	2011 \$	2010 \$
Note 10: Provisions				
Employee Benefits				
Opening balance at 1 July 2010	116,351	101,892	116,351	101,892
Additional provisions	12,119	14,459	12,119	14,459
Amounts used	(9,253)	-	(9,253)	-
Balance at 30 June 2011	<u>\$ 119,217</u>	<u>\$ 116,351</u>	<u>\$ 119,217</u>	<u>\$ 116,351</u>
<u>Analysis of provisions</u>				
Current	96,486	99,018	96,486	99,018
Non-current	22,731	17,333	22,731	17,333
	<u>\$ 119,217</u>	<u>\$ 116,351</u>	<u>\$ 119,217</u>	<u>\$ 116,351</u>

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

Note 11: Remuneration And Retirement Benefits

(a) Remuneration of Directors

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

<u>\$ 22,400</u>	<u>\$ 24,000</u>	<u>\$ 20,000</u>	<u>\$ 21,600</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)
 Robert Sellars (resigned 22 March 2011)
 Mervyn Bond (Company Secretary)
 Ross Miller
 Kathryn Foy
 Melissa Taylor
 Andrew Wielandt
 Richard Chiverrell

EMPIRE THEATRES PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Company	
	2011	2010	2011	2010
	\$	\$	\$	\$

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	5,331	5,631	5,331
- Cash at bank	511,620	626,996	379,497	540,877
- Short term notes	25,100	25,100	25,100	25,100
- Short term deposit	700,000	650,000	700,000	650,000
	<u>\$ 1,242,351</u>	<u>\$ 1,307,427</u>	<u>\$ 1,110,228</u>	<u>\$ 1,221,308</u>

The effective interest rate on short-term bank deposits was 5.53% (2010: 5.50%).

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

Profit / (loss) for the year	(87,533)	132,942	9,268	73,914
Changes in assets and liabilities:				
(Increase) / decrease in trade debtors	(38,096)	(99,899)	(60,881)	(75,114)
(Increase) / decrease in inventory	(1,234)	1,765	(1,234)	1,765
Decrease in other receivables	943	47,086	943	47,086
Increase / (decrease) in trade and other payables	(66,112)	133,640	(66,113)	133,640
Increase in employee entitlements	18,588	9,669	18,588	9,669
Increase / (decrease) in sundry payables	108,368	(141,090)	(11,651)	(192,965)
	<u>\$ (65,076)</u>	<u>\$ 84,113</u>	<u>\$ (111,080)</u>	<u>\$ (2,005)</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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Company	
	2011	2010	2011	2010
	\$	\$	\$	\$
Note 14: Issued Capital				
1 (2010: 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 \$1,076,622 (2010: \$1,057,500) to the company as a Community Service Obligation of the Council.
- (c) During the financial year, the company paid \$420,000 (2010: \$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 \$21,100 (2010: \$22,122) to Toowoomba Regional Council for the rent of 2 motor vehicles (2010: 2 motor vehicles).
- (e) Empire Theatres Projects Pty Ltd is a controlled entity of Empire Theatres Pty Ltd.

Note 16: Events After the Reporting Period

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

EMPIRE THEATRES PTY LTD
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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	
	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets				
Cash and cash equivalents	1,242,351	1,307,427	1,110,228	1,221,308
Receivables	50,088	90,666	202,600	143,875
Total Financial Assets	<u>\$ 1,292,439</u>	<u>\$ 1,398,093</u>	<u>\$ 1,312,828</u>	<u>\$ 1,365,183</u>
Financial Liabilities				
Trade and other payables	592,229	610,769	574,846	636,888
Total Financial Liabilities	<u>\$ 592,229</u>	<u>\$ 610,769</u>	<u>\$ 574,846</u>	<u>\$ 636,888</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 2011.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 17: Financial Risk Management (continued)

	Within 1 Year		Totals	
	2011	2010	2011	2010
	\$	\$	\$	\$
<i>Consolidated</i>				
Financial Liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	537,139	571,401	537,139	571,401
Total expected outflows	<u>537,139</u>	<u>571,401</u>	<u>537,139</u>	<u>571,401</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,242,351	1,307,427	1,242,351	1,307,427
Receivables	50,088	90,666	50,088	90,666
Total anticipated inflows	<u>1,292,439</u>	<u>1,398,093</u>	<u>1,292,439</u>	<u>1,398,093</u>
Net inflow on financial instruments	<u>755,300</u>	<u>826,692</u>	<u>755,300</u>	<u>826,692</u>
<i>Company</i>				
Financial Liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	519,756	597,520	519,756	597,520
Total expected outflows	<u>519,756</u>	<u>597,520</u>	<u>519,756</u>	<u>597,520</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	1,110,228	1,221,308	1,110,228	1,221,308
Receivables	202,600	143,875	202,600	143,875
Total anticipated inflows	<u>1,312,828</u>	<u>1,365,183</u>	<u>1,312,828</u>	<u>1,365,183</u>
Net inflow on financial instruments	<u>793,072</u>	<u>767,663</u>	<u>793,072</u>	<u>767,663</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
ABN 83 086 482 288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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 2011		
+ / - 2% in interest rates	+ / - 25,000	+ / - 25,000
Year Ended 30 June 2010		
+ / - 2% in interest rates	+ / - 25,000	+ / - 25,000

Company

	Profit \$	Equity \$
Year Ended 30 June 2011		
+ / - 2% in interest rates	+ / - 23,000	+ / - 23,000
Year Ended 30 June 2010		
+ / - 2% in interest rates	+ / - 24,000	+ / - 24,000

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
ABN 83 086 482 288

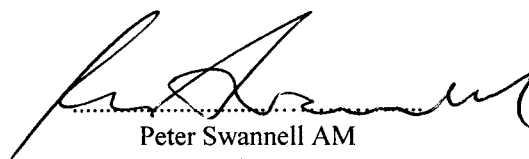
DIRECTORS' DECLARATION


The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 23, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards, as stated in accounting policy Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 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.

15 August 2011
Toowoomba


Peter Swannell AM
Chairman


Mervyn Bond
Company Secretary

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

To the Directors of Empire Theatres Pty Ltd

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

Independence Declaration

As lead auditor of the audit of Empire Theatres Pty Ltd for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been –

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

.....
Robert G Baker (FCA)
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Dated: 15 August 2011

INDEPENDENT AUDITOR'S REPORT

To the Members of Empire Theatres Pty Ltd

Report on the Financial Report

I have audited the accompanying financial report of Empire Theatres Pty Ltd, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Empire Theatres Pty Ltd on 15 August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion –

- (a) the financial report of Empire Theatres Pty Ltd is in accordance with the *Corporations Act 2001*, including –
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



R G Buker (FCA)
 (as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
 Brisbane

Dated: 16 August 2011

INDEPENDENT AUDITOR'S REPORT

To the Members of Empire Theatres Pty Ltd

Matters relating to the Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of Empire Theatres Pty Ltd for the financial year ended 30 June 2011 included on Empire Theatres' website. The directors are responsible for the integrity of the Empire Theatres' website and I have not been engaged to report on the integrity of the Empire Theatres' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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

Report on the Financial Report

I have audited the accompanying financial report of Empire Theatres Pty Ltd, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

In conducting the audit, the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Empire Theatres Pty Ltd on 15 August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion –

- (a) the financial report of Empire Theatres Pty Ltd is in accordance with the *Corporations Act 2001*, including –
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

.....
R G Buker (FOA)
 (as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
 Brisbane

Dated: 16 August 2011



EMPIRE THEATRES FOUNDATION

FINANCIAL STATEMENTS
For the year ended 30 June 2011

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EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	2	85,573	71,590
Administration expenses		(26,490)	(22,223)
Bursary expenses		(25,998)	(28,250)
Course expenses		(20,143)	(6,961)
Sponsorship expenses		-	(8,781)
Other expenses	3	<u>(11,133)</u>	<u>(2,500)</u>
Profit for the year		<u>\$ 1,809</u>	<u>\$ 2,875</u>
Profit attributable to members of the entity		<u>\$ 1,809</u>	<u>\$ 2,875</u>
Total comprehensive income attributable to members of the entity		<u>\$ 1,809</u>	<u>\$ 2,875</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 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash assets	7 (a)	514,251	493,335
Trade and other receivables	4	<u>6,150</u>	<u>3,314</u>
TOTAL CURRENT ASSETS		<u>520,401</u>	<u>496,649</u>
TOTAL ASSETS		<u>520,401</u>	<u>496,649</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>25,832</u>	<u>3,889</u>
TOTAL CURRENT LIABILITIES		<u>25,832</u>	<u>3,889</u>
TOTAL LIABILITIES		<u>25,832</u>	<u>3,889</u>
NET ASSETS		<u>\$ 494,569</u>	<u>\$ 492,760</u>
EQUITY			
Retained earnings		<u>494,569</u>	<u>492,760</u>
TOTAL EQUITY		<u>\$ 494,569</u>	<u>\$ 492,760</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 2011

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2009		489,885	489,885
Comprehensive income			
Profit attributable to the Foundation		2,875	2,875
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,875	2,875
Balance at 30 June 2010		\$ 492,760	\$ 492,760
Comprehensive income			
Profit attributable to the Foundation		1,809	1,809
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,809	1,809
Balance at 30 June 2011		\$ 494,569	\$ 494,569

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 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, sponsorships and raffles		46,083	50,785
Receipts from grants		8,580	-
Interest received		28,074	22,055
Payments for courses, travel and accommodation, hospitality and sponsorships		<u>(61,821)</u>	<u>(65,392)</u>
Net cash provided by operating activities	7 (b)	<u>20,916</u>	<u>7,448</u>
Net increase in cash held		20,916	7,448
Cash at the beginning of the financial year		<u>493,335</u>	<u>485,887</u>
Cash at the end of the financial year	7 (a)	<u><u>\$ 514,251</u></u>	<u><u>\$ 493,335</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

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

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

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

(a) Income Tax

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

(b) Cash

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

(c) Revenue and Other Income

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

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

(d) Provisions

Provisions are recognised when the Foundation 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.

(e) 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.

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of Significant Accounting Policies (continued)

(f) Comparative Figures

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

(g) New Accounting Standards for Application in Future Periods

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

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

The key changes made to accounting requirements include:

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

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 2: Revenue

	2011	2010
	\$	\$
Other revenue		
Donations	6,635	6,680
Sponsorships	42,909	39,405
Interest	28,074	22,055
Grant income	7,800	-
Other revenue	155	3,450
	<u>85,573</u>	<u>71,590</u>
Total Revenue	<u>\$ 85,573</u>	<u>\$ 71,590</u>

Note 3: Profit From Ordinary Activities

(a) Expenses:

Remuneration of the auditor		
- auditing the financial report	2,600	2,015

Note 4: Trade and Other Receivables

Current

Trade receivables	6,150	-
GST receivable	-	1,814
Sponsorships receivable	-	1,500
	<u>6,150</u>	<u>3,314</u>
	<u>\$ 6,150</u>	<u>\$ 3,314</u>

Note 5: Trade and Other Payables

Current

Unsecured Liabilities

Accounts payable	-	1,889
Sundry creditors and accruals	25,832	2,000
	<u>25,832</u>	<u>3,889</u>
	<u>\$ 25,832</u>	<u>\$ 3,889</u>

Note 6: Remuneration And Retirement Benefits

Remuneration of trustees of the foundation

Remuneration received or receivable by all trustees of the foundation.		
	4,200	3,150
	<u>4,200</u>	<u>3,150</u>
	<u>\$ 4,200</u>	<u>\$ 3,150</u>

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

Mr Mervyn Bond
 Mr Don Stevens AM
 Mr Tom Sullivan
 Mrs Sheena Liley
 Dr Kathryn Foy
 Mr David Janetzki
 Mrs Janelle Davis

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
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	114,251	13,335
- Short term deposits	400,000	480,000
	<u>\$ 514,251</u>	<u>\$ 493,335</u>
The effective interest rate on short-term bank deposits was 5.62% (2010: 5.50%).		
(b) Reconciliation of Cash Flow from Operations with Profit from ordinary activities		
Profit from ordinary activities	1,809	2,875
Changes in assets and liabilities:		
Decrease (increase) in trade receivable	(6,150)	-
Decrease (increase) in sponsorships receivable	1,500	1,250
Increase (decrease) in GST receivable	1,814	984
Increase (decrease) in payables	21,943	2,339
	<u>\$ 20,916</u>	<u>\$ 7,448</u>
(c) Credit Stand-by Arrangements and Loan Facilities		
The foundation has no credit stand-by arrangements or financing facilities in place.		

Note 8: Events After the Balance Date

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

Note 9: Related Party Transactions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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:

	2011	2010
	\$	\$
Financial Assets		
Cash and cash equivalents	514,251	493,335
Receivables	6,150	3,314
Total Financial Assets	\$ 520,401	\$ 496,649
Financial Liabilities		
Trade and other payables	25,832	3,889
Total Financial Liabilities	\$ 25,832	\$ 3,889

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. Risk management policies are approved and reviewed by the trustees 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 foundation operations. The foundation does not have any derivative instruments at 30 June 2011.

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 2011

Note 10: Financial Risk Management (continued)

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

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

b. Liquidity risk

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

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

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

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

	Within 1 Year		Totals	
	2011	2010	2011	2010
	\$	\$	\$	\$
Financial Liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	25,832	3,889	25,832	3,889
Total expected outflows	<u>25,832</u>	<u>3,889</u>	<u>25,832</u>	<u>3,889</u>
Financial Assets - cash flows realisable				
Cash and cash equivalents	514,251	493,335	514,251	493,335
Receivables	6,150	3,314	6,150	3,314
Total anticipated inflows	<u>520,401</u>	<u>496,649</u>	<u>520,401</u>	<u>496,649</u>
Net inflow on financial instruments	<u>494,569</u>	<u>492,760</u>	<u>494,569</u>	<u>492,760</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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 2011		
+ / - 2% in interest rates	+ / - 10,000	+ / - 10,000
Year ended 30 June 2010		
+ / - 2% in interest rates	+ / - 10,000	+ / - 10,000

Net Fair Values

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

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

Note 11: Foundation Details

The principal place of business of the foundation is:

Empire Theatre
56 Neil Street
Toowoomba Qld 4350

EMPIRE THEATRES FOUNDATION
ABN 69 130 487 365

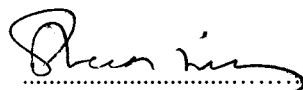
TRUSTEES' CERTIFICATE

The trustees of the foundation declare that:

1. the financial statements and notes, as set out on pages 1 to 11 present fairly the foundation's financial position as at 30 June 2011 and its performance for the year ended 30 June 2011 in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
2. In the trustees' opinion, subject to ongoing financial support from Empire Theatres Pty Ltd, there are reasonable grounds to believe that the foundation will be able to pay its debts as and when they become due and payable.

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

31 August 2011
Toowoomba



Sheena Liley
Chair



Mervyn Bond
Trustee

INDEPENDENT AUDITOR'S REPORT

To the Trustees and Members of Empire Theatres Foundation

Report on the Financial Report

I have audited the accompanying financial report of Empire Theatres Foundation, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and certificates given by the trustees.

The Trustees' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

Auditor's Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the financial report presents fairly, in all material respects, the financial position of Empire Theatres Foundation as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.

.....
R G Buker (FCA)
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Dated: 31 August 2011

INDEPENDENT AUDITOR'S REPORT

To the Trustees and Members of Empire Theatres Foundation

Matters relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Empire Theatres Foundation for the year ended 30 June 2011 included on Empire Theatres' website. The trustees are responsible for the integrity of the Empire Theatres' website and I have not been engaged to report on the integrity of the Empire Theatres' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

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

Report on the Financial Report

I have audited the accompanying financial report of Empire Theatres Foundation, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and certificates given by the trustees.

The Trustees' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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





ANNUAL GENERAL MEETING
MONDAY 17 OCTOBER 2011

56 Neil Street, Toowoomba Qld 4350

preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

Auditor's Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the financial report presents fairly, in all material respects, the financial position of Empire Theatres Foundation as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.


 R G Buker (FCA)
 (as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
 Brisbane

Dated: 31 August 2011